



# ANNUAL REPORT 2015-16

ACCESS TO JUSTICE  
FOR VICTORIANS

# HIGHLIGHTS 2015-16

## GRANTS OF LEGAL AID

38,345 grants

↑ 11%

Family violence and extra child protection workers drive increased demand of grants of legal aid

SUMMARY CRIME ↑ 16%

CHILD PROTECTION ↑ 15%

INDEPENDENT CHILDREN'S LAWYERS ↑ 20%

## DUTY LAWYERS

87,162 services

↑ 4%

We are seeing the impact of additional **child protection workers**, which has increased the **number of investigations and initiations** in the Children's Court

In-house duty lawyer sessions relating to **CHILD PROTECTION** ↑ 18%

**5 YEAR COMPARISON**, in-house duty lawyer sessions relating to **CHILD PROTECTION** ↑ 30%

Growth in duty lawyer services has been in **summary crime**, driven by **family violence related matters**

**5 YEAR COMPARISON**, in-house duty lawyer sessions relating to **FAMILY VIOLENCE BREACH OFFENCES** ↑ 157%

## LEGAL HELP TELEPHONE SERVICE

186,389 incoming calls

↑ 13.5%

Answered **2.5% less calls**

More Victorians are calling our Legal Help phone line

## ABORIGINAL OR TORRES STRAIT ISLANDER CLIENTS

Many of our clients face **significant social and cultural barriers**

## CONTINUED COMMITMENT

We have shown our **continued commitment** to expanding access to justice by **investing in the mixed model of delivery**

Funding to community legal centres increased to **\$28.4M** ↑ 13%

Private practitioner grants of legal assistance ↑ 14%

Private practitioner duty lawyer services ↑ 22%

## HOMELESS CLIENTS

3566 clients

↑ 25%

Our clients are some of the **most vulnerable people in Victoria**

### **Chairperson's declaration**

In accordance with section 12N of the *Legal Aid Act 1978* (Vic) and provisions of the *Financial Management Act 1994* (Vic), I am pleased to present the Victoria Legal Aid Annual Report for the year ending 30 June 2016.



**Andrew Guy**

Chairperson

17 August 2016

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## About Victoria Legal Aid

### Our vision

A fair and just society where rights and responsibilities are upheld.

### Our purpose

To make a difference in the lives of our clients and for the community by:

- resolving and preventing legal problems
- encouraging a fair and transparent justice system.

### Our values

#### **Fairness**

We stand up for what is fair. We aim to be fair when making choices about which people we help and how we help them.

#### **Care**

We care about our clients and the community in which we live. We look out for and take care of each other.

#### **Courage**

We act with courage backed by evidence about what is best for clients and the community. We act with courage to be the best we can be.

### Our functions

Victoria Legal Aid is an independent statutory authority established under the *Legal Aid Act 1978 (Vic)*. We are funded by Commonwealth and Victorian governments but operate independently of government.

Our statutory objectives<sup>1</sup> are to:

- provide legal aid in the most effective, economic and efficient manner
- manage resources to make legal aid available at a reasonable cost to the community and on an equitable basis throughout the state
- provide to the community improved access to justice and legal remedies
- pursue innovative means of providing legal aid directed at minimising the need for individual legal services in the community.

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<sup>1</sup> Section 4 *Legal Aid Act 1978*

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In so doing, we may<sup>2</sup>:

- co-operate with social service or social welfare organisations
- undertake research
- make recommendations to reform the law
- carry out educational programs
- provide financial assistance to voluntary legal aid bodies.

In performing our functions, we must<sup>3</sup>:

- ensure that legal aid is provided in a manner which dispels fear and distrust
- establish any local offices considered appropriate and generally use best endeavours to make legal aid available throughout the state
- determine priorities around who gets legal aid and guidelines for the allocation of work between staff and private practitioners
- co-operate with other legal aid commissions and professional associations to facilitate the use of services provided by private legal practitioners
- make maximum use of services which private legal practitioners offer to provide on a voluntary basis
- endeavour to secure the services of interpreters, counsellors, welfare officers and other appropriate persons to assist people where necessary
- inform the public of the services we provide and the conditions on which those services are provided
- encourage and permit law students to participate on a voluntary basis and under professional supervision in the provision of legal aid
- manage the Legal Aid Fund.

## Public benefit

We work to address the barriers that prevent people from accessing the justice system by participating in reforms and ensuring the actions of government agencies are held to account. We serve the broader community by providing information, legal advice and education with a focus on the prevention and early resolution of legal problems, and legal representation to those who need it the most.

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<sup>2</sup> Section 6 *ibid*

<sup>3</sup> Sections 7 and 8 *ibid*

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## Touchstones for improved access to justice in Victoria

In our submission to the Access to Justice Review we identify 10 ‘touchstones’ that will unlock the potential of our justice system and enable us to safeguard rights and help more people. It explains how reforms can help deliver improved access to justice for all Victorians. See page 40 for more information about our submission.

**Touchstone 1:** A more vibrant joined-up legal assistance and allied support sector

**Touchstone 2:** Bigger and better access to Legal Help’s online and telephone services, as the main entry point to the legal assistance sector

**Touchstone 3:** Reduced financial eligibility barriers to legal aid to reflect the reality of disadvantage, poverty and the true costs of legal services

**Touchstone 4:** Incentives for high-quality services and early appropriate resolution of cases

**Touchstone 5:** More time-intensive legal and non-legal services for persons charged with summary offences to achieve non-custodial sentences where appropriate and reduce reoffending

**Touchstone 6:** More equitable and time-intensive, specialist and integrated family and civil law services, particularly in regional and outer suburban growth corridors

**Touchstone 7:** Commonwealth and state agencies and family-focused courts working together better to ensure acutely vulnerable families and children do not fall through the cracks

**Touchstone 8:** More equitable access to therapeutic justice programs to break the cycle of reoffending and keep our communities safe, regardless of postcode

**Touchstone 9:** Properly resourced courts and tribunals with processes that place citizens and court users at the centre, including through improved listing practices

**Touchstone 10:** A strengthened evidence and innovation base to spark adaptation and improvements in the sector

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## Chairperson and Managing Director's message



‘Without legal aid many people would be left to deal with the legal system on their own, take on powerful organisations and governments without support, represent themselves in court or give up their rights altogether.’ – *Strategy 2015–18*

Access to justice is critical to any democratic and civil society and despite our many enduring challenges we are pleased to have expanded access to justice in the past twelve months.

### **Growth in services**

In 2015–16, our expenditure increased by \$17 million, as we continued to invest and improve services in the face of growing demand and at a time when the work of the legal assistance sector is clearly in the spotlight.

We provided lawyers to 86,847 people, with more people receiving higher intensive services and costlier assistance under a grant of aid as a consequence of the more serious and more complex legal problems they encountered.

There was a 11 per cent increase in grants of aid. Family law grants were up 9 per cent and criminal law grants were up 13 per cent. Grants assigned to the private profession were up 14 per cent and grants to staff practitioners were up 2.5 per cent. There was also a 4 per cent increase in services provided by duty lawyers at courts, tribunals and in hospital settings throughout the State.

Spending on services provided by private lawyers (and barristers) increased by \$8 million or 12 per cent to \$71 million. This includes an extra \$2 million paid to private barristers who were increasingly utilised to supplement duty lawyer obligations, in the face of growing court lists. The total amount of direct payments to the private Bar, from privately assigned and staff assigned matters, increased by \$4 million or 29 per cent to \$18 million, although the number and value of significant briefs to female barristers decreased.

Our Legal Help phone line took 111,504 calls, down 2.5 per cent, in the face of a 13.5 per cent increase in incoming calls, but staff spoke for longer to the people they were advising. There were 1,760,227 sessions on our website, up 24 per cent, and our new Independent Mental Health Advocacy (IMHA) program provided 9,799 services to people on compulsory treatment orders.

Spending through community legal centres broke last year's record up \$3 million or 13 per cent to \$28 million as we continued to pilot new services in new locations, and to invest in a transformational grant program to help set community legal centres up for the future.

We ended the year with over 30 new active Victoria Legal Aid staff, predominantly in direct service delivery roles, including many in front line duty lawyer roles, in our new IMHA service and in our Legal Help service. The total cost of staff employed by Victoria Legal Aid increased by 8 per cent or \$5 million to \$62 million.

### **Vulnerable clients**

Our clients are increasingly disadvantaged. This year we saw a 25 per cent increase in the number of homeless clients and we know much more needs to be done to address the underlying causes of their legal problems.



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We know there are significant disadvantages faced by Aboriginal and Torres Strait Islander people, who experience an over representation in the criminal justice system. This year we saw a 13 per cent increase in the number of Aboriginal and Torres Strait Islander clients. We know many Aboriginal and Torres Strait Islander people feel uncomfortable approaching legal services, and we try to provide assistance in culturally sensitive ways.

Our clients experience social disadvantages, such as cultural and communication barriers. This year, we assisted 17,899 people from culturally and linguistically diverse backgrounds and 3,961 people required an interpreter.

Family violence is a major issue for so many of our clients. This year there was a 37 per cent increase in grant of legal assistance for breaches of family violence intervention orders, and duty lawyer services saw an increase of 10 per cent for breaches of family violence intervention orders.

### **Building strong foundations**

In the first year of Strategy 2015–18, we built strong foundations for our work to invest in timely intervention, especially for children and young people, matching services and abilities to the needs of our clients and maximising benefits by working with others.

We have developed and trained staff in a new client safety framework, which will help them better identify and support clients at risk.

Our journey towards delivering better services to Aboriginal and Torres Strait Islander clients continued, with the appointment of our inaugural Associate Director of Aboriginal Services.

We continued our commitment to consulting and working closely with our partners in the justice and community sectors, with the start of our child protection and means test reviews, the evaluation of our summary crime program and the establishment of an advisory group of practitioners from Victoria Legal Aid, community legal centres and private firms to develop clearer and more consistent family law guidelines.

