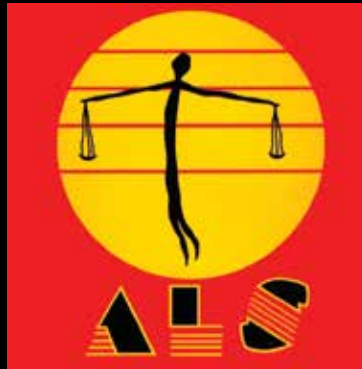
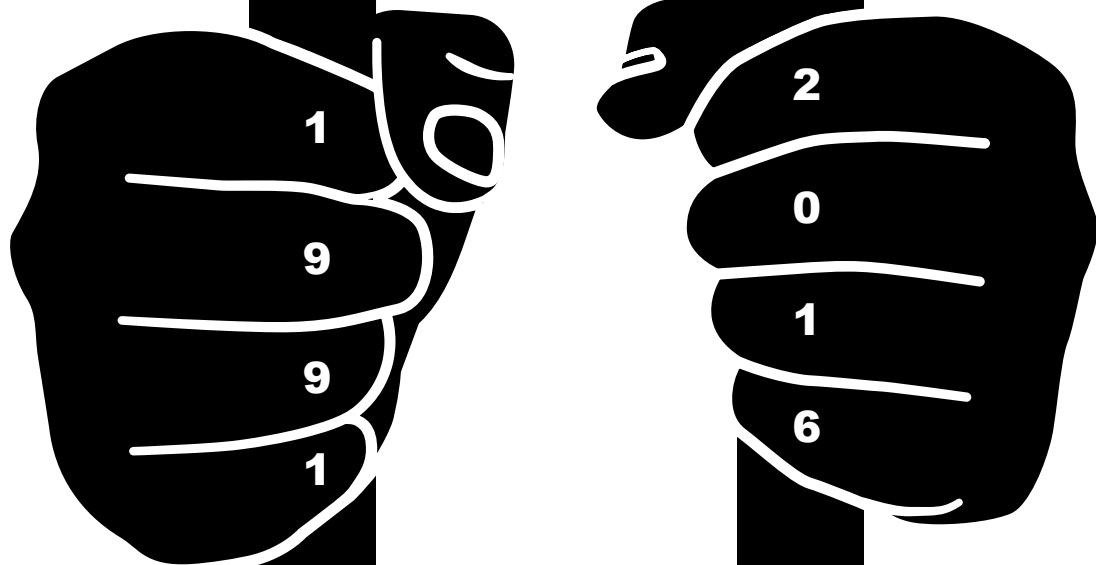


ABORIGINAL LEGAL SERVICE OF WA Inc.

ANNUAL REPORT 2016



**RCIADIC
25 YEARS
ON**





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CULTURAL WARNING

Aboriginal and Torres Strait Islander readers are warned that this Annual Report contains images and names of people who have passed away.





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The Aboriginal Legal Service of Western Australia services community members over
2 million 526 thousand and 786 square Kilometres
 a massive 33% of Australia's land mass and the second largest state in the world

**Aboriginal Legal Service
of Western Australia
Offices**



ALSWA Office distances from Perth in kilometres:

Kununurra via Gt Northern Hwy (3206), Halls Creek via Gt Northern Hwy (2846),
 Fitzroy Crossing via Gt Northern Hwy (2558), Broome via Gt Northern Hwy (2230),
 South Hedland via Gt Northern Hwy (1624), Carnarvon (904), Meekatharra (765),
 Kalgoorlie (595), Geraldton via Brand Hwy (427), Albany PO via Albany Hwy (409),
 Bunbury PO (173), Northam (97)

Source: Main Roads WA and Geoscience Australia





Executive Committee President



Michael Blurton

Welcome to the 2016 Aboriginal Legal Service of WA Inc. Annual Report.

I am extremely proud to present the President's Report on behalf of the ALSWA Executive Committee.

With the welcomed news that our funding through the Commonwealth Department of the Attorney General is secure until 2020, our organisation continues to work tirelessly assisting people in Perth and regional and remote WA.

I would like to commend our staff on their loyalty to this organisation, during those times when our future was uncertain. This shows great strength and belief in the importance of our work and the difference that it makes in the lives of some of our most disadvantaged peoples.

To my fellow board members, your contributions and skills during ALSWA's transition from an incorporated body to a Company Limited by Guarantee have been greatly welcomed. We can stand tall in the knowledge that we each bring our own strengths and knowledge to our roles which will continue to enhance the day to day operations of this important organisation.

As a Ballardong Noongar, my own involvement in ALSWA is extensive, as I recall working as a young Court Officer during the 1970's. It is with immense pride that I have witnessed the growth of the Aboriginal Legal Service in this state and I am proud to be associated with ALSWA.

I congratulate our CEO Dennis Eggington on achieving his 20 year milestone as the head of this organisation. Dennis' vision and commitment over the years has been incredible, and we are extremely fortunate to have a man of such calibre heading up ALSWA. A more detailed profile on Dennis can be found on page 28.

I trust that our 2016 Annual Report will provide you with a greater insight not only into our work, but the complex challenges that are faced by our community members who access the service of the Aboriginal Legal Service of WA.

Michael Blurton

Chief Executive Officer



Dennis Eggington

This year marks my 20th year as CEO of the Aboriginal Legal Service of WA (ALSWA) and I am extremely proud to present our 2016 Annual Report.

My report begins by paying my respects to the Wadjuk people and their Elders past and present. I also acknowledge their Country on which our Perth office stands.



Reception area at ALSWA Head Office in Perth

The ALSWA Annual Report is a required obligation to our funding body, the Commonwealth Department of the Attorney General. It is also a Constitutional requirement from the Councils and Associations Legislation (Act).

We are in the midst of a great time of transition as ALSWA continues to move from an incorporated body to a Company Limited by Guarantee.

Our highly qualified Executive Committee has been able to provide the high level of stability that we expected it would during this important process. With their expertise and support, our transition into becoming a Company is nearing its final stages with the expectation that the Company will become registered at the beginning of 2017.

Our Annual General Meeting (AGM) will take place in November with a draft constitution being made available to all members for endorsement and ratification.

This company will herald a new era for the Aboriginal Legal Service of Western Australia, paving the way forward for a greater diversity and range of programs. This includes becoming a registered training organisation and setting up for-profit arms which will result in ALSWA becoming less reliant on government funding for our survival.

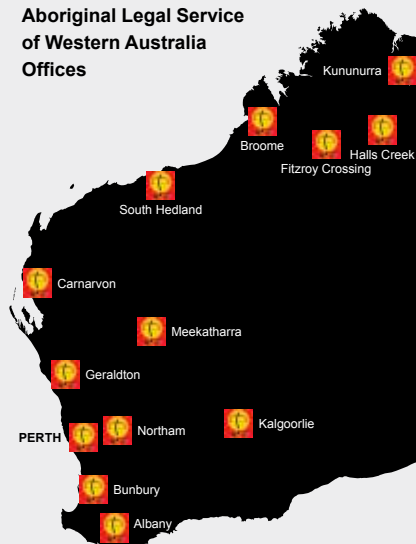
Our organisation has performed well over last financial year and I refer you to our financial and audit statement within this report which show good governance and management which have resulted in an unqualified audit.





We were extremely relieved during this financial year to secure an ongoing contract with the Attorney General's Department until 2020. Whilst this commitment was welcomed news and provided certainty for our future, it was also concerning to learn that our current level of funding will be reduced during 2017-18 and will not be re-instated for the life of this contract.

Aboriginal Legal Service
of Western Australia
Offices



I am extremely thankful to our staff who have continued to work with great commitment in their roles throughout the state. This work can be overwhelmingly demanding as some of our staff are now appearing in courts from early morning until evening with court sitting seven days a week in some areas. This is a credit to our organisation and is greatly commended by not only our management team, but also the Attorney General's Department who have an increased knowledge of the day to day difficulties faced when delivering our services to remote and regional WA.

We will continue to create a greater understanding to the Commonwealth about the associated expense of delivering our services to remote and rural WA, which is significantly higher than other states and territories. ALSWA will lobby the Commonwealth for an increase in funding allocation model which distributes to all Aboriginal and Torres Strait Islander Legal Services.

If we look at where we, as First Nations Peoples, stand in 2016, sadly there is still an urgent need for action to address the tragic circumstances that many of our people find ourselves in today. A quarter of a century has now passed since the historic Royal Commission into Aboriginal Deaths in Custody (RCIADIC) and tragically we know that there has been a massive failing in reducing the number of Aboriginal people coming into contact with the criminal justice system, and the ongoing tragedy of deaths in custody, with ALSWA assisting in a number of Inquests this year.



(Artwork by Julie Dowling)

Systemic failures that with hard work and commitment should have been addressed continue to haunt our people.

For a country that prides itself on aspiring to be world leaders in so many areas, the fact that we also continue to lead in locking up so many of our community, extends beyond a national disgrace, to an international shame. A shame that sees many of our people, who were yet to be born twenty five years ago, still falling victim to a judicial system that continues to colonise through incarceration.

Royal Commissions do not solve problems, they merely highlight them. The true value of such enquiries can only be measured by the implementation of their recommendations. It adds immense insult to all of those people who made submissions to this enquiry, that their voices although heard were not listened to. Sadly our people are still listening to the grief and pain of the continuing loss of lives in custody today. It is therefore crucial that ALSWA, remains a strong voice in reducing incarceration levels and there is now emerging evidence to demonstrate the effectiveness of diversion programs.

These trial projects around justice reinvestment have been set up around Australia, and should they prove to be successful, hopefully more funding will be made available for future prevention and intervention programs.

Our own Youth Engagement Program (YEP), a diversion program operating out of the Perth Children's Court is now up and running with 2 full-time staff extremely busy with our young people and their families. Early signs indicate that YEP will be very successful in diverting our young people out of the criminal justice system. It is rewarding to be able to offer such a proactive service aimed at keeping people on track and out of prison.



*ALSWA Diversion Officer
Anita Barker*



Perth Children's Court

Looking more broadly at the political state of affairs, the National Congress of Australia's First Peoples faces an uncertain future. Having been de-funded the future looks bleak not only for Congress, but for our people across the country who depend upon this national elected body to remain active through providing a strong representative voice for our people. In speaking with Aboriginal people across the nation, there is a common thread that points to a growing feeling of marginalisation, with many saying that things have never been so bad.



NATIONAL CONGRESS
OF AUSTRALIA'S FIRST PEOPLES





These frustrations are driving a new desire by Aboriginal and Torres Strait Islander people to go down the path of a Treaty. Ironically it is also 25 years since the chart topping 'Treaty' song by Yothu Yindi was released, however, it appears that people are increasingly abandoning reconciliation, recognition and constitutional reform to continue calls for a new partnership and social contract with the Commonwealth Government which in turn will drive the concept of Treaty.