New family law guidelines, introduced in October 2015, now make it easier for vulnerable families to get the help that they need at the right time, with the return to representation at final hearing introduced as part of these changes resulting in increased costs for our Parenting Disputes program.

Our inaugural Sector Innovation and Planning Committee, comprising representatives of the Indigenous community, legal, health, research sectors and government, met twice. This committee has started to work on a new sector planning model which aims to expand access to justice in areas of unmet legal need.

### **Access to Justice Review**

In our recent submission to the Victorian Government's Access to Justice Review, we described our duty lawyers as being under crushing pressure.

In the coming year we expect duty lawyers to once again experience immense pressure because of the number of people being brought to court. It is not possible to assist everyone and deciding who and how to help people, in a busy court setting, can be very stressful for staff and clients.

We also expect there to be greater demand for grants of aid in child protection, summary crime and youth crime as a result of recent State Budget initiatives providing extra police, greater child protection activity and the welcome expansion of the youth diversion program.

We know that family violence is a major factor in child protection cases and the appointment of more than 200 additional child protection workers has resulted in more initiations in the Children's Court. We also know that family violence is having a strong impact on our summary crime program.

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Increased breaches, tougher penalties, greater complexity and increasing remand rates for family violence matters are resulting in more grants – and the growth of our duty lawyer services is also believed to be largely family violence related.

We look to the Access to Justice Review to heed our call for parity of funding with New South Wales so that services can rise to better meet demand and that our 10 touchstones for improving access to justice will be taken up.

### **Future outlook**

Additional services and investments in 2016–17 will focus largely on the continuation of our Strategy commitments and to meet the growth in demand.

Operating within our existing eligibility guidelines we expect to provide more grants of legal assistance and have budgeted for increases of 14 per cent in child protection, 11 per cent in family violence, 9 per cent in youth and 7 per cent in summary crime. We also expect to provide more duty lawyer services and anticipate our Legal Help line will take 20,000 additional calls.

Despite what looks like big increases, we know there are still many people who are missing out on the help they need and that many laws, practices and justice interventions could be improved.

### **Thank you**

Many of our clients suffer deep and persistent disadvantage. We are privileged to hear their stories, advocate on their behalf, guide them through the justice system and advise them on how they can exercise their rights. We wouldn't be able to do the work we do without the courage and determination many of our clients show.

We would like to thank our staff who work tirelessly to assist disadvantaged people in Victoria resolve their legal issues, the Victoria Legal Aid Board of Directors and our community and justice sector partners for their support of our work and our clients.

We thank our colleagues from private practice, community legal centres, justice and community agencies who have taken part in consultations about the future of our services and contributed valuable insights into our policy development. We are always impressed by the commitment and willingness of our partners, and look forward to cementing these strong relationships in the future.

We also thank the Attorney-General of Victoria, the Hon. Martin Pakula, and the Attorney-General of the Commonwealth of Australia, the Hon. Senator George Brandis QC.

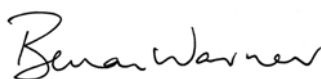
During the year we also farewelled two executive directors who will continue to make ongoing contributions to access to justice and the upholding of rights in the community – with Meagan Keogh appointed as a Magistrate and Kristen Hilton appointed as the Victorian Equal Opportunity and Human Rights Commissioner.

Delivering legal aid on a limited budget in the face of so much need is always difficult, but there is so much we can celebrate and be proud of in the work that we all do.



**Andrew Guy**

Chairperson



**Bevan Warner**

Managing Director

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## Understanding this report

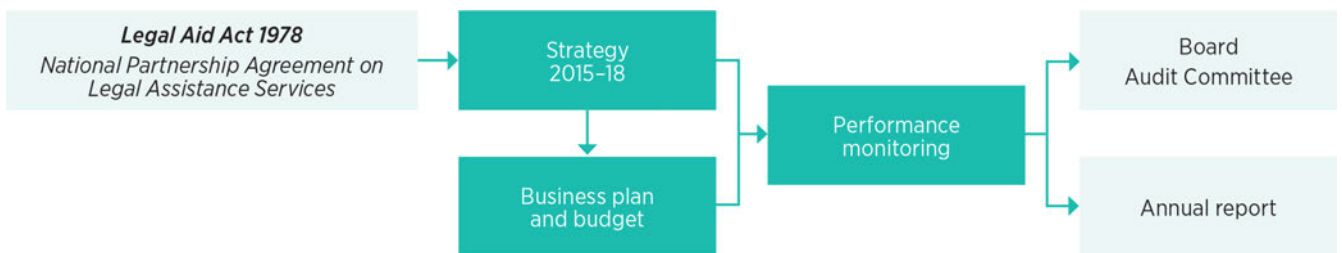
This annual report details our activities and performance against the themes and goals we have committed to in our *Strategy 2015–18*, *Annual Business Plan 2015–16*, *National Partnership Agreement on Legal Assistance Services* and the Victorian Budget 2015–16 *Budget Paper 3 – Access to justice and support services*.

The report reflects our commitment to greater transparency and accountability, providing financial details and an account of how we have used public funds. Its new structure this year, reporting directly against our statutory objectives, is part of our continuous improvement of our performance reporting framework outlined in the Victorian Auditor-General’s 2014 report on *Access to Legal Aid*. We will continue to refine this approach.

Our work is underpinned by the *Legal Aid Act 1978* (Vic).

### Strategic planning and business reporting

We are committed to best practice reporting and use a range of methods to measure our performance against the targets and indicators outlined in our *Strategy 2015–18* and *Annual Business Plan 2015–16*.



## Snapshot of key service performance

Clients	2015–16	2014–15	% change
Unique clients*	86,847	85,007**	2.2
Calls dealt with by our Legal Help telephone service	111,504	114,391	-2.5
<b>Independent Mental Health Advocacy ***</b>			
Advocacy and self-advocacy	3,548	N/A	N/A
Information and referral	6,251	N/A	N/A
<b>Preventative services</b>			
Calls to our Legal Help telephone service	186,389	164,287	13.5
Community legal education sessions	392	326	20.2
Sessions on our website	1,760,227	1,417,123	24.2
<b>Early intervention services</b>			
Legal advice, minor assistance and advocacy	40,770	48,806	-16.5
<b>Family Dispute Resolution Service</b>			
Number of conferences	1,097	1,087	0.9
<b>Duty lawyer services</b>			
In-house duty lawyer services	78,976	76,948	2.6
Private practitioner duty lawyer services	8,186	6,726	21.7
<b>Grants of legal assistance</b>			
Grants of legal assistance	38,345	34,681	10.6
In-house grants of legal assistance	11,456	11,176	2.5
Private practitioner grants of legal assistance	26,360	23,097	14.1
Community legal centre grants of legal assistance	529	408	29.7

\* Unique clients are individual clients who accessed one or more of our legal services. This does not include people for whom a client-lawyer relationship was not formed, who received information via telephone, website or in-person at court or at public counters, who participated in community legal education sessions, or clients from community legal centres.

\*\* This does not include clients assisted by a private lawyer through VLA's private practitioner duty lawyer scheme.

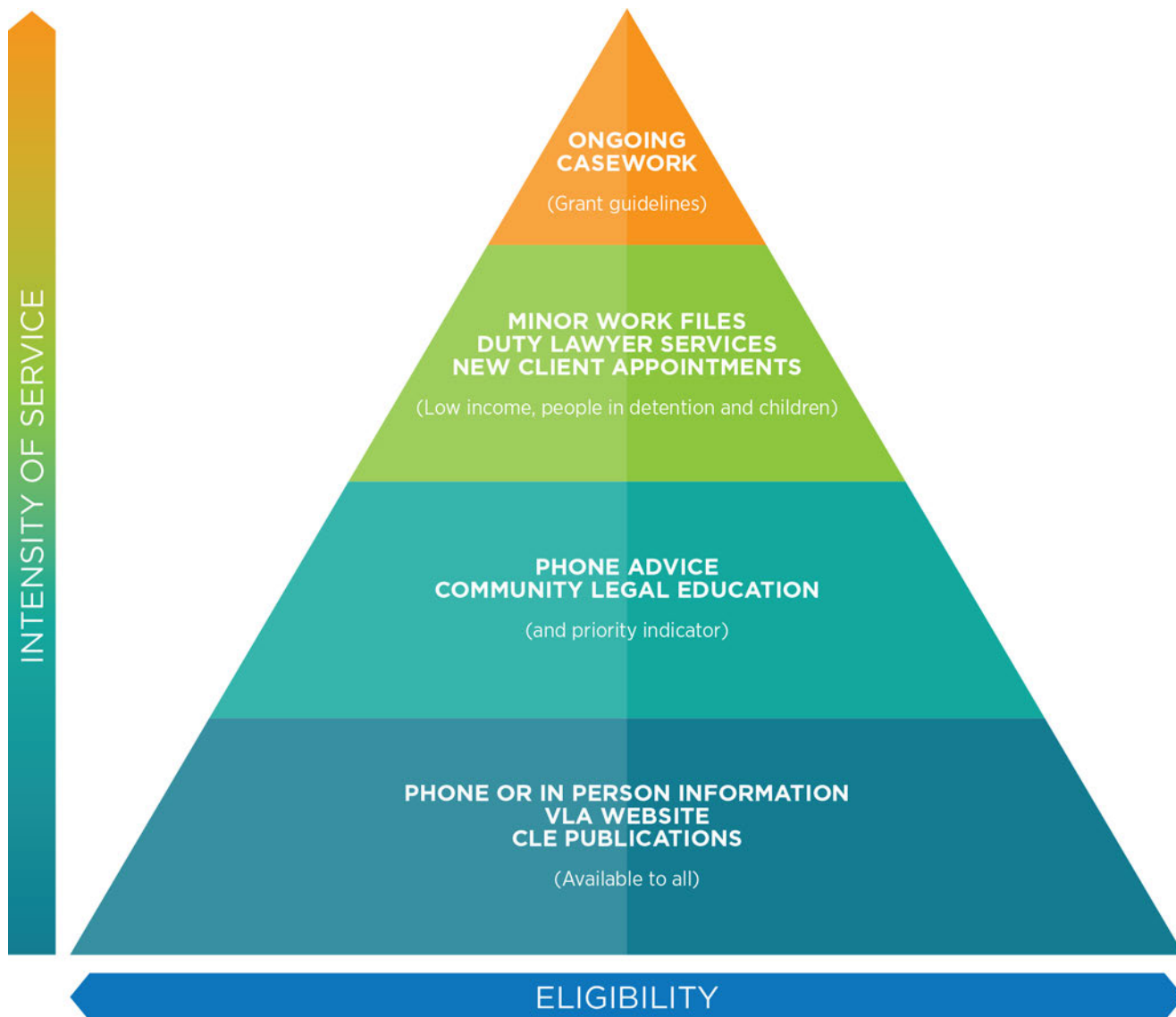
\*\*\* The Independent Mental Health Advocacy was established in August 2015.

^ Excludes centres who don't report through the Commonwealth CLC database.

## Our services

Eligibility for Victoria Legal Aid services varies depending on the service provided. As the service intensity increases, eligibility tightens, as demonstrated in the pyramid below.

### Victoria Legal Aid's service pyramid



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## Preventative and early intervention services

We provide preventative services to Victorians to help them understand their legal options at the earliest opportunity and where to go if they need further assistance.

An informed person is able to act on their legal rights and can help prevent a legal problem from escalating, avoiding costly litigation at court.

Our preventative services are free and include:

- our Legal Help telephone service, the main entry point to legal aid services, which provides legal information, advice and referrals
- our face-to-face information and referral service, available at all Victoria Legal Aid offices
- online and printed information through our website and publications
- targeted community legal education to increase people's knowledge of their legal rights and responsibilities and mitigate the escalation of legal disputes
- legal advice sessions over the phone or face-to-face at our offices or via outreach services
- minor assistance and advice (which includes advocacy services) when there is a need for some ongoing assistance and there is a tangible benefit for the client. This includes looking over documents, providing written advice, making telephone calls, negotiating on a person's behalf or making a simple appearance before a court or tribunal.

### Legal Help telephone service

Our free Legal Help telephone service received 186,389 calls, an increase of 13.5 per cent. We dealt with 111,504 of these calls (2 per cent less than last year) and 121,771 matters (9 per cent less than last year).

The top five matters dealt with by our Legal Help telephone service were:

- Family Law
- Driving and traffic charges
- Family violence
- Infringements
- Property settlement.

During 2015–16, callers to Legal Help were reported as:

- 52.7 per cent female
- 46.5 per cent male
- 0.8 per cent unspecified.

During 2015–16, of the callers provided with legal information by Legal Help:

- 18 per cent disclosed having a disability
- 27 per cent identified being from a culturally and linguistically diverse background.

Our strategy is to establish Legal Help as a major access and triage point and shift more legal advice services to Legal Help. The demand for our service grew substantially this year. This occurred at the same time as we experienced some technical difficulties and service disruptions following the introduction of the new telephone software and lower than anticipated staffing levels. This meant that callers waited longer to talk to a Legal Help officer than previous years; however, this inconvenience was offset by our new software's automatic call back facility. We have taken steps to address these issues and the service has now stabilised.

## Call wait time and duration over two years

Year	Average call wait time	Average call duration
2015–16	7 minutes 26 seconds	8 minutes
2014–15	2 minutes 59 seconds	6 minutes 49 seconds

We continue to refine our Legal Help telephone service, see page 33 to learn more about the planned expansion.

## Triage of clients

We triage people seeking assistance at Legal Help and our regional offices to ensure we reach the people who most need assistance and link them up with the most appropriate help.

We refer people to a range of legal service providers and non-legal service providers in order to provide an holistic response to an individual's need. We also refer people to external providers when we are unable to help, for example, if we have a conflict of interest or we cannot provide assistance because of the nature of the matter.

We surveyed clients about their experience with our assessment and intake process as part of our 2015 client satisfaction survey. Most clients stated that our assessment and intake process was easy. Encouragingly, 86 per cent of clients reported that they were able to fully explain their situation to a Victoria Legal Aid staff member as part of the process.

Client triage pathway	Legal Help number of matters	Suburban and regional offices number of matters	Number of matters (total)
Legal information*	69,230	4,680	73,910
Legal advice**	12,713	0***	12,713
Referral only	41,199	10,848	52,047
<b>Total</b>	<b>123,142</b>	<b>15,528</b>	<b>138,670</b>

\* This is a subset of information services counted in 'Community legal education and information services'.

\*\* This is a subset of advice services counted in 'Legal advice and minor assistance services'.

\*\*\* Our suburban and regional offices refer requests for advice to our Legal Help service (counted in 'Referral to another Victoria Legal Aid service') or make a follow-up advice appointment (counted in 'Legal advice and minor services').

Referrals*	Legal Help	Suburban and regional offices	Total
Referral to another Victoria Legal Aid service	37,535	10,161	47,696
Referral to an external service	61,288	4,529	65,817

\* Some calls may result in more than one matter or referral, depending upon the client's circumstances and needs.

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## Client access and referrals

We make appropriate referrals to other services (non-legal as well as legal) that may be relevant to a client's needs. We also refer clients to external agencies when we are unable to help, for example, if we have a conflict of interest or we cannot provide assistance because of the nature of the matter.

We referred 83,340 matters to appropriate external agencies. The top five referrals were to:

- private practitioners
- generalist community legal centres
- Law Institute of Victoria referral service
- specialist community legal centres
- courts.

## Website and publications

We had 1,760,227 sessions on our website, up by 24 per cent. A session is a group of interactions that take place on a website within a given time frame. A session can include multiple page views.

The top five online legal information matters were:

- Going to court for criminal charge
- Traffic offences
- Criminal offences
- Sex and the law
- Police powers and your rights.

Our website also facilitated 263,318 online referrals. The top five online referrals to other agencies were to:

- The Law Handbook – [Wills](#)
- Federation of Community Legal Centres – [Find a CLC](#)
- [Federal Circuit Court of Australia](#)
- [Dispute Settlement Centre of Victoria](#)
- Law Institute of Victoria – [Find a Lawyer Referral Service](#)

We distributed 291,490 publications, up by 0.7 per cent. Working with the Office of the Public Advocate we distributed a high volume of *Take control* – a publication about making powers of attorney and guardianship.



## Performance against Victorian government targets\*

The community legal education and information services is comprised of 392 community legal education sessions and 125,892 information services. The variance to the target can be attributed to a significant increase in calls to our Legal Help telephone service and an increase in the average call duration (p. 11). The final result also reflects our triage process where we focus more intensive services, such as grants of aid and duty lawyer services to those most in need.

The variance for legal advice and minor assistance for clients is due to increases in demand for other more intensive services, such as duty lawyer services, case work under grants of legal assistance (p. 14-16) and our intention to shift more advice services to Legal Help. We have reduced our target for legal advice for the following year to reflect the increased demand for duty lawyer services and grants of legal assistance.

Major output/deliverable performance measures	2014–15 actual	2015–16 target	2015–16 actual	% change on 2015–16 target
Community legal education and information services**	137,668	145,000	126,284	-12.9
Legal advice and minor assistance for clients	48,806	52,000	40,770	-21.6

\* The Victorian Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3*.

\*\* This does not include publications and website sessions.

## Family Dispute Resolution Service

We help parents and other adult family members involved in family separation resolve their family disputes about:

- parenting arrangements
- division of property (where parents are in dispute about children's issues and have superannuation or a home mortgage)
- partner maintenance
- adult child maintenance
- international parental child abduction.

Our Family Dispute Resolution Service involves a case manager assessing whether family dispute resolution is appropriate in each case. This assessment considers, for example, safety issues and a parent's capacity to negotiate. A family dispute resolution practitioner (a chairperson) conducts a conference to help family members discuss their dispute and make decisions that are in the best interests of the children.

Each person usually has a lawyer to help them make decisions and to provide legal advice. Clients may have to pay for their own lawyer's fees if they do not have a grant of legal assistance. In some cases a client can be referred to a free lawyer from the Family Law Legal Service.

Most conferences occur at an early stage in family law matters, avoiding the need to go to court. However, in appropriate matters, conferences occur during court proceedings to help settle the dispute before a final hearing.

We provided 1,097 family dispute resolution conferences (up by 0.9 per cent) with a settlement rate of 83 per cent. The settlement rate is based on settlement of some or all issues in a dispute on an interim or ongoing basis.

### Family dispute resolution services over two years

Year	Number of conferences	Settlement rate
2015–16	1,097	83%
2014–15	1,087	86%

### Duty lawyer services

Our lawyers are on ‘duty’ at many courts and tribunals across Victoria to help people who are at court for a hearing, but do not have their own lawyer.

Our duty lawyers provide free legal information, advice and representation to clients. Duty lawyers do not represent everyone. We prioritise serious cases, including people who are in custody or at risk of going into custody and people who need intensive support.

We provide duty lawyer services through our legal programs:

- Criminal Law program (p. 145) – Magistrates’ Court summary crime duty lawyer services
- Family, Youth and Children’s Law program (p. 147) – Children’s Court (Family Division), Magistrates’ Court (for family violence intervention order matters) and Commonwealth Family Law Courts
- Civil Justice program (p. 142) – Victorian Civil and Administrative Tribunal (Human Rights and Residential Tenancies Divisions), Mental Health Tribunal, Administrative Appeals Tribunal, Magistrates’ Court (Special Circumstances List) and Federal Circuit Court (migration directions).

### Performance against Victorian government targets\*

Major output/deliverable performance measures	2014–15 actual	2015–16 target	2015–16 actual	% change on 2015–16 target
Duty lawyer services	83,674	80,000	87,162	9.0

\*The Victorian Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3*.

The demand for our duty lawyer services increased significantly for summary crime and family violence related matters. Summary crime has experienced major increase in duty lawyer services predominantly for breaches of family violence intervention orders (p. 16). Our performance target will increase in the following year to reflect an increase in demand.