Dennis Eggington



L-R: Visitors to ALSWA include SNAICC CEO Gerry Moore and Deputy CEO Emma Sydenham, WA Corrective Services Commissioner James McMahon and Reconciliation Director Fiona Emmett with ALSWA's Dennis Eggington, Victoria Williams, Peter Collins, Rt Hon David Lammy Tottenham MP



Left: Official Opening of the Curtin University Law School's city based premises, the former office of Chief Protector of 'Aborigines' Auber Octavius Neville. L-R: Professor Paul Fairall (Foundation Dean of the Curtin Law School), Professor Deborah Terry (Curtin Vice-Chancellor), Dennis Eggington and the Hon Wayne Martin (Chief Justice).



Above: Dennis Eggington, one of the Ambassadors for the Inaugural Walk for Justice in 2016, pictured with Ms. Jessica Bayley, Law Access lawyer, Hon Wayne Martin AC WA Chief Justice, Hon Justice Antony Siopis Federal Court of Australia, Mr. John Corker CEO Australian Pro Bono Centre, Mrs Elizabeth Needham Law Society of WA President, Hon Justice Stephen Thackray Chief Justice Family Court WA, Mr Rupert Johnson Associate Dean Law School of Business and Law ECU, Hon Justice Robert Mazza Supreme Court of WA, Professor Doug Hodgson Dean of Law Fremantle University of Notre Dame, Ms Maria Saraceni Director Law Access, Ms. Alex Lee-Arney Law Access School Volunteer

ALSWA Executive Committee

Office Bearers AS AT 30 JUNE 2016

MICHAEL BLURTON

CENTRAL

PRESIDENT



Michael Blurton, a Ballardong Noongar from the Wheatbelt town of Quairading has been committed to ALSWA for over thirty years. Dating back to the 1970's, when he worked as a Field/Court Officer for over seven years, Michael has since served previously and currently as the organisation's President. Michael's active participation within the Executive Committee now spans thirteen years and his commitment to striving for justice is exemplified by this long tenure, along with his active role of consistently promoting the vital work ALSWA fulfils.

GLEN COLBUNG

SOUTH WEST

VICE PRESIDENT



Glen Colbung is a Noongar, hailing from Albany, located over 400 kilometres, south east of Perth. Glen's commitment to ALSWA extends back to the 1970's and since then he has been involved with the Executive Committee for over half of our organisation's forty-year history. As a former ALSWA President Glen remains greatly committed to maintaining a strong and effective legal service for our people and is a passionate voice in contributing to ALSWA's journey into the future.

KATHY WATSON

WEST KIMBERLEY

SECRETARY



Kathy Watson, Nyngina on her mother's side and Gidga on her father's side, is a strong voice from Broome in the West Kimberley. Kathy has been a member of the Executive Committee for the past four years and during this time has demonstrated her passion for addressing the legal issues confronting our Community members, combined with focusing on supporting the staff of the Aboriginal Legal Service of WA. A driving commitment of Kathy's, is promotion of more culturally appropriate policies and procedures within court matters, with a particular focus upon the District Court.

JIM LEWIS

EAST KIMBERLEY

TREASURER



Representing the East Kimberley region, Jim Lewis is a Gija man from Wyndham. Now in his second year on the Executive Committee, Jim was initially motivated to become involved so he could make a positive contribution in addressing the challenges confronting our people and organisations across sectors. This commitment extends deeply to issues of social justice, access and equity, along with creating sustainable pathways for our communities in the creation of employment and business opportunities.





ALSWA Executive Committee Members

AS AT 30 JUNE 2016

DONALD ABDULLAH

GOLDFIELDS

Donald Abdullah

is a proud Wongi man from the coastal area of Esperance, situated on the South West Coast of Western Australia. Having joined the Executive Committee last year, Donald has provided fresh eyes in looking at the complex issues facing our peoples within this State's justice system. Donald's continuing key areas of focus include reducing the overrepresentation of our young people in incarceration, supporting women who face domestic violence and ensuring our people have appropriate access to guidance and advice in legal matters.



PAUL BARON

MURCHISON GASCOYNE

Yamatji man, Paul Baron is from Carnarvon, which is situated 900 kilometers north of Perth. ALSWA is fortunate to have Paul embark upon his second year as a member of the Executive Committee. Paul is committed to assisting the organisation steer a new course in relation to the ongoing restructuring process. He brings great experience, commitment and enthusiasm in facing the challenges ahead. Paul will continue to focus on ensuring appropriate legal services for our people are delivered along with expansion of core legal services, new initiatives and an underlying commitment to social justice.



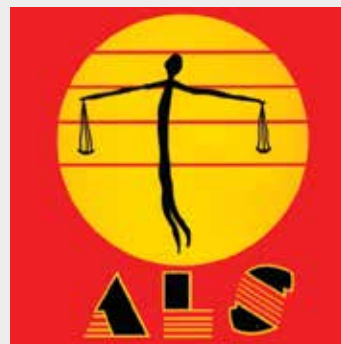
PRESTON THOMAS

CENTRAL DESERT

Preston Thomas, from Laverton, has lived in Kanpa Community, located close to the Warburton Community for over 21 years. Preston is well placed to share his unique insights with the Executive Committee and as a committee member, has had a long standing association with the Aboriginal Legal Service of Western Australia. Preston remains deeply committed to the myriad issues facing our people and is a passionate voice for ensuring the ongoing work of ALSWA within WA's justice system continues to bring positive change.



The position of Executive Committee member for the Pilbara Region is currently vacant.



Royal Commission into Aboriginal Deaths in Custody, 25 Years On



A quarter of a century has now passed since the historic Royal Commission into Aboriginal Deaths in Custody (RCIADIC). Tragically, the shocking factors driving these mortality rates have not only continued, but deteriorated even further. Twenty-five years on, rather than being able to look back and acknowledge improvements within the criminal justice system, sadly the community is left to lament the reality that lies behind the latest damning statistics.

Following the findings of the Commission, practical and achievable recommendations were handed down to address this stain on our state's character. Specifically, the primary recommendation was for the Western Australian Government to adopt targets to address the state's appalling rates of Aboriginal peoples' imprisonment. Current statistics are a chilling indictment of the inaction and neglect in relation to implementation of Justice Targets which were recommended in order to reduce the number of Aboriginal people being locked up.

After two and a half decades since these recommendations were made, national Aboriginal imprisonment rates have doubled. Even more damning is the fact that within the state of Western Australia, during the same period we have witnessed Aboriginal imprisonment rates soar to nearly 70 percent higher than the



Dennis Eggington, ALSWA CEO





Ruth Barson addressing media in Perth about the tragic death of Ms. Dhu

national average. ALSWA CEO, Dennis Eggington rues the irony of a so called 'justice' system which increasingly criminalises and incarcerates Aboriginal people at such alarming rates. "Western Australia's justice system is at a crisis point. It perpetuates inequality and injustice – which is exactly the opposite of what it is intended to do".

The Human Rights Law Centre's Senior Lawyer, Ruth Barton has echoed Mr. Eggington's urgent call for the Commission's recommendations to be implemented. "Justice Targets will ensure governments commit to and publically report against efforts to reduce Aboriginal peoples' over imprisonment. They will help ensure governments can't turn a blind eye to this crisis".

The statistics behind this crisis show that WA Aboriginal people are 17 times more likely to be locked up than non-Aboriginal people, whilst only representing about 3% of the state's general population. Shockingly, this means that four out of every ten people who are locked up in this state are Aboriginal. But beneath these statistics lies an even greater horror by which to measure this tragedy and that is the devastating impact imprisonment has upon individuals, families and entire communities.

However, one thing that cannot be measured is the grief a family endures when a loved one has died in custody. The true human cost of this can only be seen in the faces of the families who are left behind to mourn and question why they have lost their loved one. In March, the WA Coroner examined the tragic death in police custody of Ms. Dhu a 22-year-old Aboriginal woman, who was locked up by South Hedland police for failing to pay her fines. Three days after her arrest whilst still in police custody, she tragically paid with her life. Carol Roe, Grandmother of Ms. Dhu, said that having her Granddaughter die such an inhumane death has caused her family immeasurable grief.



Director Legal Services



Peter Collins

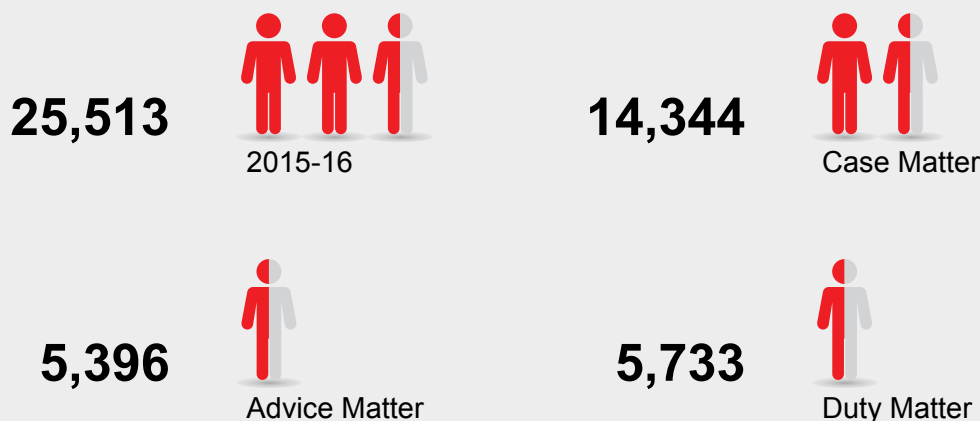
Funding

ALSWA's concerns about its funding future were allayed in May, 2016, when the Commonwealth Attorney Generals' Department (AGD) announced that ALSWA would be guaranteed funding until 2020. In the meantime, staff spent much of the financial year in a debilitating state of perpetual anxiety waiting for a decision from the AGD. Although ALSWA's immediate funding future is assured, there will be a substantial cut in ALSWA'S budget for the 2016/2017 financial year and onwards, which has the potential to seriously impact on ALSWA's capacity to maintain current levels of service delivery.

Legal Practice

Despite these challenges and uncertainties, ALSWA lawyers, court officers and support staff have demonstrated unstinting dedication, commitment and resilience in promoting justice for Aboriginal people in Western Australia through the provision of culturally appropriate, high quality and accessible legal assistance. This has been achieved in the face of ballooning caseloads, enormous unmet legal need and a raft of punitive laws and policies which disproportionately impact on Aboriginal people. The following is snapshot of the vitally important and at times, ground breaking work, undertaken by ALSWA's legal practice.

Matters Undertaken - 2015/16





CEO Department for Child Protection & Family Support v SJW & Ors

SJW was from a remote area. SJW's first and only child, a daughter, was two years old. She was taken into the care of the Department for Child Protection and Family Support ("CPFS") at birth, and placed with non-Aboriginal foster carers in Perth.