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## Grants of legal assistance

We provide grants of legal assistance to people who cannot afford a lawyer, who meet our eligibility criteria and who are experiencing a legal problem that we can help with. A grant of legal assistance can enable a lawyer to:

- give legal advice
- help resolve matters in dispute
- prepare legal documents
- represent a client in court.

We provide grants for certain criminal, family and civil law matters. We determine whether an applicant is eligible for a grant of legal assistance based on:

- their financial situation
- the type of legal problem they have
- how successful they are likely to be in their case.

Clients with a grant of legal assistance can be helped by a Victoria Legal Aid lawyer or a lawyer on one of our panels, including private practitioners and lawyers from community legal centres.

### Performance against Victorian government targets\*

Major output/deliverable performance measures	2014–15 actual	2015–16 target	2015–16 actual	% change on 2015–16 target
Grants of legal assistance	34,681	34,900	38,345	9.9
Percentage of applications for legal aid processed within 15 days	93 per cent	95 per cent	94 per cent	-1.1

\* The Victorian Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3*.

The variance to target includes increases in summary crime, child protection, parenting disputes, Independent Children’s Lawyer and indictable crime grants of aid. The increase in grants is a direct result of State Budget initiatives of providing extra police and greater child protection activity. There have been increases in the number of child protection initiations in the Children’s Court of Victoria and increased charges of breaches intervention orders, tougher penalties and increasing remand rates in summary crime. As a result, we are experiencing a shift to more intensive services with more clients eligible for grants of legal assistance. Our performance target will increase in the following year to reflect an increase in demand.

The small variance for percentage of applications processed within 15 days can be attributed to the volume of applications received over the year and the time required to process these with consistent quality.

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### **Summary crime up 16 per cent**

Many of the services we provide are stretched wafer thin; our duty lawyer services are particularly stretched. List sizes vary across different practice areas with lawyers servicing the family violence intervention order list seeing on average 10 to 12 clients per day, and up to 17 clients per day. In practice, this means that a lawyer is significantly limited in the time they can spend with a client, and they are required to go over-and-above to ensure a quality service. Simply put, current services are not keeping up with excessive levels of demand.

Demand for our summary crime services grew significantly this year. We provided over 14,500 grants of legal assistance for summary crime matters, almost 16 per cent higher than last year.

As anticipated, we also provided more duty lawyer services, with increases of 3 per cent in-house and 22 per cent by private practitioners. In particular, we saw 37 per cent increase in grants of legal assistance for breaches of family violence intervention orders, up from 1,203 in 2014–15 to 1,645 this year, while duty lawyer services jumped by 10 per cent for breaches.

It is likely that a combination of different factors have contributed to these increases, including police initiations and the complexity of matters such as people needing support with family violence matters and drug offending. The guidance note we issued in November 2015 supported practitioners to interpret and apply the summary guidelines as consistently as possible. It was designed to promote access to justice for disadvantaged Victorians by ensuring that assistance is provided fairly and equitably to those who are eligible to receive legal aid funding. As a result, there has been an increase in the number of summary crime grants approved. From 1 March 2016 we also extended the financial eligibility of our means test, which has meant that more disadvantaged Victorians are eligible for legal assistance.

Our recent submission to the Victorian Government's Access to Justice Review also highlights growing demand for our duty lawyer service. We are evaluating our summary crime services to help address growing demand. Through our evaluation we hope to build a stronger evidence base which will better inform how we can help disadvantaged people in Victoria.

### **Sub-program performance report**

For additional program information, including program expenditure, client demographics, grants of legal assistance and number of duty lawyer services please see pages 142–150.

## Our clients

During 2015–16, we helped 86,847 unique clients. Unique clients are individual clients who accessed one or more of Victoria Legal Aid’s legal services. This does not include people for whom a client-lawyer relationship was not formed, who received telephone, website or in-person information at court or at public counters, or participated in community legal education — we do not create an individual client record for these people. Neither does this client count include people assisted by our new Independent Mental Health Advocacy Service.

We are committed to assisting clients from culturally and linguistically diverse backgrounds, and are sensitive to their needs and requirements. Our free Legal Help telephone service is staffed by bilingual lawyers which enables us to provide direct assistance in 21 languages other than English without the need for a third party interpreter. See page 10 for more information about our Legal Help telephone service.

We are always looking for new ways to collaborate with clients to ensure that we are listening to the community and achieving the best possible outcomes. The formation of the ‘Speaking from Experience’ group is an example of how we actively seek consumer engagement for mental health issues. The new group aims to integrate the consumer perspective into the way we deliver services and ensure services respond to their clients. The group has 14 members and they bring a breadth of experience and expertise including the experience of living with mental health challenges. Diversity is a strength of the group and the multiple perspectives provided by the members guide our two different but complementary services: the Mental Health and Disability Law team and Independent Mental Health Advocacy.

Our regional and remote offices play a pivotal role within the community and their commitment to helping Victorians. See page 64 for a full list of our offices.

### Performance against Victorian government targets\*

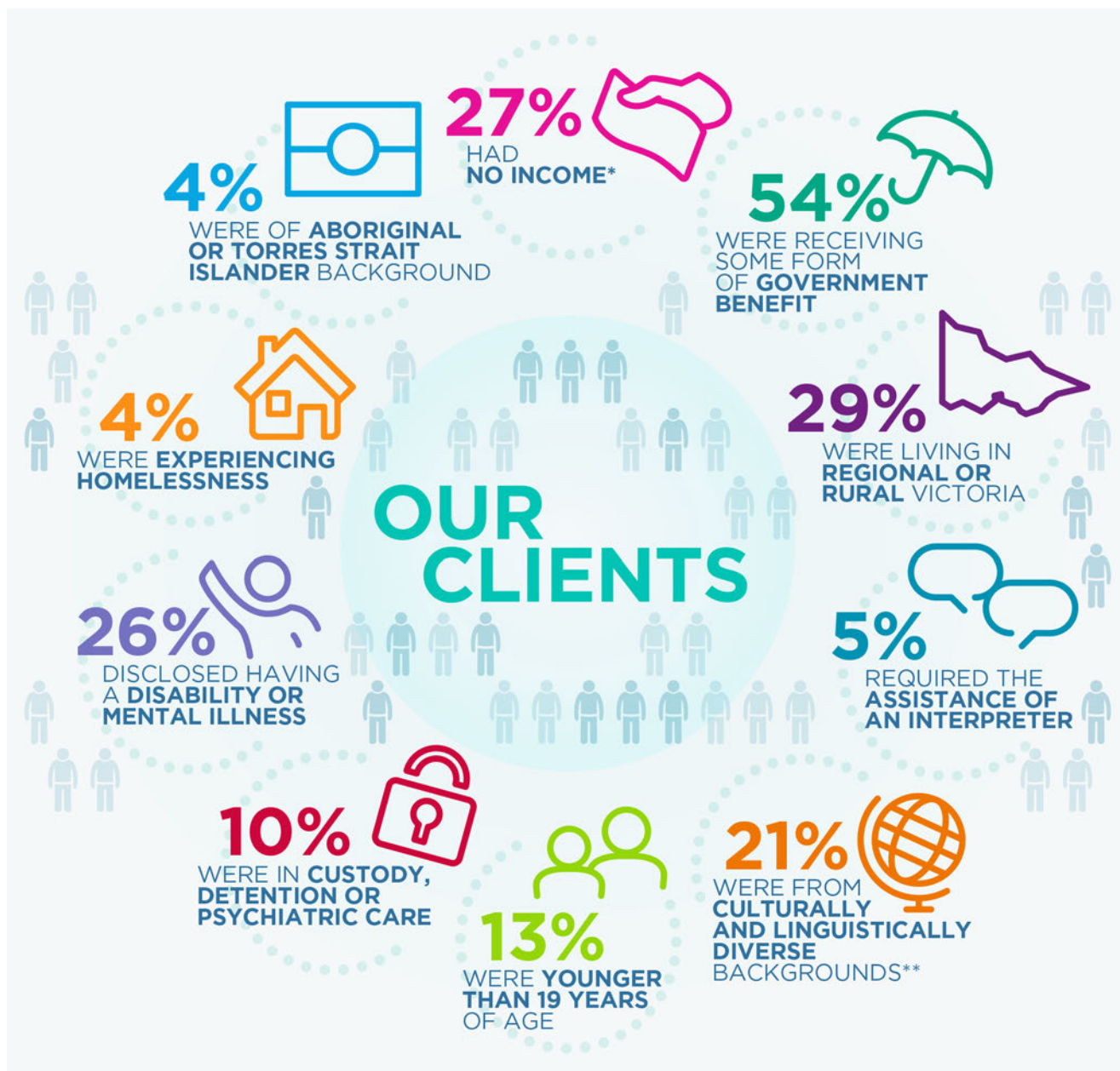
Major output/deliverable performance measures	2014–15 actual	2015–16 target	2015–16 actual	% change on 2015–16 target
Clients who accessed one or more of our legal services	85,007	84,000	86,847	3.4

\* The Victorian Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3*.

The variance reflects the increase in clients accessing duty lawyer services and grants of legal assistance (p. 14-16).



Abeba is 35 years old and migrated from Ethiopia five years ago. Abeba lives in the East Gippsland region and requires an interpreter when communicating in English. Abeba is an example of how diverse our clients are, experiencing disadvantage due to language and literacy barriers as well as geographic isolation.



These figures do not include clients seen by a private practitioner duty lawyer.

\* Examples include children and young people, people experiencing homelessness, people in custody and immigration detention, and psychiatric patients.

\*\* This is based on the Australian Bureau of Statistics definition of people from culturally and linguistically diverse backgrounds. It includes people who speak a language other than English at home and people who were born in a non-English speaking country.



Joe is 45 years old and living on the streets of Melbourne. Due to Joe's mental illness, he doesn't have a job and relies on Government benefits. Joe is an example of just how disadvantaged our clients are, facing financial hardship and having to manage an illness or disability.