Within a year, SJW had made substantial gains in addressing concerns CPFS had about his lifestyle which contributed to his daughter being placed in care. This included SJW leaving his country for six months to complete various programs in Perth. Upon returning home, SJW was not provided with promised support and assistance from CPFS to build on his initial gains and position himself to care for his daughter full time. CPFS applied its "Permanency Planning" policy to conclude that because SJW had not met outcomes required of him within 12 months, the child would never be reunified with him and would remain in State care until the age of 18.

CPFS therefore sought a protection order that the daughter remain in its care until the age of 18. If granted, SJW would have been deprived of any opportunity to ever parent his own child. The application was refused. In its judgment the Children's Court of WA was highly critical of Permanency Planning and found that its strict application had "*defeated*" reunification of the child with SJW. The Court remarked that, "*the child's best interests were surrendered to a policy.*" The Court also found in effect that CPFS had utterly failed to observe the Aboriginal Child Placement Principle, which makes clear the placement of Aboriginal children with non-Aboriginal fosters carers is a last resort. The Court described CPFS' efforts to identify family placement options for the child – and therefore ensure she could return to country – as "*pathetic*". Rather than make a protection order until the child turned 18, the Court made a two year time limited order with reunification of parent and child the primary objective.

State of Western Australia – v- TB

TB was a 21 year old man who lived in the East Kimberley. His first language was an Aboriginal language. He spoke only basic transactional English. He was arrested by police at his community.

He was told he was being arrested for not completing a community based order and taken to a police station. Sometime later, two detectives arrested him and sought to interview him in relation to a serious criminal offence. The police failed to inform TB what the charge meant or who had made the complaint against him.

TB spoke on the telephone to an ALSWA lawyer, and indicated to the lawyer that he did not want to participate in a police interview. The lawyer then told the detectives that TB did not wish to participate in an interview. Twenty minutes later, the detectives commenced interviewing TB in English. At the end of the interview, TB was charged with the offence.



No interpreter was used.

The police made no genuine attempt to test TB's ability to speak English. TB clearly did not understand many of the questions the police asked him during the interview.

ALSWA objected to the admissibility of the interview. A District Court judge ruled that the interview was inadmissible at trial and made the following findings:

- ≡ the police totally ignored the advice of TB's lawyer not to participate in the interview;
- ≡ the police did not explain to TB their decision to ignore the advice TB had been given by his ALSWA lawyer;
- ≡ TB's understanding of English was limited;
- ≡ there was no evidence that TB understood the nature of the offence police were questioning him about;
- ≡ police used culturally inappropriate language in the interview;
- ≡ that, "given the police conduct in totally ignoring the advice of his lawyer, the repeated questioning and his lack of understanding of the concepts put", TB had not understood he had the right to remain silent;
- ≡ police were aware of the Anunga rules generally, but did not follow them in any meaningful way;
- ≡ there was a real danger that the accused had no idea what inquiry the questions related to;
- ≡ the police breached the Criminal Investigation Act by not engaging an interpreter for TB, citing the landmark decision in *State of Western Australia v Gibson*. The court also noted that the decision in *Gibson* (which dealt with police obligations, including the need to provide interpreters in Aboriginal languages, during police interviews of Aboriginal suspects) was delivered on 4 July 2014, and the interview with TB took place on 12 October 2015;
- ≡ the interview was also conducted in circumstances where it would be unfair to TB, and contrary to public policy, to admit it at TB's trial.





State of Western Australia –v- PW

ALSWA acted for PW who was acquitted of both murder and the alternative charge of manslaughter after a trial before a jury in the Broome Supreme Court. It was alleged PW had killed his cousin brother during an altercation at PW's house. The evidence, from both the prosecution and the defence, established that the deceased man had been acting in a violent and threatening manner and had been evicted from PW's home prior to his death.

The defence case was that PW was acting in self-defence, or was defending his home from a home invader. The prosecution suggested that PW, instead of using force, should have locked himself in his 'shed', or rallied 'a mob' to chase off the deceased man. PW's house was known in the community as 'the shed' and was very small, very modest, unfenced, one room building made of tin. An important part of the defence submission to the jury was that PW was every bit as entitled to use force to defend his home as a middle class home owner from the suburbs. It did not matter that PW's home was a very small and modest structure. It was pleasing to see that the jury, by acquitting PW, were clearly persuaded by this argument.

Part of the defence case also concerned the superficial investigation by police in relation to the alleged murder. Through defence cross examination of civilian and police witnesses, it was established that all Aboriginal eyewitnesses had been interviewed and had statements taken by police whilst still intoxicated. No attempt was ever made to obtain subsequent statements.

ALSWA's cultural competency came to the fore in the proofing, conferencing and cross-examination of Aboriginal witnesses called at the trial. The most powerful evidence from the Aboriginal witnesses was mainly elicited during cross-examination by ALSWA. This was despite the fact that all the Aboriginal witnesses were called by the prosecution.

The most touching part of the trial was, however, the noble way in which both PW's family and the deceased man's family conducted themselves during the trial. Both families attended every day of the trial and sat together, both inside and outside the Court. It was very moving to see the communities of both men come together to grieve and to see justice done in such a respectful way.

After nearly a year in custody, the first thing PW did after being acquitted and released, was to approach the father of the deceased man in order to offer an apology, to explain and to seek forgiveness.

ALSWA was able to brief a barrister, John Kelly, to appear at the trial using funds from the Attorney General's Department Expensive Indigenous Case Fund. Monies from this Fund had been made available to ALSWA for a number of years to pay for barristers to appear in complex matters. The Fund has been an invaluable resource to ensure that ALSWA's clients receive the best possible representation.

The Attorney General's Department ceased funding the Expensive Indigenous Case Fund several years ago and ALSWA has now expended all monies made available to it.

Without the additional funding provided through the Expensive Indigenous Case Fund, it will be impossible to fund expensive and complex matters utilising monies from ALSWA's Indigenous Legal Assistance Programme. This will be a disaster for ALSWA clients involved in very serious matters where ALSWA does not have the in house expertise or capacity to assist them. These clients will have to be referred to Legal Aid WA. The invaluable experience and mentoring provided to ALSWA lawyers working with barristers briefed using Expensive Indigenous Case Fund monies will also be lost.

Inquest into the death of Ms Dhu

ALSWA's Civil and Human Rights Law Unit acted for some of the members of the family of Ms Dhu at the Coronial Inquest into her death. Ms Dhu died in gruesome circumstances after having been detained at South Hedland Police station (below) following her arrest for failing to pay fines totalling \$3,622.



Above: South Hedland Police Station and Paul Gazia, Managing Solicitor, ALSWA Civil and Human Rights Unit

The Inquest commenced with hours of excruciating footage of Ms Dhu in the cells at the South Hedland police lock up. It showed Ms Dhu being mocked, ignored and dismissed by police, including being laughed at by police as she choked on her own vomit in the cells.

The footage was made worse by the fact that Ms Dhu's grandmother gave evidence at the Inquest that she had called the police station twice over the three days preceding the death to check on the welfare of her granddaughter. On each occasion she was told by police that Ms Dhu was in good health.

Various experts gave damning evidence in relation to the quality of the medical care provided to Ms Dhu by staff at the Hedland Health Campus. The Director of the WA Centre for Rural Health gave evidence that Ms Dhu's complaints would have been taken more seriously if she were a white, middle class woman. An emergency department specialist noted that Ms Dhu's imprisonment, her prior drug use, and her rib injury, provided "distractions" for the medical staff in assessing how ill she really was. The inescapable truth is that Ms Dhu was shrugged off as "faking it"





by doctors and police, precisely because of compounding inequalities: she was a woman, poor, Aboriginal, in custody, living in a remote part of Australia and was a victim of domestic violence.

The State Coroner is yet to hand down her findings.

Inquest into the Death of Ms Mandijarra in Broome

ALSWA's Civil and Human Rights Law Unit also acted for the family of Ms Mandijarra at the Coronial Inquest into her death.

Ms Mandijarra was arrested by police in Broome for the offence of street drinking as part of a police policy of zero tolerance in relation to alcohol related offending.

Street drinking is not an offence punishable by imprisonment. She had been sitting peaceably in a public place, drinking the alcohol, before her arrest. She was not charged with any other criminal offence at the time.

Ms Mandijarra was found deceased in a cell in Broome police station (pictured on right), several hours after her arrest. Police had failed to conduct regular welfare checks of Ms Mandijarra while she was detained.



ALSWA has urged the Coroner to make recommendations in relation to the need for the introduction of a state wide custody notification service, the availability of a nurse in all police lockups, cultural awareness training for police working in regional areas, and the need for dedicated lockup keepers at all police lockups.

The Coroner is yet to hand down her findings.

CEO Department for Child Protection & Family Support v CD

ALSWA represented a mother whose five children had been in the care of the Department for Child Protection and Family Support for three years. The Department were seeking orders that all five children remain in State care until age 18.

After a contested trial, the Court unconditionally dismissed all of the applications and found, in effect, that the children should immediately go home to their parents. This was a momentous event for the family as not only had the children been living away from home for three years, they had also been living in separate placements and so the Court's decision meant the children would be reunited with one another as well as with their parents. Importantly, expert evidence given in the case plainly acknowledged that outcomes for children in long term out-of-home care tend to be poor and reunification of children with natural parents is almost always the best option.

This case highlights the critical need for parents to be represented in protection proceedings so that they can be heard fully and be afforded the opportunity to present their case properly.

ALSWA Youth Engagement Program

For the first time in its history, ALSWA has received funding from the WA State Government for front line service delivery with funding provided to employ two Aboriginal diversion officers to work in the Perth Children's Court.

ALSWA's Youth Engagement Program provides flexible, holistic and individualised case management and support to clients of ALSWA who are appearing in the Perth Children's Court. Services provided to date include mentoring; assistance with accommodation; provision of transport to enable clients to meet their obligations under court orders; identification of appropriate programs and services; referrals and introductions to other services; reminders about appointments and court dates; and general case management. The diversion officers work closely with other agencies to ensure there is no unnecessary duplication of services and to ensure the most beneficial outcomes for young people and their families.

The Youth Engagement Program has been a resounding success in helping young clients as well as receiving the endorsement of all stakeholders at the Children's Court.





Custody Notification Service

ALSWA continues to advocate for the introduction of a custody notification service (CNS) in WA based on the New South Wales model, in particular by assisting in the development of a submission calling for the introduction of a CNS jointly signed by ALSWA, the Human Rights Law Centre and Amnesty International, by arguing for the introduction of a combined legal and welfare CNS as part of its written submissions for the Inquest into the death of Ms Dhu and by writing to the WA Premier urging the WA State Government to fund a CNS.

In early 2016 the Western Australian government announced the introduction of a scheme whereby persons in custody (and/or their families and friends) can call an 1800 number managed by the Department of Corrective Services Coordination Centre to seek advice and support 24 hours per day 7 days per week. The person can also request a visit from the Aboriginal Visitors Scheme.

The scheme was introduced without any consultation with ALSWA. The scheme is a pale imitation of the NSW CNS and amongst other flaws provides no scope for the provision of legal advice to Aboriginal persons in police custody. This is a band aid scheme which will do nothing to alleviate the sorts of issues which arose in the Dhu and Mandijarra Inquests.

Custody Notification Service

Mentally Impaired Accused

The legislative scheme in Western Australia that deals with mentally impaired accused has been subject to significant criticism in recent years. The major complaints are in relation to the indefinite nature of custody orders, the lack of community-based options for mentally impaired accused who are unfit to stand trial and the mandatory nature of custody orders for mentally impaired accused acquitted on account of unsoundness of mind (for specified offences). There are numerous other problems with the legislation.

ALSWA has been regularly advocating for reform. In particular, ALSWA provided a comprehensive submission to, and gave evidence at, the Senate Committee Inquiry on Individuals with Cognitive and Psychiatric Impairment. The Western Australian Government released its Report of the Review of the Criminal Law (Mentally Impaired Accused) Act 1996 in April 2016 and, as a consequence, ALSWA also provided a supplementary submission to the Senate Inquiry.

A working group has been established by the State Attorney General to investigate potential reforms to improve the operation of the legislation although the terms of reference for this working group are extremely limited. ALSWA has continued with its strong advocacy in this area by meeting with the working group in conjunction with the Western Australia Association for Mental Health and Developmental Disability WA to ensure that the best possible reforms are progressed.

Imprisonment for unpaid fines

After the tragic death of Ms Dhu in police custody for fine default in August 2014, ALSWA has examined alternative models for fine defaulters.

ALSWA has prepared a comprehensive briefing paper in relation to the New South Wales Work and Development Order Scheme and future reform in Western Australia. The New South Wales model enables vulnerable and disadvantaged fine defaulters to 'cut-out' their debt by engaging in treatment, education or training, unpaid work and other approved activities. As the Office of the Inspector of Custodial Services observed in its May 2016 report, imprisoning fine defaulters is 'financially costly' (short term stays are estimated to cost double the average daily cost of imprisonment), 'socially undesirable' and 'risky and disruptive for prisons'. ALSWA's briefing paper has now been distributed to various state and federal politicians and heads of government departments. In light of suggestions that the Western Australian government intends to pursue the option of automatically deducting welfare payments and the possibility of reducing the \$250 daily cut out rate so that those who fail to pay their fines will spend longer in prison, ALSWA will continue to advocate for an alternative scheme in Western Australia, in particular for vulnerable and disadvantaged fine defaulters.

Child Protection: Out of home care reforms

In November 2015, the Department for Child Protection and Family Support released a consultation paper in relation to proposed reforms to the Children and Community Services Act 2004 (WA). The proposed reforms were 'guided by the aim of affirming and reinforcing the Department's permanency planning policy for all children in care and reducing the overrepresentation of Aboriginal children and families in the child protection system'. ALSWA provided a comprehensive submission in February 2016 expressing its serious concern that an undue focus on permanency planning would not result in better outcomes for Aboriginal children.

It was also submitted that, overall, the proposed reforms did not adequately take into account cultural considerations. The Department released its Report, Building a Better Future: Out-of-home care reform in Western Australia in April 2016. It appears that the Department has backed down on many of its initial proposals for legislative reform. For example, it has decided not to emphasise permanency planning in the principles under the legislation. Significantly, it is proposed the Department will be required to demonstrate to the court how it has or will apply the Aboriginal and Torres Strait islander child placement principle and reports to the court will be required to include a plan for maintaining the child's culture and identity.

ALSWA will continue to monitor the proposed reforms and advocate for the appropriate application of the child placement principle.





Continuing Professional Development

ALSWA strives to promote a culture of professional excellence. As an accredited continuing professional development provider, ALSWA conducted regular training and education for lawyers and court officers, utilizing external and internal presenters, on a range of topics, including current evidentiary issues, ethical duties and obligations, police records of interview, cultural competency and mental impairments impacting on clients.

Volunteers and Interns

ALSWA is increasingly using the services of volunteers. ALSWA has also recently developed an internship program in partnership with the McCusker Centre at the University of Western Australia. Volunteers and interns provide invaluable assistance in areas such as research and para legal support and I would like to thank all who have offered their help in this regard.

ALSWA'S Pro Bono Partners

ALSWA continues to expand its pro bono supports, receiving much needed help from the following: Lavan Legal, King and Wood Mallesons, Allens Linklaters, Ashurst, K and L Gates, DLA Piper, Freehills, Corrs Chambers Westgarth, Slater & Gordon, Maurice Blackburn, Human Rights Law Centre.

I also acknowledge the pro bono contributions of the following barristers: Ron Merkel QC, Sam Van Dongen SC, Peter Quinlan SC, Matt Howard SC, Peter Callaghan SC, Kim Lendich, Chris Tran, Scott Corish, John Kelly and Theo Kassimatis.

Acknowledgements

It has been a pleasure working with a group of people whose passion, integrity and professionalism is to be admired. I would also like to thank the Executive Committee and Senior Management for their continued guidance and support.



ALSWA's Executive Committee: Michael Blurton, Glen Colbung, Kathy Watson, Jim Lewis, Donald Abdullah and Paul Baron with ALSWA Senior Management, Dennis Eggington, John Bedford and Peter Collins and Justine Eades ALSWA Acting PA to the CEO, John Poroch Acting Chief Financial Officer (Executive Committee Member Preston Thomas was not present when photo taken)

Lawyer Dominic Brunello left ALSWA after several years of dedicated service working as the managing lawyer of ALSWA's Broome office and then as Counsel in the Perth Criminal Unit. Dominic was admired by all for his sharp intellect and phenomenal work ethic. He will be sorely missed. I thank Dom for his efforts while at ALSWA and wish him all the best for the future.

Peter Collins





Community Legal Education/Media

Despite not having a designated Community Legal Education Officer during the past financial year, dedicated ALSWA staff have done their utmost to ensure that important events were still attended, enabling vital legal information to be widely accessed.

Law Matters 100th Radio Program

On 22nd June 2016, ALSWA broadcast its 100th Law Matters program on 100.9 FM Noongar Radio in Perth. This is a wonderful milestone for any program to reach and Dennis Eggington ALSWA CEO and WA Chief Justice Wayne Martin candidly discussed the complex issues facing Aboriginal and Torres Strait Islander Peoples within the justice system.



Top WA judge guest on program



WESTERN Australia's top judge joined Aboriginal Legal Service of WA (ALSWA) chief executive Dennis Eggington for the 100th Law Matters program on Noongar Radio in Perth.

Chief Justice Wayne Martin was a special guest on the fortnightly program, which started in 2010 and is now heard throughout the country on the National Indigenous Radio Service (NIRS).

In a state where Aboriginal and Torres Strait Islander people comprise almost 40% of the adult prisoner population, Law Matters provides an insight into the struggles faced by some of Western Australia's most disadvantaged people.

The program is presented from an Aboriginal perspective and focuses on complex legal issues faced by many local Indigenous people.

Law Matters offers a platform for candid discussion with key stakeholders about the over-representation of Aboriginal people in the justice system, while providing a greater insight into law, culture and country.

"Law Matters ensures that we have a strong voice to speak out about the situation facing our people in WA and how our own service plays such an important role within this state's justice system," Mr Eggington said.

"We don't just focus on the negative either; we bring to light the wonderful work that takes place in many communities where our people are working holistically to ensure that there is a stronger future for our people.

"These are such important stories to highlight that are often overlooked."

Law Matters is produced and presented by Nunga woman Jodi Hoffmann, who is the ALSWA media officer.

Aboriginal Legal Service of WA chief executive Dennis Eggington with WA Chief Justice Wayne Martin.

Koori Mail (Edition 630) Coverage of ALSWA's 100th Program

Other featured guests in the past financial year include:

Tauto Sansbury 2015 National NAIDOC Lifetime Achievement Award recipient, Dr. Tania Penovic Castan Centre for Human Rights at Monash University, Rod Little Chairman of the ACT Aboriginal and Torres Strait Islander Elected Body tackling the over-representation of Aboriginal people in the Canberra justice system, Mel Thomas, University of UWA Law Coordinator about study options for Aboriginal students, Georgie Herford ALSWA FLU, Carol Bahemia Bandyup Action Group WA, Daniel Morrison AADS CEO about drugs in our community, Grant Sarra Cultural Consultant, John Paul Janke AIATSIS Director of Community Engagement about Family History month, Arlia Fleming Lawyer Bandyup Action Group, Debbie Kilroy OAM CEO Sisters Inside, Kathy Watson ALSWA Executive Committee Secretary, rod Astbury CEO WA Association for Mental Health, Ben White ALSWA Broome Managing lawyer, Craig Comrie CEO Youth Affairs Council of WA about services for young people and Mental Health CD series, Peta Mac Gillivray Lawyer and Project Researcher for 'Indigenous Australians with Mental Health Disorders and Cognitive Disabilities in the Criminal Justice System,' report, Robert 'Bono' Bonson retiring ALSWA lawyer, Kay Buck Coordinator of Indigenous Initiatives at Acacia prison, Mechelle Wilson NME Noongar Radio about the Acacia Prison Djin Djin Karnam Koort documentary, Peter Collins ALSWA DLS, Neil Morgan Inspector of Custodial Services, Amanda O'Connor National Cycling Centre WA about the Indigenous Cycling Talent identification and Development Program, Emily Howe Human Rights Law Centre, Dr. Hannah McGlade Deaths in Custody Watch Committee WA Deputy Chair, Paul Gazia and Alice Barter ALSWA lawyers about the Dhu Inquest, Damien Webb WA State Library about Noongar Family History workshops, Alex Walters ALSWA lawyer, ACCC NT Regional Director Derek Farrell, Ruth Barson Human Rights Law Centre Lawyer about deaths in custody, David Braddock Child Protection and Youth Justice Unit AIHW on youth justice report, Deborah Terry AO Curtin University Vice-Chancellor, Elizabeth Needham President of the Law Society of WA, Nicole Young ALSWA Lawyer, Jim Morrison Co-Convenor Bringing them Home Committee WA, Ken Riddiford CEO Kimberley Stolen Generation Aboriginal Corporation.

ALSWA is grateful to the team at Noongar Radio, for the opportunity to produce and present Law Matters, which has been on air since 2010.