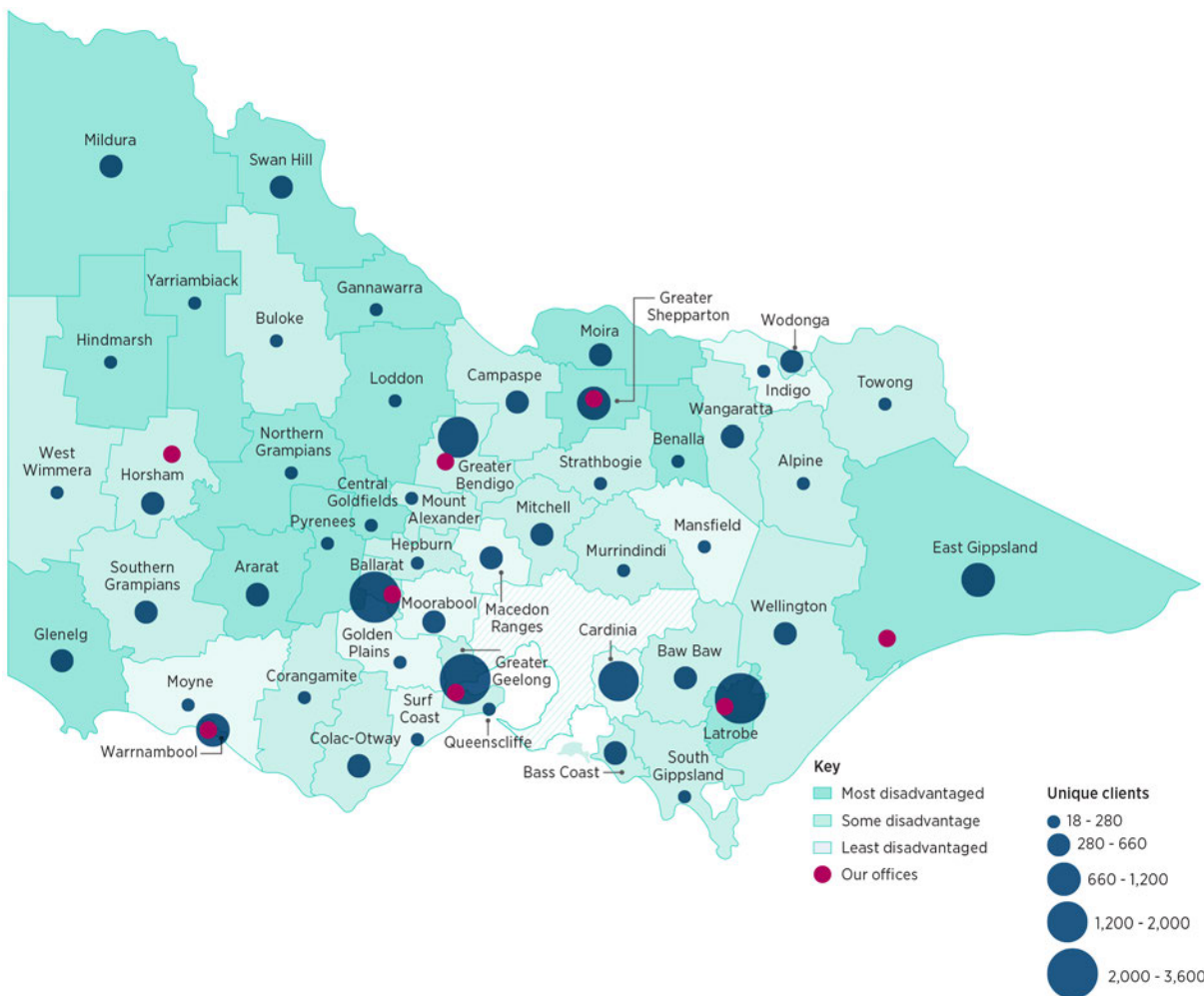
## Our clients across Victoria

Our clients are among the most disadvantaged people in Victoria. The following maps indicate the number of unique clients we helped in each local government area during 2015–16.

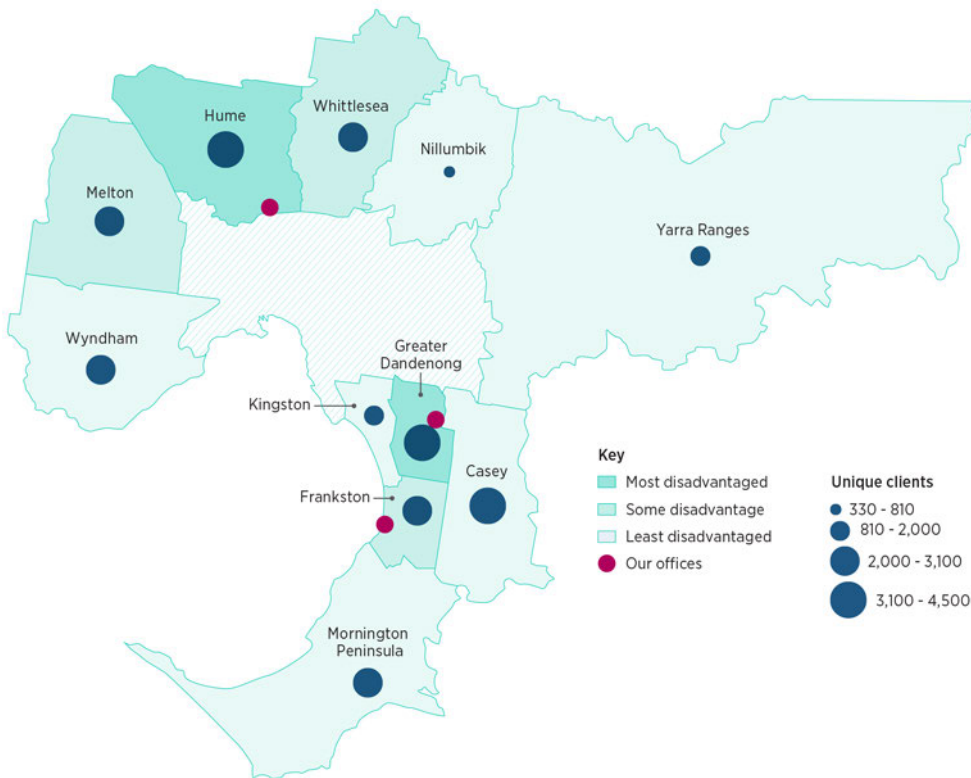
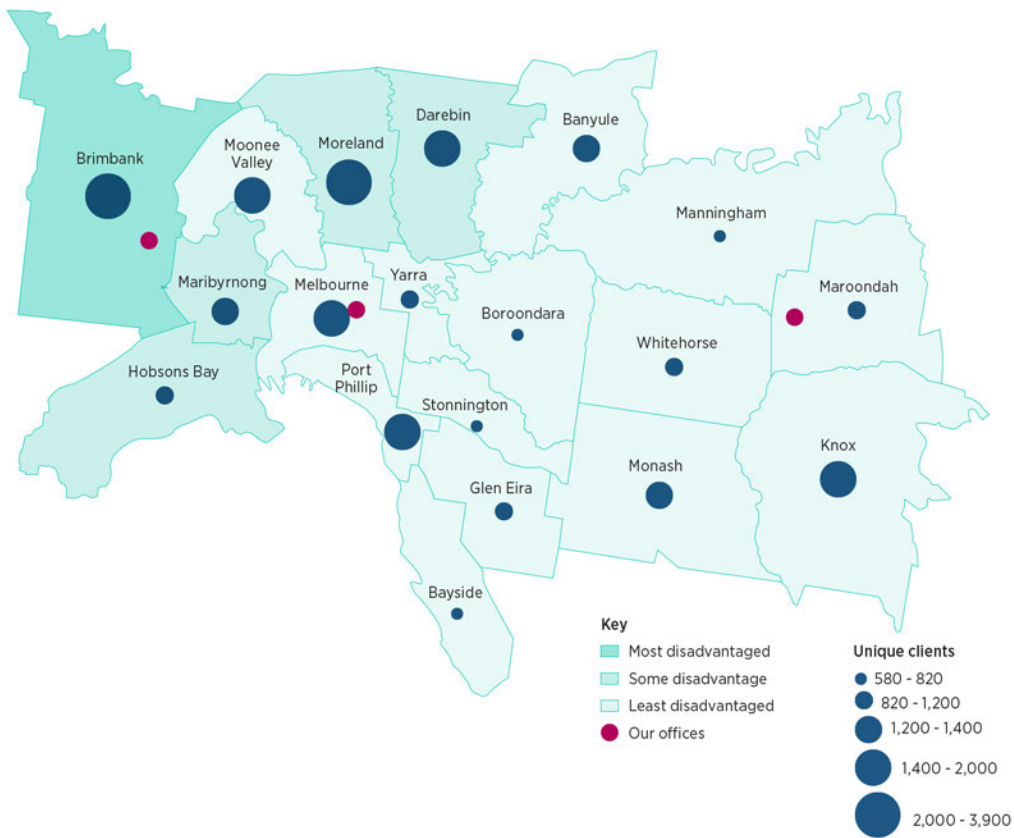
Client locations are based on the primary address they nominate. This may include prisons, hospitals, remand centres and temporary accommodation facilities.

The maps also show the relative socio-economic disadvantage of each area, using the Australian Bureau of Statistics' 2011 Index of Relative Socio-Economic Disadvantage. The Australian Bureau of Statistics broadly defines relative socio-economic advantage and disadvantage in terms of 'people's access to material and social resources, and their ability to participate in society'. Clients assisted by a private practitioner duty lawyer are not included in the following maps.