L-R ALSWA Director Legal Services Peter Collins, Noongar Radio Broadcaster Mechelle Wilson with ALSWA Media Officer Jodi Hoffmann (Law Matters Presenter) and ALSWA Lawyer Heather Menaglio





We're now on FACEBOOK

ALSWA now has an official Facebook Page which was set up in November 2015. This is an ideal way to promote events and services around the country. Follow us: *Aboriginal Legal Service of WA Inc*



Sorry Day

26 May is always a significant day on the calendar, being National Sorry Day. Perth's commemoration is held centrally at Wellington Square and is easily accessible for all members of the community. As the event is attended by thousands of people, ALSWA's stall is always of great interest not only to community, but also the hundreds of students who attend this event. It is an informative and Culturally affirming day highlighting the history of our people and our ongoing resilience.



ALSWA Court Officers Genna Blurton, Darlene Summers and Roy Blurton at ALSWA's Sorry Day stall, and Jim Morrison from Bringing Them Home WA



NAIDOC WEEK

ALSWA participated in NAIDOC Week with stalls at the Elizabeth Quay Official Opening, Mirrabooka and Ashfield events. Our information is always welcomed by members of the public, many keen to learn more about the law or ask questions relating to specific areas of law and our staff enjoy being on hand to provide information and share in this celebration.



NAIDOC at Ashfield with Finlay Yeeda, Jodi Hoffmann, Leashay Eggington, Scout Yeeda and Nicole Young and at the Official Opening with Nicole Young, Alex Walters and Kerrigan Mercer



ALSWA's Alice Barter, Tegan Harrington from Corrs and ALSWA lawyer Alex Walters

RECONCILIATION WEEK

Our staff are often invited to be guest speakers at external events and organisations. During National Reconciliation Week, ALSWA Civil and Human Rights Unit lawyer Alice Barter spoke to staff at the Corrs law firm about the history of the Aboriginal Legal Service of WA and the work that we do, and how Corrs has assisted ALSWA in its work. We are assisted by many firms pro bono and its rewarding to work alongside others in this area as well as sharing an insight into the work that ALSWA undertakes.





Dennis Eggington



20 Years as ALSWA CEO

Nyungar man Dennis Eggington has been widely acknowledged and recognised as a fierce advocate for advancing the rights of Aboriginal people in Western Australia and beyond.

His contributions to the justice system and human rights now also include the notable achievement that January 2016 marked his 20th year as CEO of the Aboriginal Legal Service of WA (ALSWA), the state's peak legal body for Aboriginal and Torres Strait Islander peoples.

This is no mean feat given WA's alarming over-representation of Aboriginal men, women and children within the court and prison systems and the ongoing tragedy of deaths in custody, dysfunction and oppression.

Managing over 100 staff across the state, Dennis Eggington says that the work is compelling, demanding and vital, and without the ALSWA, the state's justice system would grind to a halt. "Our staff are motivated by their commitment to social justice and making real change in the lives of so many people who are doing it tougher than most. When you're born Aboriginal, the challenges start on day one, but our resilience as a people shines through time after time. We have survived, and will continue to survive".

Born in Perth in 1955, the 2nd oldest of four children, Dennis is one of the Hayward Clan and spent his pre-teen years in the beachside suburb of Scarborough. Perth had a population of 357,000 at this time, and while it was an exciting sun-drenched existence for many, it was also entrenched in racism, discrimination and exclusion for Aboriginal people. The population has now grown to two million in the nations' fastest growing capital city, but sadly, much racism and inequality remains today.

"When I was ten, my father accepted an Army transfer to Queensland so we spent several years there before moving to Sydney where I finished my primary and secondary schooling. I remember being active in the anti-nuclear movement at high school and some of my friends and I organised protests against the testing of nuclear weapons in the Pacific with slogans like "*Ban the Bomb*". I guess this was one of my earlier experiences that set the scene for a life-time of activism".

After completing school Dennis went to Teachers College in Armidale NSW before taking up his first teaching position in the remote Northern Territory Aboriginal community of Ngukurr. "As a young Aboriginal man I'd experienced direct racism many times, but it was here when I was immersed in Yolngu Culture during the 1970's, that I was hit in the face with blatant systemic racism on a massive scale.

While I was in the Community to teach, I was privileged to learn so much from local Community members and students and it is an experience I will never forget”.

This, coupled with Dennis’ second teaching position in the NSW outback town of Bourke, proved to be life changing and another chapter in his journey and commitment to social justice. “I was shocked to see that that Bourke was as confronting as the Northern Territory with its segregated cinemas, clubs and bars. Racism was raw and in your face and this is when I made my personal pledge to take a stand and forever fight for the rights of Aboriginal people and confront racism head on. I saw this injustice in Perth as a young child and while much has changed, there is still far too much injustice in 2016”.

It was in Bourke that Dennis met his wife Louella, and the two are proud parents and grandparents and the journey continues.

Having already dedicated a third of his life to his work with WA’s Aboriginal Legal Service, Dennis Eggington remains firmly focused on the ongoing work of this integral organisation, which was awarded a National Human Rights Award under his leadership.



“As a Nyungar man, whenever out of Country I always respected the local knowledge, custom and knowhow of whichever Community I was fortunate enough to work within. Having then have had the opportunity to stand in my own Country as ALSWA CEO and work with my own people for over two decades has been immensely rewarding.

Addressing local issues at a local level means we’re all answerable and accountable to our own mob. That’s cultural integrity.”

“We’ve come such a long way since ALSWA’s inception in the late sixties and early seventies when committed Aboriginal and legal fraternity members recognised the crucial need for an Aboriginal legal service.

I’m extremely proud of our long and strong history and know that our ongoing efforts continue to make a valuable contribution to WA’s justice system.

The success of ALSWA’s work to date is shared, and can be attributed to the thousands of Aboriginal and non-Aboriginal people who have contributed to ALSWA’s journey over many years”.





Chief Financial Officer



John Porocho

The past 12 months has been a difficult period, with uncertainty about ongoing funding levels and the requirement to change the associations administrative and corporate structure to a company limited by guarantee.

Throughout this period the Aboriginal Legal Service of Western Australia Inc. (ALSWA) has been able to maintain its focus on providing and delivering culturally appropriate high quality legal services for the Aboriginal community in Western Australia.

I would like to highlight a few keystone events:

1. The ALSWA and the Commonwealth Attorney Generals Department have entered into a four-year funding agreement expiring on 30 June 2020. This has eased the immediate operating funding requirement for the next 12 months. However as from 1 July 2017 the annual funding will be reduced by approx. \$800,000 p.a. this will bring significant challenges to the scope of ongoing service levels in the future.
2. The transition to a company limited by guarantee has made significant progress and will be put to the members for approval at the coming Annual General Meeting.
3. The financial Report for 2016 has been improved to provide a more informative and transparent format that satisfies the requirements of the Attorney General's Department, the *Australian Charities and Not for Profit Commission Act 2012*, Australian Accounting Standards and the *Australian Charities and Not for Profit Commission Regulations 2013*.

ALSWA realised an operating deficit of \$27,389 for the year. The result has been significantly affected by reduction in grant funding and interest earnings. The association was also required to incur an impairment expense of \$274,843 caused by a reduction in the market value of buildings owned and used by ALSWA in the delivery of legal services, this being a continuation of the effect on the wider property market caused by the decline in the activities of the mining sector.

The statement of profit or loss and other comprehensive income provides evidence of significant expense reduction initiatives initiated and achieved by management to meet the challenges posed by the reduction in grant funding received during the 2015/2016 financial year. The balance sheet is strong and will be the basis to carry the ALSWA operations forward.

I would like to thank all those who have donated or provided much need funding to the operations of ALSWA and specifically thank the staff of the Commonwealth Attorney General's department for their assistance and efforts throughout the year.

I would also like to acknowledge the executive committee members and the senior management team for their leadership and support and the finance and accounting team Tina Seery (CFO) for whom I have acted during the period of her long service leave, Hannah Wang and Sue Nicholls for their untiring efforts and commitment to the ALSWA mission.

John Poroch





2016

FINANCIAL REPORTS



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Responsible Entities' Declaration



Responsible Entities' Report

In respect to the financial report of the Aboriginal Legal Service of Western Australia Inc. ("ALSWA" or "the Association") of the financial year ended 30 June 2016 the Executive Committee submit the following report.

1. Responsible Entities

The following persons were responsible entities of the Aboriginal Legal Service of Western Australia Inc. during the entire financial year:

- Mr Michael Blurton - President
- Mr Glen Colbung - Vice President
- Ms Kathy Watson - Secretary
- Mr Jim Lewis - Treasurer
- Mr Preston Thomas
- Mr Paul Baron
- Mr Donald Abdullah

2. Principal Activities of the Association

The ALSWA is an association incorporated under the Western Australia's Associations Incorporations Act 1987. The principal activity is to provide legal service to disadvantaged and under-privileged Aboriginal and Torres Strait Islander People of Western Australia.

3. Results

The Association made a loss of \$27,389 (2015: Surplus \$81,294).

4. Review of Operations

The Association's income for the year ended 30 June 2016 was \$13,345,550 (2015: \$14,932,194), a decrease of 10.62% (2015: decrease 0.54%) over the previous year.

5. Insurance of Officers

During the financial year the company paid a premium of \$12,980 to insure the directors, secretary and officers of the company.

The liabilities insured are the legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

No liability has arisen under this indemnity as at the date of this report.

6. Events Subsequent to Balance Date

The Aboriginal Legal Service of Western Australia Inc. is in the process of transitioning to a Company limited by guarantee. This is a requirement of its ongoing funding obligations with the department of the Commonwealth Attorney General.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect:

- (a) The Association's operations in future financial years, or
- (b) The results of those operations in future years, or
- (c) The Association's state of affairs in future financial years.

8. Environmental Regulations

The company complies with the Environmental Protection Act 1996. It has not contravened any of its regulations during the financial year.

9. Lead Auditor's Independence Declaration

The lead auditor's independence statement is set out on page 2 and forms part of the responsible entities' report for the year ended 30 June 2016.

This report is made in accordance with a resolution of the Executive Committee.



President



Chief Executive Officer

Perth, Western Australia

Date: 11 October 2016



Executive Committee
Aboriginal Legal Services of WA Inc.
7 Aberdeen Street
EAST PERTH, WA 6000

14 October 2016

Dear Members

Aboriginal Legal Services of WA Inc.

In accordance with Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, I am pleased to provide the following declaration of independence to the Members of Aboriginal Legal Services of WA Inc.

As lead audit partner for the audit of the financial statements of Aboriginal Legal Services of WA Inc. for the financial year ended 30 June 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Peter Rupp
Partner
Chartered Accountants



Independent Auditor's Report to the members of Aboriginal Legal Service of Western Australia Inc.

We have audited the accompanying financial report, being a special purpose financial report, of Aboriginal Legal Services of Western Australia Inc. (the "Association"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Responsible Entities' Declaration as set out on pages 5 to 21.

Management's Responsibility for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1, is appropriate to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (the "ACNC Act") and is appropriate to meet the needs of the Association's constitution and the Department of Attorney General. Management's responsibility also includes such internal control as management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion the financial report of the Association is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

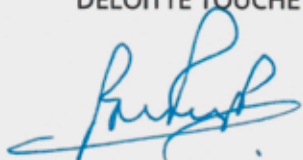
- (i) giving a true and fair view of the Association's financial position as at 30 June 2016 and of its financial performance and cash flows for the year then ended; and
- (ii) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis of Accounting and Restriction on Distribution and Use

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Association to meet the financial reporting requirements under its constitution and to the Department of Attorney General. As a result, the financial report may not be suitable for another purpose. Our report is intended solely for the members and the Department of Attorney General and should not be distributed to or used by any other parties.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

A blue ink signature of Peter Rupp, written in a cursive style.

Peter Rupp

Partner

Chartered Accountants

Perth, 14 October 2016

Registered Company Auditor Number: 278411

Financial Statement

Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Revenue	2	13,345,550	14,932,194
Depreciation and amortisation expenses		410,779	426,648
Electricity & Gas expense		74,198	79,082
Employee Benefits expense		9,416,086	9,999,031
Information technology		165,444	333,476
Library resources		125,731	132,278
Office expenses		135,743	280,480
Other expenditure		686,684	1,129,044
Property expenses		169,177	136,905
Rent		869,234	841,435
Lease expenses		424,892	465,468
Royal commission		5,985	124,653
Telephone & internet		166,835	132,634
Training		39,180	67,400
Travel and accommodation		408,128	702,270
Profit/(Loss) before income tax (expense) / benefit		247,454	81,294
Income tax (expense) / benefit		-	-
Profit/(loss) after income tax (expense) / benefit		247,454	81,294
Profit/(loss) attributable to the member of ALSWA		247,454	81,294
Other comprehensive income/(loss)			
Fair value movement in land and buildings		(274,843)	-
Income tax relating to components of other comprehensive income		-	-
Total comprehensive income/(deficit) for the period		(27,389)	81,294

The above statement should be read in conjunction with the accompanying notes.

Financial Statement

Statement of Financial Position
As at 30 June 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Current Assets			
Cash and cash equivalents	6	6,924,835	6,813,570
Receivables	7	226,485	249,391
Total Current Assets		7,151,320	7,062,961
Non-Current Assets			
Property, plant & equipment	8	3,910,376	4,695,398
Total Non- Current Assets		3,910,176	4,695,398
Total Assets		11,061,696	11,758,359
Current Liabilities			
Accounts Payable	9	411,823	820,102
Provisions	10	1,960,459	1,868,223
Unexpended Grants	11	711,653	738,427
Borrowings & interest bearing liabilities	12	116,406	138,178
Total Current Liabilities		3,200,341	3,564,930
Non-Current Liabilities			
Provisions	13	451,174	218,894
Borrowings & interest bearing liabilities	14	154,611	229,319
Total Non-Current Liabilities		605,785	448,213
Total Liabilities		3,806,126	4,013,144
Net Assets		7,255,570	7,745,215
Equity			
Retained Earnings		4,090,765	5,299,103
Asset revaluation reserve		602,678	701,618
Discretionary reserves	15	2,562,127	1,744,494
Total Equity		7,255,570	7,745,215

The above statement should be read in conjunction with the accompanying notes.



Financial Statement

Statement of Changes in Equity As at 30 June 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Retained earnings			
Balance at the beginning of the financial year		5,299,103	5,397,350
Total comprehensive Income/(deficit)for the year		(27,389)	81,294
Transfer to discretionary reserve		(1,013,314)	(179,541)
Transfer to unexpended grants		(151,656)	-
Prior period adjustments		(15,979)	-
Balance at the end of the financial year		4,090,765	5,299,103
Discretionary reserves			
Balance at the beginning of the financial year		1,744,495	1,564,954
Transfer from retained earnings		1,013,314	179,541
Reduction in reserve		(195,682)	-
Balance at the end of the financial year		2,562,127	1,744,495
Asset revaluation reserve			
Balance at the beginning of the financial year		701,618	701,618
Movement during the year		(98,940)	-
Balance at the end of the financial year		602,678	701,618
Total equity at the end of the financial year		7,255,570	7,745,216

The above statement of changes in equity should be read in conjunction with the accompanying notes



Financial Statement

Statement of Cash Flows For the year ended 30 June 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Cash flows from operating activities			
Grants received		12,994,614	13,372,939
Payments to suppliers and employees		(12,972,105)	(13,407,116)
Interest received		138,356	230,121
Interest paid		(17,287)	(21,215)
Rent received		42,849	40,571
Net cash provided by operating activities	20	186,427	215,300
Cash flows from investing activities			
Payment for the purchase of property, plant & equipment		(6,493)	(200,636)
Net cash provided by / (used in) investing activities		(6,493)	(200,636)
Cash flows from financing activities			
Repayments of borrowings		(68,669)	(68,772)
Net cash provided by / (used in) financing activities		(68,669)	(68,772)
Net increase / (decrease) in cash held		111,265	(54,108)
Cash at the beginning of the financial year		6,813,570	6,867,678
Cash at the end of the financial year	6	6,924,835	6,813,570

The above statement of cash flows should be read in conjunction with the accompanying notes.



1. Summary of significant accounting policies

The Association is not a reporting entity because in the Executive Committee's opinion, there are unlikely to be users of the financial statements who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. This is therefore a "Special Purpose Financial Report" report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretation, other authoritative pronouncements of the Australian Accounting Standards Board and the *Charities and Not-For-Profits Commission Act 2012*.

The financial report covers the Aboriginal Legal Service of Western Australia Inc. (The Entity) an association incorporated and domiciled in Western Australia.

The following summary of the material accounting policies adopted by the Association in the presentation of the financial report, and have been consistently applied, unless otherwise stated.

(a) Basis of preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Convention

The financial report has been prepared on an accrual basis and under the historical cost convention, and except where stated; do not take into account current valuations of non-current assets.

Going Concern

The financial report has been prepared on a going concern basis.

The entity is dependent upon the ongoing receipt of Commonwealth Government grants (Commonwealth Department of Attorney General) and community and corporate donations to ensure the ongoing continuance of its programs. At the date of this report, the executive committee has no reason to believe that this financial support will not continue.

(b) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the association are measured using the currency of the Primary economic environment in which the entity operates ("the functional currency").

The financial statements are presented in Australian dollars which is the Aboriginal Legal Service of Western Australia's functional and presentation currency.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The entity recognises revenue

when the amount can be reliably measured, the collection is probable and when criteria for each of the entity's different activities have been met and described as follows:

(i) Government grants

A number of the entity's activities are supported by grants received from federal, state and local governments or agencies. Grants are recognised on a systematic basis over the period in which the entity recognises as expenses the related costs or which the grants are intended to compensate.

If conditions are attached to a grant which must be satisfied before the entity is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied.

Where a grant is received on the condition that specified services are delivered to the grantor, this is considered a reciprocal transaction. Revenue is recognised as services performed and at year end a liability is recognised until the service is delivered.

Where a grant is required to be repaid if certain conditions are not satisfied, a liability is recognised at year end to the extent that conditions remain unsatisfied.

(ii) Sale of goods

A sale is recorded when goods have been despatched to a customer and associated risks have passed to the carrier or customer.

(iii) Provision of services

Revenue from the provision of services is recognised in the period in which the customer obtains the benefit of the service.

(iv) Gifts and donations

Gifts and donations are recognised at their fair value when the entity obtains control, economic benefits are probable and the amount of the donation can be reliably measured.

(v) Interest income

Interest income is recognised on an accrual basis using the effective interest method.

(d) Operating expenses

Operating expenses including expenses relating to the grants, are recognised on an accrual basis.

(e) Income Tax

The entity is exempt from paying income tax under Div. 50 of the *Income Tax Assessment Act 1997*.

Notes to the financial statements



1. Summary of significant accounting policies (continued)

(f) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(g) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(h) Cash and cash equivalents

Cash, and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Trade and other receivables

Trade receivables are recognised at original invoice value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are generally settled in 30-60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of receivables.

(j) Property, Plant and equipment

(i) Revaluation Basis

Land held for use in production or administration is stated at re-valued amounts. Re-valued amounts are fair market values based on appraisals prepared by external professional valuers' once every three years or more frequently if market factors indicate a material change in fair value.

Any revaluation surplus arising upon appraisal of land is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other

comprehensive income. Downward revaluations of land are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

As no finite useful life for land can be determined, related carrying amounts are not depreciated.

(ii) Cost basis

All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The depreciable amounts of all fixed assets, other than freehold land, are depreciated over their estimated useful lives using the straight line method.

Leasehold improvements are amortised over the unexpired period of the lease or the lease or the useful life, whichever is the shorter.

The following estimate of useful lives has been applied:

- Buildings: 25 years
- Furniture & fittings: 5 years
- Improvement residential properties: 5 years
- Motor vehicles: 4 years
- Capital & lease hold improvements: 4 years
- Computer equipment: 3 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is the entity's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

Notes to the financial statements



1. Summary of significant accounting policies (continued)

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(iii) *Low value asset capitalisation*

Low value asset items costing less than \$2,000 are expensed immediately.

(k) *Impairment of assets*

At each reporting date, the entity reviews the carrying value of its tangible 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 value less costs to sell and the 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 value of an individual asset, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

(l) *Trade and other payables*

These amounts represent liabilities for goods and services provided to the entity prior to the end of financial year which are unpaid. These amounts are unsecured and are usually paid within 30 - 60 days of recognition. These are presented as current liabilities unless payment is not due within 12 months after the reporting period.

(m) *Borrowings*

Borrowings are initially recognised as fair value, net of transactions costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) *Employee benefits*

(i) *Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities as a provision.

(ii) *Long service leave and sick leave*

The liability for long service and sick 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. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are estimates of the probability of payout based on length of employee service and past historic trends.

(iii) *Retirement benefit obligations*

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Liabilities recognised for salaries and wages are recognised in payables. Unpaid liabilities recognised for annual leave, long service leave and sick leave entitlement are recognised in provisions.

(o) *Provisions, contingent liabilities and contingent assets*

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the entity can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no liability is recognised.

(p) *Unexpended grants - deferred income*

The liability for deferred income is the unutilised amounts of grants received on the condition that specified services are delivered or conditions are fulfilled. The services are usually provided or the conditions usually fulfilled within twelve (12) months of receipt of the grant. Where the amount received is in respect of services to be provided over a period that exceeds twelve (12) months after the reporting date or

Notes to the financial statements



1. Summary of significant accounting policies (continued)

the conditions will only be satisfied more than twelve (12) months after the reporting date, the liability is discounted and presented as non-current liability.

(r) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Estimated useful life of property, plant & equipment.*

Management determines the estimated useful life of depreciable assets, based on the expected useful life of the asset and this could change significantly as a result of technical innovations. Management will increase the depreciation charge where useful lives are less than previously estimated. Technically obsolete or non-strategic assets that have been abandoned or disposed of will be written down or written off.