## Regional and rural Victoria



# Metropolitan Melbourne





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## Our performance

### In this section...

Page 21	Snapshot of financial performance
Page 23	Snapshot of achievements against our 2015–16 Business Plan
Page 24	National Partnership Agreement
Page 25	Reporting against our statutory objectives
Page 28	Reporting against our strategic directions
Page 39	Making a difference through our advocacy and law reform
Page 42	Working together better

### Snapshot of financial performance

We finished the year with a surplus on transactions, our day-to-day business, of \$1.5 million significantly lower than last year's surplus of \$11 million. This reflects the increased demand for our services which saw expenditure increase 11 per cent or \$16.6 million to \$172.3 million.

The comprehensive surplus was \$2.7 million, compared to an \$11 million surplus last year.

The year-end cash balance was \$48.7 million.

The 2015–16 financial statements record:

- Victorian Government income of \$91.3 million
- Commonwealth Government income of \$49.4 million
- Public Purpose Fund income of \$28.3 million
- \$71.2 million spent on case-related private practitioner payments
- \$18.7 million allocated as direct funding provided to community legal centres with a further \$9.7 million allocated as indirect funding, a total of \$28.4 million funding
- a comprehensive surplus of \$2.7 million.

See 'Our finances' (p. 83) for the financial year in review and financial statements, including the Auditor-General's Report.

<b>Financial summary</b>	<b>2015–16 \$000</b>	<b>2014–15 \$000</b>	<b>% change</b>
Income from government	140,744	132,262	6.4
Income from the Public Purpose Fund	28,313	29,273	-3.3
Total income from transactions	173,877	166,749	4.3
Total expenses from transactions	(172,337)	(155,774)	10.6
Net result from transactions	1,540	10,975	-86
Net result for the period	2,744	11,006	-75.1
Net cash flow from operating activities	9,676	13,411	-27.9
Cash at 30 June	48,703	42,201	15.4
Total assets	86,798	78,961	9.9
Total liabilities	42,498	37,405	13.6
Total equity	44,300	41,556	6.6

<b>Funding that we distribute (\$) *</b>	<b>2015–16</b>	<b>2014–15</b>
Community legal centres	15,961,316	15,854,880
Community legal centres, Innovation and Transformation Fund	1,364,654	635,346

\* This does not include Commonwealth payments to community legal centres. The combined total State and Commonwealth funds to community legal centres administered by VLA amounts to \$28.4 million.

## Snapshot of achievements against our 2015–16 Business Plan

Our Business Plan commits us to a number of actions with specified measures of success or targets. The following table indicates our achievements against the three strategic directions outlined in the Business Plan. See the corresponding page numbers for further information and analysis.

Strategic direction one	Strategic direction two	Strategic direction three
<b>Objective: Invest in timely intervention, especially for children and young people</b>	<b>Objective: Match services to the needs and abilities of our clients</b>	<b>Objective: Maximise benefits by working with others</b>
Reviewed our youth crime program to identify improvements in our service delivery and opportunities for timely intervention for at risk children and young people in order to develop a broader youth crime strategy and input into the child protection review. (p. 29)	Improved response for duty lawyer services in family violence intervention orders and criminal matters. (p. 30)	A greater focus on rehabilitation and increased use of community correction orders to address the underlying causes of criminal offending with a view to contributing to the long-term reduction of re-offending. (p. 35)
Stakeholder engagement, research and analysis identifies the current and future landscape of child protection legal services, its connections with other legal services and options on how to address any gaps and prioritise more timely help for children and families for further consultation. (p. 28)	Staff have a greater understanding and awareness of family violence safety risk factors. (p. 30)	A shift in focus and investment in effective programs and support services for offenders through the use of community correction order. (p. 35)
Amended service and eligibility guidelines for family law clients, focusing on providing increased access to legal help at the earliest opportunity, with the most intensive services prioritised for those most in need. (p. 28)	A bigger, modernised Legal Help telephone service that provides the main entry point to the whole legal assistance sector. (p. 33)	Improved accountability in community legal centre funding arrangements. (p. 35)
	Improved legal services and support for Aboriginal and Torres Strait Islander people with family, children, civil and administrative issues. (p. 31)	Fund projects that give practical expression to the guiding principles for community legal centre funding decisions. (p. 36)
	People with significant mental health issues receive more comprehensive advocacy services. (p. 32)	A framework for collaborative sector wide service planning. (p. 36)
		Stakeholder (internal and external) understanding of scope and complexity of the means test. (p. 37)

The year ahead		
Implement a youth crime strategy that promotes timely intervention and improves service delivery for at risk young people.	A Client Safety Framework implemented across all Victoria Legal Aid services and locations.	Evaluation of our summary crime duty lawyer services identifies future directions to help improve service delivery and ensures they are effective and sustainable.
More legally aided young people diverted away from the criminal justice system through access to diversion.	A bigger, modernised legal help telephone service that provides the main entry point to the whole legal assistance sector.	An enhanced Victoria Legal Aid presence in the Mallee region to help improve access to justice.
A Child Protection Service review outlining a new approach to legal services designed and targeted to provide more effective and timely support for children and families.	Improved legal services and support for Aboriginal and Torres Strait Islander people with family, civil and administrative issues.	Work with other legal assistance service providers in Albury Wodonga to help improve access to justice.
Clearer and more consistent family law guidelines and new family law practice tools.	Consistent and coordinated triage, intake, assessment, assignment and improved communication with clients.	A response plan to the Royal Commission into Family Violence addresses policy; service delivery, resourcing/funding; and advocacy.
Coordinated early assistance for 'legacy caseload' asylum seekers.		

## National Partnership Agreement

A new five-year National Partnership Agreement on Legal Assistance Services (NPALAS) commenced on 1 July 2015 and is due to expire on 30 June 2020. The 2015–20 NPALAS now also includes state-wide performance indicators for legal aid commissions and community legal centres, and a requirement for state-wide sector planning. See pages 36 and 62 for more information on our Sector Innovation and Planning Committee.

A new benchmark for legal aid commissions and community legal centres has been included. For legal aid commissions, 95 per cent of representation services are to be delivered to people experiencing financial disadvantage. As Victoria Legal Aid's adult representation services are means tested, and consistent with the definition of financial disadvantage within the NPALAS, we have met (and exceeded) this benchmark. See pages 17-20 for more information about just how vulnerable and disadvantaged our clients are. For community legal centres from 1 July 2015 to 30 June 2017, 85 per cent or more of total representation of services are to be delivered to people experiencing financial disadvantage. Community legal centres met (and exceeded) this benchmark with 99 per cent.

## Reporting against our statutory objectives

Victoria Legal Aid is an independent statutory authority established under the *Legal Aid Act 1978* (Vic). We are funded by the Commonwealth and Victorian governments but operate independently of government.

As an independent statutory authority, we are set up to meet the following statutory objectives:

### Provide legal aid in the most effective, economic and efficient manner

Measure	Outcome
84,500 unique clients helped.	86,847 unique clients helped, this includes clients seen by a private practitioner duty lawyer (p. 17).
5% increase in services delivered.	Target: 320,070, Performance: 292,169. The shortfall in services is due to an increase in more intensive services delivered. There was also a decline in the number of advice services this year as the demand for our Legal Help telephone services grew faster than our ability to answer calls, due to some technical difficulties and service disruptions following the introduction of the new telephone software, staff turnover and longer call length. We are now stabilising the service and expect to be back on track to answer more calls in 2016–17.
Victoria Legal Aid is within +/- 5% of targets against key service types as identified in Budget Paper 3.	Two out of the six output performance targets were within +/- 5% of target as identified in Budget Paper 3 (p. 9-17). Our Budget Paper 3 end of year result for information services and advice services were below target. The demand for more intensive court based services in the form of duty lawyer services and grants exceeded targets.
Percentage of Direct/Indirect Service delivery staff compared to Corporate Services staff and expenditure against each.	<p>The purpose of this measure was to ensure that our resource allocation decisions are targeted to frontline staff and activities as much as possible. Compared to last financial year, this year service delivery staff variations are:</p> <p><b>Direct:</b> 73% - Increase of 2%</p> <p><b>Indirect:</b> 15% - Decrease of 4%</p> <p><b>Corporate:</b> 12% - Increase of 2%</p> <p>Compared to last year, there has been a 6% increase in total workforce, mainly for direct service delivery. There has also been a reclassification of roles from indirect to direct or corporate areas (p. 66). We have not reported on expenditure as these reclassifications were not reflected in the financial data.</p>
Implementation of major criminal cases framework.	The major criminal cases framework was implemented on 1 February 2016. (p. 42)
Comparison with 2014–15 baseline of number of new and repeat community legal centre clients and percentage of advice and percentage of cases against overall matters.	There was a slight reduction in new (-5.7%) and repeat (-4.9%) client numbers, however advice (68.4%) and cases (31.6%) remain the same against overall matters. The reduction in new and repeat clients is attributable to a number of factors including community legal centre mergers, resulting in service recalibration.

Measure	Outcome
	<p>Prior to these mergers, some clients were seeking services from multiple centres.</p> <p>The major change has been to the Community Legal Service Information System (CLSIS) data standards in relation to counting client activity, (in particular counting information services), which has caused a significant reduction in performance outputs in centres adopting these new standards.</p> <p>Other factors include a focus on family violence (and more complex case work), time spent on the Royal Commission into Family Violence (Victoria) and the Access to Justice Review, impacting on direct casework.</p>

### Provide to the community improved access to justice and legal remedies

Measure	Outcome
7% increase in calls dealt with by Legal Help.	There was a 2% decrease in calls dealt with by Legal Help. The demand for the phone services grew faster than our ability to answer calls due to some technology issues, staff turnover and longer call length (p. 10).
75% of calls answered by Legal Help and an average waiting time of less than three minutes.	60% of calls were answered by Legal Help. Despite the lower than forecast calls answered, the demand was 13.5% higher compared to last year. Legal Help experienced a longer call wait time of 7 minutes and 26 seconds due to a variety of factors (p. 10).
Proportion of unique clients (priority and non-priority) by location and service.	There was a slight decrease (.2%) in the proportion of priority clients residing in the metropolitan area, and there was a slight increase (.2%) of the proportion of priority clients in non-metropolitan areas.
Suite of recommendations for improved service delivery developed from results of 2014–15 Client Satisfaction Survey.	Implementation of a suite of recommendations is underway. A summary is available on the website.