(ii) *Impairment*

The entity accesses impairment at each reporting date by evaluating conditions specific to the entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

The entity applies the revaluation model to measure its land and buildings. This requires that the fair value of the asset is assessed on a regular basis. Independent external property valuers are engaged every 3 years or sooner if required to assess the fair value.

(iii) *Long service leave and sick leave entitlements*

The measurement of the provision for long service leave and sick leave entitlements require that the entity make an estimate of the payout likely to occur in the future. Management applies a probability factor to the likelihood of a payout based on the length of service and past historic trends of employees continuing employment.

(u) Presentation of financial statements

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings per share.

Notes to the financial statement



2. Revenue

	<u>2016</u> \$	<u>2015</u> \$
Income		
Grant income		
Indigenous Legal Assistance Programme Grant	12,358,152	13,608,194
Expensive Indigenous Criminal Cases Grant	170,992	340,397
Data Standardisation Grant	72,287	-
Youth Justice Grant	37,920	-
Family Law Grant	-	246,318
	<u>12,639,351</u>	<u>14,194,909</u>
Other income		
Rental	42,849	40,571
Recovery of costs	256,303	256,759
Interest	158,789	246,011
Other	248,258	193,994
	<u>706,199</u>	<u>737,285</u>
	<u>13,345,550</u>	<u>14,932,194</u>

3. Expenses

Profit before income tax included the following specific expenses:

Expenses

Depreciation		
Land and Buildings	207,869	203,008
Leasehold Improvements	38,463	44,746
Plant and equipment	160,261	172,178
Motor vehicles	4,186	4,186
Total Depreciation	<u>410,779</u>	<u>424,118</u>
Impairment expense on land and buildings	274,843	-
Employee entitlements	9,416,086	9,999,031
Expenses relating to operating leases		
Office rental	869,234	841,435
Vehicles leases	424,892	465,468
Travel and accommodation	408,128	702,270
Information Technology	165,444	333,746

Notes to the financial statement



4. Remuneration of auditors

	<u>2016</u> \$	<u>2015</u> \$
Remuneration for audit of the financial reports of the Association:		
Deloitte Touche Tohmatsu	28,800	28,000
Total remuneration	28,800	28,000
Advisory Services		
Taxation	3,000	3,000
Total remuneration	3,000	3,000
Total remuneration	31,800	31,000

5. Remuneration of directors

Income paid or payable, or otherwise made available, to directors by the company and related parties in connection with the management of the affairs of the company.

Short term employee benefits	-	-
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6. Current assets - Cash and cash equivalents

Cash at bank and on hand	1,081,033	2,297,788
Term deposits (i)	449,502	43,160
Deposit at call (ii)	5,394,300	4,080,621
	6,924,835	6,813,570

(i) Term Deposits

The term deposits are bearing interest at a rate of 2.75% (2015 - 4.25%)

(ii) Deposits at call

The deposits are bearing interest at a rate of 2.75% (2015 - 4.25%)

Notes to the financial statements



7. Current assets - Receivables

	Note	2016 \$	2015 \$
Trade Debtors and accrued income		24,464	56,752
Security Bonds		32,867	24,270
		57,331	81,022
Prepayments		169,154	168,369
		226,485	249,391

8. Non-current assets property, plant & equipment

Freehold land & buildings @ valuation (a)	3,685,000	4,435,000
Improvements @ cost	-	251,490
Accumulated depreciation	-	(421,852)
	3,685,000	4,264,638
Leasehold improvements at cost	986,047	992,883
Less: Accumulated amortisation	(933,726)	(899,870)
	52,321	93,013
Plant & equipment at cost	1,201,514	1,358,739
Less: Accumulated amortisation	(1,029,526)	(1,026,244)
	171,988	332,495
Motor vehicles at cost	16,745	16,745
Less: Accumulated depreciation	(15,678)	(11,492)
	1,067	5,253
Total property, plant & equipment	3,910,376	4,695,398

Fair Value of Buildings

Location	Valuation date	Valuation \$	Asset Revaluation Reserve @ 30/6/2016 \$	Asset Revaluation Reserve @ 30/6/2015 \$
Lots 10 & 7 Aberdeen St, Perth WA	13/4/2016	1,090,000	215,866	162,894
Lots 12 & 7 Aberdeen St, Perth WA	13/4/2016	690,000	194,119	104,419
60 Egan St, Kalgoorlie WA	24/5/2016	400,000	129,608	29,609
24 Hibiscus Drive, Kununurra WA (a)	14/4/2016	470,000	47,329	99,043
4/30 Bourke st, Piccadilly WA (a)	15/4/2016	290,000	15,756	7,156
11 Wallaby Way, Broome WA (a)	29/4/2016	460,000	-	30,609
10/4 Reynolds St, Sth Headland WA (a)	9/5/2016	285,000	-	267,888
		3,685,000	602,678	701,618

(a) residential properties acquired under a grant from the department of Attorney General. The Department of the Attorney General has caveated that such properties to be used specifically to accommodate staff of the Association rendering legal services.

Notes to the financial statement



Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and the end of the current financial year are set out below.

	Freehold land & Buildings \$	Leasehold Improvements \$	Plant & Equipment \$	Motor Vehicles \$	Total \$
Carrying amount at 1 July 2014	4,426,825	104,935	470,357	9,439	5,011,556
Additions	48,314	37,766	117,792	-	203,873
Disposals	(8,271)	(5,545)	(187,563)	-	(201,379)
Depreciation expense	(203,008)	(44,746)	(172,178)	(4,186)	(424,118)
Depreciation on disposals	778	603	104,085	-	105,466
Carrying amount at 30 June 2015	4,264,638	93,013	332,493	5,253	4,695,398
Additions	2,013	4,481	-	-	6,493
Disposals	-	(11,316)	(157,224)	-	(168,540)
Depreciation expense	(207,869)	(38,463)	(160,261)	(4,186)	(410,779)
Depreciation on disposals	-	4,607	156,978	-	161,586
Impairment expense	(373,782)	-	-	-	(373,782)
Carrying amount at 30 June 2016	3,685,000	52,321	171,988	1,067	3,910,376

9. Current liabilities - Accounts payable

	2016 \$	2015 \$
Unsecured:		
Accrued expenses	92,893	408,429
Taxes Payable to ATO	77,091	156,026
Superannuation payable	59,018	82,103
Other payables	182,821	173,544
	411,823	820,102

10. Current liabilities - Provisions

Employee Entitlements:		
Annual Leave	1,078,826	926,304
Long Service Leave	395,967	453,083
Sick Leave	453,699	360,018
Termination	31,967	128,818
	1,960,459	1,868,223

Notes to the financial statement



11. Current liabilities - Unexpended Grants

	2016 \$	2015 \$
Indigenous Legal Assistance Program Grant	330,780	528,478
Expensive Indigenous Criminal Cases Grants	20,539	191,531
Myer Yinhawangka Charitable Grant	12,171	16,833
Employee of the year grant	1,586	1,586
Data Standardisation	27,713	-
Unexpended frontline services	174,675	-
Kids out of detention	10,000	-
Youth Justice Program	134,189	-
	711,653	738,427

12. Current liabilities - Interest Bearing Liabilities

Secured property loan (a)	73,239	67,200
Corporate credit cards	43,167	70,978
	116,406	138,178

(a) Being an amortising principal & interest variable & fixed rate loan facility with Bankwest which was renegotiated on 3 September 2013. Expiry date of this facility is 3 April 2019. The facility was fixed rate for the initial 12 months and has converted to a low rate variable loan. The interest payable charges at the business low rate plus 0.55% pa. The covenants within the loan facility requires that the total bank debt does not exceed \$426,885. Secured by a first ranking registered mortgage over Lots 2 and 12, 7 Aberdeen Street, Perth 6000 and lot 60 Egan Street, Kalgoorlie WA 6430 and a first ranked fixed and floating charge over the assets and undertakings of the entity.

13. Non-current liabilities - Provisions

	2016 \$	2015 \$
Employee Entitlements:		
Long Service Leave	451,174	218,898
	451,174	218,898

14. Non-current liabilities - Interest Bearing Liabilities

Secured property loan (a)	154,611	229,319
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(a) Being an amortising principal & interest variable & fixed rate loan facility with Bankwest which was renegotiated on 3 September 2013. Expiry date of this facility is 3 April 2019. The facility was fixed rate for the initial 12 months and has converted to a low rate variable loan. The interest payable charges at the business low rate plus 0.55% pa. The covenants within the loan facility requires that the total bank debt does not exceed \$426,885. Secured by a first ranking registered mortgage over Lots 2 and 12, 7 Aberdeen Street, Perth 6000 and lot 60 Egan Street, Kalgoorlie WA 6430 and a first ranked fixed and floating charge over the assets and undertakings of the entity.

Notes to the financial statements



15. Discretionary Reserves

		2016 \$	2015 \$
Residential Property Reserve			
Opening balance		43,302	23,095
Increase		40,571	20,207
Decrease		-	-
Closing balance	(i)	83,873	43,302
Long Service Leave Reserve			
Opening balance		550,000	550,000
Increase		122,000	-
Decrease		-	-
Closing balance	(ii)	672,000	550,000
Asset Replacement Reserve			
Opening balance		520,077	416,140
Increase		-	103,937
Decrease		-	-
Closing balance	(iii)	520,077	520,077
Redress Reserve			
Opening balance		183,682	183,682
Increase		-	-
Decrease		(183,682)	-
Closing balance	(iv)	-	183,682
Kalgoorlie Property Reserve			
Opening balance		392,037	392,037
Increase		-	-
Decrease		-	-
Closing balance	(v)	392,037	392,037
Special Projects Reserve			
Opening balance		55,396	-
Increase		-	53,396
Decrease		-	-
Closing balance	(vi)	55,396	55,396
Contract Reserve			
Opening balance		-	-
Increase		850,744	-
Decrease		(12,000)	-
Closing balance	(vii)	838,744	-
Total reserves at the end of the financial year		2,562,127	1,744,494

- (i) Residential property reserve is for the repairs and maintenance an improvement of residential properties owned by the entity and which are caveated by the Attorney General department for specific purpose. The reserve increases annually from rents received and decreases as expenses are incurred.
- (ii) Long service leave reserve declares the reserves required by the entity to satisfy current employee entitlement liability.
- (iii) Asset replacement reserve is used to offset future capital purchase requirements that may arise.
- (iv) Redress reserve is the residual surplus of the redress program and monies are set aside for future redress needs.
- (v) Kalgoorlie property reserve recognises the probability of the development of a future building on the entity's freehold land in Kalgoorlie.

Notes to the financial statements



- (vi) Special projects reserve is created from non-Attorney General Department surplus funds to be used for special projects in the future.
- (vii) Contract reserve being the surplus retained from "Legal Services Contract Tenders" 2004 to 2011 identified and preserved for future projects.

Reserves are created by prudential financial decision making by the executive committee and senior management and reflect the planned use of accumulated funds. Funds will be released back to retained earnings should the need no longer exist.

16. Contingent Liabilities

The Entity was a party to a contract, on a fee for service basis, with the Commonwealth Attorney Generals Department, for the provision of legal services during the period 2004 to 2011. Surplus funds were retained following the successful delivery of the agreed services. A contract reserve within the discretionary reserves has been established to identify and preserve the funds earned by the Entity - Note 15 (vii)

17. Capital and leasing commitments

	2016 \$	2015 \$
(a) Lease commitments		
Aggregate operating lease expenditure in respect of buildings and plant and equipment contracted for at balance date but not provided for in the accounts:		
Payable no later than one year	976,514	504,866
Payable later than one, but no later than five years	274,201	431,919
Payable later than five years	-	-
	1,250,715	936,785

There is no significant capital expenditure contracted for at the end of the reporting period (2015: Nil)

18. Financial risk management and policies

The Entity's principal financial instruments comprise receivables, payables, lease liabilities and cash and short-term deposits.

The Entity manages its exposure to key financial risks, including interest rate risk, in accordance with the Entity's financial risk management policy. The objective of the policy is to support the delivery of the Entity's financial targets whilst protecting future financial security.

The main risks arising from the Entity's financial instruments are interest rate risk and credit risk. Monitoring of specific credit allowances is undertaken to manage credit risk.

Primary responsibility for identification and control of financial risks rests with the Executive Committee.

19. Capital Management

Management controls the capital of the entity in order to maintain a good debt to equity ratio, to ensure that the company can fund its operations and continue as a going concern.

Management effectively manages the entity's capital by assessing the entity's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels. There have been no changes in the strategy adopted by management to control the capital of the company since the prior year

Notes to the financial statement



20. Reconciliation of Profit after income tax benefit to net cash inflow from operating activities

	<u>2016</u> \$	<u>2015</u> \$
Net operating surplus / (loss)	(27,389)	81,294
Depreciation and amortisation	410,779	426,468
Impairment expense	274,842	-
Net loss on disposal of assets	6,954	-
(Increase)/decrease in receivables	6,927	223,754
Increase/(decrease) in trade creditors and other payables	(436,091)	288,962
(Increase)/decrease in provisions	324,517	18,316
Increase/decrease in unexpended grants	(374,112)	(821,970)
Net cash inflow after operating activities	186,427	216,824

21. Events occurring after reporting date

The Aboriginal Legal Service of Western Australia Inc. is in the process of transitioning to a Company limited by guarantee. This is a requirement of its ongoing funding obligations with the department of the Commonwealth Attorney General

There is, at the date of this report, no other matter or circumstance which has arisen since the 30 June 2016 that has significantly affected, or may slightly affect:

- (a) the association's operations in future financial years; or
- (b) the results of those operations in future financial years; or
- (c) the association's state of affairs in future financial years.

22. Other information

The Aboriginal Legal Service of Western Australia is an association incorporated under the Western Australian *Associations Incorporations Act 2015*, domiciled in Australia. Its registered office and principal place of business is 7 Aberdeen Street, Perth, 6000 Western Australia.

A description of the nature of the company's operations and principal activities is included in the Responsible Entities' report on page 1 and do not form part of this financial report.

Notes to the financial statement



Responsible Entities' Declaration

In the opinion of the Responsible Entities'

- (a) The financial statements and notes set out on pages 5 to 20 are in accordance with the Australian Charities and Not for profits commission Act 2012, including:
 - (i) complying with Accounting Standards, the *Australian Charities and Not-for-profits Commission Regulations 2013*. and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the entity's financial position as at the 30 June 2016 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Executive Committee.



President



Chief Executive Officer

Perth, Western Australia
Date: 11 October 2016



Additional Information

ALSWA Opening Hours

8.30am to 5.00pm weekdays in Perth (Head Office), Albany, Bunbury, Carnarvon, Geraldton, Kalgoorlie, Northam, 8.00am to 4.30pm weekdays in Broome, Kununurra, South Hedland, non-standard hours of operation apply for the following offices and matters can be referred to the office in brackets: Fitzroy Crossing (Broome), Halls Creek (Kununurra), Meekatharra (Carnarvon)

Access and Equity

ALSWA's clients meet eligibility requirements, including a means test and a merit test, with certain categories of cases getting highest priority. ALSWA provides a culturally appropriate service by recruitment processes and work conditions that ensure that Aboriginal and/or Aboriginal and Torres Strait Islander staff are at every organisational level. All employees have a demonstrated commitment to social justice for Aboriginal and Torres Strait Islander peoples, and where reasonably possible, country staff are locals. Staff receive Cultural training and non-Indigenous staff receive assistance with Cultural matters as required. ALSWA has 13 offices throughout Western Australia, provides legal assistance on court circuits, a WA toll free telephone number, after hours emergency assistance by telephone, anonymous survey forms and complaints processed to obtain and act upon client feedback.

ALSWA STAFF (as at 30 June 2016)

Albany (2 lawyers, 1 court officer, 1 secretary), Broome (2 lawyers, 1 court officers, 1 secretary), Bunbury (1 lawyer, 2 court officers, 1 secretary), Carnarvon (2 lawyers, 1 secretary), Fitzroy Crossing (1 court officer), Geraldton (3 lawyers, 1 court officer, 1 secretary), Halls Creek (1 court officer), Kalgoorlie (3 lawyers, 2 court officers, 1.5 secretaries), Kununurra (2 lawyers, 1 secretary), Meekatharra (1 court officer), Northam (1 court officer, 1 secretary), Perth Administration (17), Perth Senior Management (3), Perth Criminal Unit (16 lawyers, 4 court officers, 1 court liaison officer 1 para legal, 1 diversion officer, 3 secretaries), Perth Civil Unit (7.5 lawyers, 1 secretary), Perth Family Unit (3 lawyers, 1 secretary), South Hedland (3.5 lawyers, 1 secretary).

STAFF TRAINING

Administration

Strengthening Indigenous Economic Development Cairns QLD 8-9 June 2016 (K Custodio); Fringe Benefits Tax Seminar 21 March 2016 presented by Australia Wide Taxation & Payroll Training, Perth, Chief Financial Officer Conference 26 to 27 May 2016 (In-house seminar by all ALS CFO's) Darwin, Not-for-Profit Constitution Workshop 3 May 2016 presented by the Governance Institute of Australia, Perth (J Porocho), Presentation Skills by Julia Moody (J Hoffmann), Film and Production by FTI (J Hoffmann), Welcome to Work Cover WA Introduction to Workers compensation (2 hour seminar June 2016 (K Clune, K Custodio).

Civil/Human Rights Unit

Sentencing Part 1: Including the new repeat offender legislation for burglary, when is it appropriate to order PSR and Psychological reports, Section 32 Notices and the Bugmy sentencing principles (presented by PC and Brunello), Sentencing Part 2: Including the new repeat offender legislation for burglary, when is it appropriate to order PSR and psychological reports, Section 32 Notices and the Bugmy sentencing principles (presented by PC and Brunello), Affidavit Masterclass – presented by various Senior Counsel through the Piddington Law Society, "Avoiding burnout and understanding vicarious trauma"



(through ALSWA), Ethical issues for Defence Counsel on a plea of guilty (ALSWA) (A Walters), Understanding Fetal Alcohol Spectrum Disorders, Ethical Scenarios, Practice Management Course for Legal managers (P Gazia), Legal Aid WA Summer Series Civil Law CPD Day (26 February) (Alice Barter), Annual Castan Centre for Human Rights Conference, Melbourne (July) (H Menaglio), Victoria Williams: 23 September 2015 Presented seminar 'Laws Concerning Family and Domestic Violence in Western Australia' at UWA Law School for law students, 24 February 2016, Attended two one-hour sessions at the Legal Aid Summer Series ('Time Management for Lawyers' and 'FASD and Youth Criminal Justice System'), 4-5 May 2016 Attended two-day WACOSS conference titled 'Way Ahead – Leave No One Behind', 12 May 2016 Panel member for McCusker Centre of Citizenship 'An Evening with the McCusker Centre, Indigenous Issues in Focus', 17 May 2016 Delivered one-hour internal ALSWA CPD seminar on 'Ethical Obligations When Acting for Juvenile Clients Participating in ALSWA's Diversionary Program', 31 May 2016 Attended one-day Commissioner for Children and Young People 'Child Safe Organisations Seminar'

Criminal Unit/CPD

Manager's Seminar, November Perth (R Reading), Piddington Conference (D Rawlings, H O'Hara), Criminal Advocacy Master Class run by Piddington Society (S van Hattem), Managing Legal Teams, 11-12 November, Facilitated by Mark Hunyor and John Gelagin Step Jump, attended by ALSWA's P Collins DLS, A Woldan Snr Managing Lawyer Criminal, P Gazia Snr Managing Lawyer Civil, N Anderson Managing Lawyer Family, J Waud Manager Court Officers, R Hickson Managing Lawyer Albany, B White Managing Lawyer Broome, M Huber Managing Lawyer Bunbury, R Reading Managing Lawyer Carnarvon, G Wildie Managing Lawyer Kalgoorlie, S Cerqui Managing Lawyer Kununurra, R Russell-Smith Managing Lawyer South Hedland, Summonses, 15 July, Presented by Dominic Brunello, November Using Technology, Lexis Nexis, Sentencing Part 1, presented by Peter Collins, Sentencing Part 2 presented by Dominic Brunello, Medical Trauma 101, presented by Wendy Hughes and Ross Vanderwol, Duplicity (February) presented by Dominic Brunello, FASD (February) presented by Cathy Goodfellow, Bail and Protective Bail Conditions (march) presented by Ben Tyers, Ethics (March) presented by Les Saunders, Avoiding Burn Out (March) presented by Patrick Michalka.

Other

M. Huber Duty of Candour, T Ward Commercialising NFP, T Ward Leadership Training, H Wang and J Porocho FBT Training, K Custodio Indigeonus Economics Conference, J Porocho NFP Constitution Workshop, P Gazia S Razi and V Williams CPD Pro Bono, R Hickson Family and Domestic Violence, A Barter and P Castelli Legal Aid Civil Law Day, D Borkowski Criminal Law Day Taining, A Walter Piddington Affidavit, G Herford Family Law, J Hon Legal Aid Summer Series, V Williams and M Murdoch Legal Aid CPD, L Sanders Civil Law, K Mercer Foetal Alcohol Syndrome, A Whitehead WACOSS Conference, M Murdoch Practical Advocacy

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The Aboriginal Legal Service of WA 2016 Annual Report was compiled by ALSWA Media Officer Jodi Hoffmann.

Photos (pages 5, 11, 28 and 29) of Dennis Eggington by Robert Frith Acorn Photography.



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