**Manage resources to make legal aid available at a reasonable cost to the community and on an equitable basis throughout the state**

Measure	Outcome
Results from compliance activities (guidelines).	<p>Since November 2015, our compliance function has a greater focus on education and training about guidelines and fees, which has contributed to strong compliance rates.</p> <p><b>Criminal Law</b>            Indictable: 100% compliant            Summary crime: 96% compliant</p> <p><b>Civil Law</b>            96% compliant</p> <p><b>Family Law</b>            Child protection: 61% compliant            Family law: 33% compliant            Child support: 50% compliant</p> <p>Following each family law compliance check our staff are spending considerable time with each legal practice explaining the guidelines and the issues raised with the files which were checked. We are focusing our time and effort on training the practitioners face-to-face at each practice on interpreting the guidelines. We are hopeful that this, combined with the rewriting of the guidelines so they are easier to understand and therefore comply with, will produce better outcomes in future. It should be noted that only a small number of child support files were checked so whilst the non-compliance figure is proportionally high, the actual number of non-compliant files is very small.</p>

**Pursue innovative means of providing legal aid directed at minimising the need for individual legal services in the community.**

Measure	Outcome
Proportion of community legal education sessions targeted to vulnerable client groups (such as children and young people, people from culturally and linguistically diverse backgrounds, people with a disability and indigenous people).	In 2014–15, 73% of total community legal education (CLE) participants were reported as vulnerable client groups. In 2015–16, 55% were reported as vulnerable client groups. The reduction in CLE sessions for disadvantaged clients is because CLE have increased the delivery of CLE sessions to workers in addition to the public. These workers play a vital role in providing early assistance in linking disadvantaged clients with legal assistance services.
Successful examples of strategic advocacy and systemic improvements.	Throughout the year, there have been several successful examples of strategic advocacy and systemic improvements. See pages 39-41 for more information.

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## Reporting against our strategic directions

In developing our *Strategy 2015–18*, we applied our values of care, fairness and courage to guide our choices about who we help and how we help them.

The three strategic directions of our *Strategy 2015–18* guide us in working with our partners in the justice and community sector to improve the way Victorians access justice. They help us to deliver the most appropriate legal services at the right time, based on client needs.

### **Strategic direction: Invest in timely intervention, especially for children and young people**

Helping people as soon as they need it rather than when their lives have reached a crisis point benefits clients and the community. For children and young people in particular, timely intervention can make a real difference in their lives and minimise their risk of becoming future legal aid clients. We want to see fewer children in the justice system because we know that in the long term that will lead to fewer adults in trouble with the law.

### **Outcomes against our Business Plan**

#### **Review of our child protection services underway**

We started a review of our child protection services in March this year, with the aim of children, young people and parents benefitting from services that are targeted, timely and help reduce the need for future assistance. An important part of our review has involved seeking ideas and feedback from over 100 legal and community sector practitioners and organisations about our child protection services and ways we can improve them.

In the next phase of this review, we anticipate releasing a consultation paper in late 2016. The consultation paper will help inform recommendations we expect to put to our Board in the second half of 2017.

We play a significant role in child protection in Victoria, providing or funding legal help for nearly every child, young person and parent represented in child protection matters in the Children’s Court of Victoria, and demand is growing. This year we spent \$21.3 million on child protection. Our grants of legal assistance increased by 15 per cent this year from 6,689 in 2014–15 to 7,718 this year.

[Managed through our Family, Youth and Children’s Law Program.](#)

#### **Service and eligibility guidelines amended for family law clients**

In 2014–15 we undertook a review of family law legal aid services to ensure they are fair, as widely available as possible and sustainable. The review identified 35 actions for change that reflect the future direction of our family law services, as part of an ongoing process to embed greater accountability and better service delivery across legally aided services.

We are currently tracking well against our first year commitments and on track to commence and deliver our year two commitments. We introduced a number of guideline changes to re-calibrate intensive service delivery and enhance assistance for vulnerable clients with complex needs.

Working with our partners we have reviewed and redrafted family law grant guidelines with the aim of making them easier to understand and reflect current family law practice. The new family law guidelines will be implemented in early 2017.

[Managed through our Family, Youth and Children’s Law Program.](#)



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## **Reviewed our youth crime services**

The Youth Crime Services Review is in the final stages of reporting. This will be used to develop a youth crime strategy, which identifies improvements in the delivery of our youth crime legal services and opportunities for timely intervention for at risk children and young people. This review will be used as a key input for the child protection review and will be developed in early 2016–17 planning cycle.

[Managed through our Criminal Law Program.](#)

## **We also...**

### **Implemented new child protection guideline changes**

Significant amendments to Victoria's child protection legislation, that changed the way child protection matters are handled by the Department of Health and Human Services and the Children's Court, came into effect on 1 March 2016.

We adjusted our child protection funding guidelines to respond to the changing child protection landscape, to make sure the availability of legal assistance to children and families was not reduced.

In November 2015, we released a consultation paper outlining proposals to substitute the existing child protection legal aid service, to ensure clients continued to receive the same level of representation once the amendments took effect. Stakeholder feedback on this paper then informed the development of the revised state family guidelines, which were approved by the Board in February and came into effect on 1 March 2016.

### **Submitted a second submission to the Family Law Council**

The Commonwealth Attorney-General, Senator the Hon George Brandis QC, requested that the Family Law Council report to him on five matters in relation to the needs of families seeking to resolve their parenting disputes who have complex needs, including emotional, sexual and physical abuse and family violence. In our first submission in April 2015, we made recommendations to the Family Law Council to improve the justice system for families with complex needs across the family law, child protection and family violence jurisdictions.

In October 2015 we made our second submission. The submission called for reforms to ensure relevant information about risks to children and families comes to the earlier attention of the family law courts. It also called for changes to court practices as well as ongoing training of judicial officers in identifying risk factors.

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### **Case study: Advocating for a better approach for families caught between state and Commonwealth court systems**

The story of our 12-year-old client Jack illustrates the impact on a vulnerable child when complex family law situations do not fit neatly within Commonwealth or state jurisdictions.

For Jack, decisions about his future after his mother died became unnecessarily protracted and distressing.

Jack was living in the care of his adult sister on a child protection order, overseen by the Victorian Department of Health and Human Services, who were working with his mother to reunite her with her son. She passed away before this could happen. (Jack's father had died when he was much younger.)

Jack wanted to continue living with his sister, and she was keen to continue caring for him as his legal guardian. But this outcome has been delayed due to the complexities of navigating two different court systems which are each overseeing one aspect alone of his future.

The Victorian Children's Court considered an application from Jack's sister which would have transitioned Jack from a state child protection order to a Commonwealth family law order. It appeared the simplest step at this point, as the Children's Court had all the information relevant to Jack's situation. This order would give his sister sole parental responsibility and provide certainty and security for Jack.

While the Children's Court agreed that it was in Jack's best interests to live with his sister, it refused to make the family law parenting order because it was uncertain whether it had jurisdiction to do so.

This has led to further uncertainty and distress for Jack and his sister at an already very difficult period. Jack's sister needed to initiate separate family law court proceedings to finalise Jack's care arrangements.

As well as a specific recommendation to resolve the legal ambiguity demonstrated in Jack's case, our submissions to the Family Law Council made recommendations, based on a 'one court principle', that would address the silos and lack of information-sharing between courts.

### **Strategic direction: Match services to the needs and abilities of our clients**

Legal assistance can be difficult to access, particularly for people who have complex legal and personal issues. We want to make it easier for people to resolve their legal problems by considering their individual circumstances, and matching our services to what clients need and the consequences they face.

#### **Outcomes against our Business Plan**

##### **Increased staff understanding and awareness of family violence safety risk factors and improve our duty lawyers' response in family violence intervention order and criminal matters**

In August 2015, around 25 members of our Criminal Law team undertook specialist training to promote early intervention in family violence. The training was renewed as part of our Family Violence Service Delivery and Education Framework and aims to develop lawyers' understanding of issues that contribute to family violence and practical approaches for how to respond appropriately. It also

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supported our lawyers to have a strategy for a client that includes referral to appropriate services addressing underlying behaviour and issues in order to reduce the chance of reoffending.

Following on from the training, we worked with family violence experts, including Safe Steps and No To Violence, to develop a new client safety framework. The framework has been designed to increase our staff's awareness, understanding and response to family violence and suicide risk indicators. It helps to ensure the safety of our clients and their families, by enabling us to more effectively recognise risk, and link those who need help to specialist support services. The framework which was designed to be short, simple and easy to use. It was developed by staff from across our program areas and offices in consultation with family violence experts. It also helps to ensure we make the right referrals so people can receive the specialised support that they need.

[Managed through our Family, Youth and Children's Law Program.](#)

### **Began expanding our capacity to better support Aboriginal and Torres Strait Islander people**

Our Reconciliation Action Plan 2015–2018 (RAP) provides a number of measurable steps to improve our service response to Aboriginal and Torres Strait Islander people.

During National Reconciliation Week (27 May – 3 June) we reported some of our RAP achievements and progress towards our four main areas of activities – access to services, building cultural awareness for staff, improving employment pathways and strategic advocacy. Some key achievements included:

- appointing our first Associate Director of Aboriginal Services, Meena Singh
- 177 staff attended an Aboriginal cultural awareness half day workshop, over three times the number of staff who attended the previous year
- funding assistance to Aboriginal Family Violence and Prevention Legal Service for Sisters Day Out and Koori Women's Hub
- supported the Victorian Aboriginal Legal Service with a Melbourne lecture from the Aboriginal Legal Services of Toronto
- Aboriginal and Torres Strait Islander flags and acknowledgement plaques in all offices
- our Board and senior managers held one of their regular meetings in Mildura and heard directly from local Aboriginal service providers
- our new Sector Innovation Planning Committee includes two Aboriginal representatives.

[Managed through our Access and Equity Program.](#)

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## Welcome Meena Singh

Our inaugural Associate Director of Aboriginal Services, Meena Singh, took up the senior executive position in May 2016. Meena brings to Victoria Legal aid expertise from her previous advocacy roles, including Director Legal and Strategy with the Victorian Aboriginal Legal Service – a role that saw her attend a United Nations Permanent Forum on Indigenous issues last year.

Meena is the daughter of a Yorta Yorta woman and a migrant father who is confident in her identity.

'I like to say sometimes "I'm the Aboriginal woman with the Indian name". I can't ever say I'm Aboriginal without saying I'm also of Indian heritage, just like I can't ever say I'm Indian without saying I'm also Aboriginal,' she said.

'The good thing about cultural awareness training is that it encourages people who think, "I'm just Australian", "I'm just white" or even "I don't have a culture" to think about that and to realise that this is the dominant culture, this is what you have come to.'

Meena is forthright in assessing the task ahead with her role.

'Just four per cent of our clients are Aboriginal or Torres Strait Islanders, and we know the gross over-representation of Aboriginal people in Victoria's prisons and child protection system, so we have to ask ourselves, how are we – as an organisation that wants to help more Aboriginal people – going to better service these clients and communities?

'Part of my role is looking at what we do ... and how we make a service that an Aboriginal person feels comfortable coming to in the first place,' Meena said.

## Established a dedicated non-legal advocacy service for people with significant mental health issues

Our new Independent Mental Health Advocacy (IMHA) service began providing support on 31 August 2015 for people receiving compulsory mental health treatment. This service delivered by us and funded by the Department of Health and Human Services, is free and operates independently from hospitals and mental health services. It provides people who are receiving compulsory treatment with information and support to act on their rights. The service complements the legal advocacy provided by our Mental Health and Disability Legal team to the people facing compulsory mental health treatment before the Mental Health Tribunal. It operates in every area mental health service in Victoria. From 31 August 2015 to 30 June 2016, there were 3,548 advocacy and self-advocacy coaching services provided and 6,251 information and referral services.

[Managed through our Civil Justice Program.](#)

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### **IMHA case study: 66-year-old female, born in Australia, self-referred**

#### **Consumer issues:**

- Put on Inpatient Temporary Treatment Order (ITTO), did not agree she was hypomanic
- Seeking second opinion but denied leave to attend an appointment with private psychiatrist
- Seeking reduction of medications prescribed, feeling heavily sedated
- Hospital denying discharge on expiry of ITO (Inpatient Treatment Order) because it fell on a Sunday, reporting to consumer that service provision by external providers couldn't commence until the following day.

#### **Service provided and outcome:**

- *Representational advocacy* to treating psychiatrist resulted in leave being granted to obtain second opinion and medication being changed to a less sedating option.
- *Coaching to self-advocate* at a pending Mental Health Tribunal (MHT) hearing. Consumer had organised her own legal representation. MHT denied the hospital a six-month extension to ITTO, granting additional two week ITO with daily leave provision.
- *Representational advocacy* to obtain discharge on a Friday, three days earlier, to enable consumer to attend family gathering organised to celebrate her homecoming.
- *Referred* to Mental Health Complaints Commissioner.
- *Information Provision.* Advance Statements, Nominated Persons, Complaints, and other relevant Mental Health Act information.

'IMHA helped me how I needed when everyone else was saying it's not in our jurisdiction... Thank you my stay here was much easier with you involved... you are a very good negotiator.'

### **Began expanding our Legal Help telephone service**

Our free Legal Help telephone service dealt with 111,504 calls (2 per cent less than last year) and 121,771 matters (9 per cent less than last year). However, we had over 186,389 calls to the service, an increase of 13.5 per cent.

We introduced new contact centre technology with a call back system to improve our clients' experience in seeking our help. This technology allows us to take calls anywhere, enabling a platform to improve our accessibility and increase staff levels. We also updated our messages in English and 21 other languages, this is particularly important given 21 per cent of our clients are from culturally and linguistically diverse backgrounds.

Next year we will continue refining the new software and our supporting systems to ensure we are serving the community as effectively as possible. We will also increase the ways that people can contact us, by adding web chat and email channels, and a new referral agreement for prisoners once the specialist Prison Help line is established in 2016–17.

Due to a delay in the rollout of Legal Help's new software and the setting up of the new worker line, referral agreements with the community legal centre sector will occur in 2016–17.

[Managed through our Civil Justice Access and Equity Program.](#)

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### **Case study: Legal Help adds value to clinic appointments**

A woman with a disability, Carolyn,\* called Legal Help following a violent separation from her partner. Many of her belongings had been thrown out of her house, her wallet was lost and her personal documents destroyed. Carolyn was broke and homeless.

The Legal Help worker identified that Carolyn required assistance with a number of legal issues, including obtaining a family violence intervention order, making arrangements to see her child and finalising a property settlement. The Legal Help worker was able to provide procedural advice and make an appointment for Carolyn to see a family lawyer at her local legal aid office.

The Legal Help worker also assisted Carolyn with referrals to services to deal with her more immediate concerns – Centrelink for emergency funds, domestic violence support services and crisis accommodation providers.

By the time Carolyn attended her family law appointment she was receiving support to address her non-legal issues and the family lawyer was able to focus on helping her gain access to her son.

\* Not her real name.

### **We also...**

#### **Opened a new and refurbished office in Bairnsdale**

Our new office in Bairnsdale provides improved security, safety and opportunities for collaboration with our staff and clients. The new office broadens the scope of how our lawyers support the legal needs of people in Bairnsdale and surrounding areas, as well as in the La Trobe Valley and broader Gippsland. It also provides additional capacity for independent mental health advocates and supports our expanded family violence services, with an additional lawyer working on the family violence lists in Gippsland's courts, as well as our work with the Gippsland Multi-disciplinary Centre in Morwell, which is aimed at protecting the community from harm, ensuring child safety, and referring people to appropriate support services.

#### **Researched risk factors for continuing family violence**

Breaches of family violence intervention orders (FVIO) are one of the fastest growing offences in Victoria, so understanding who breaches and why is important for agencies that provide services to both respondents and applicants. In February 2016, we published a paper looking into the common characteristics of respondents who receive legal assistance when charged with breach of a FVIO. It also analysed the characteristics of clients who have received legal assistance multiple times when charged with breaching a family violence order. This research found that respondents who receive legal assistance when charged with breach of a FVIO are more likely to present with the following demographic characteristics:

- they are between 25-44 years of age
- they are overwhelmingly male
- there is an overrepresentation of Aboriginal and Torres Strait Islanders
- they may have some form of disability or a mental health issue.

Providing appropriate legal advice and support may help increase the rate of compliance with FVIO, reduce recidivism and increase safety for victims.

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## **Strategic direction: Maximise benefits by working with others**

Working closely with our partners in the community legal sector will help us ensure legal services are responsive to changing needs and population growth.

### **Outcomes against our Business Plan**

#### **Contributed to greater focus on rehabilitation through increased use of community correction orders**

At Victoria Legal Aid, we ensure that wherever appropriate our lawyers advocate for clients to be placed on community correction orders so that they have an opportunity to undertake programs with a rehabilitative focus. This year, 2,279 clients assisted by one of our in-house duty lawyers received a community correction order, an increase of 8 per cent. For grants of legal aid that were concluded in 2015–16, 3,864 clients were issued a community correction orders, an increase of 33 per cent from last.

Another way in which we are committing a greater focus on rehabilitation is by advocating for the expansion of the Dandenong Drug Court into Melbourne. The Melbourne Drug Court will commence early next year and will be able to provide services to approximately two and a half times more participants than the Dandenong Drug Court from a wide catchment area. We advocated for expanding this therapeutic court given the significant support it offers to clients and the long term benefits to the community in that it reduces the risk of re-offending. We will have lawyers based at the Drug Court and play a key role there.

[Managed through our Criminal Law Program.](#)

#### **Improved accountability for community legal centre funding arrangements underway**

The Community Legal Services Program (CLSP) encompasses Victoria Legal Aid and Commonwealth Government funding to Victoria's community legal centres (CLCs). The arrangement has been in place for over 15 years and due to a number of service agreement extensions, the CLSP has only been renewed three times.

The Community Legal Services Reform Project (Phase One) will provide the impetus and framework for Victoria Legal Aid and CLCs in Victoria to explore better processes and procedures for managing their funding, reporting and compliance relationship.

In this reporting year, Victoria Legal Aid dedicated significant resources to project planning and development and has actively sought input from the CLC sector (via the Federation of Community Legal Centres) for the development of this reform project framework. Victoria Legal Aid will continue to prioritise the critical involvement of CLCs in deciding key aspects of the reform.

The key deliverables will include a critical audit/review of the existing CLSP program, a series of issues papers designed to initiate and stimulate discussion on financial accountability, outcomes-based service planning and measurement, organisational standards and quality assurance.

This project will produce a proposal for a new CLSP or replacement funding program, with a clear rationale for the program, created collaboratively by Victoria Legal Aid and Victoria's CLCs.

Project activities involving stakeholders are scheduled to commence in September 2016.

[Managed through our Access and Equity Program.](#)

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## **Funded community legal centre projects to support new approaches and new ways of working**

In December 2014, the Victoria Legal Aid Board committed an investment of \$2 million for special, one-off grants to Victorian CLCs to foster innovation and transformation in their sector. Grants totalling \$636,000 were committed to six projects in 2014–15 and, in May–June 2016, a further \$1.4 million in grant funds were dispersed. Together these funded projects represent a significant opportunity for the sector to continue to build and strengthen planning capacity and service ingenuity toward more and better access to justice.

Funds were awarded to a cross-section of CLCs representing and supporting access to justice for priority clients and communities throughout Victoria. The projects will focus on client access and triage models, health justice and other significant partnerships, transformation of organisational models of management and governance, building opportunities for collaborating and sharing of expertise, and development of systems for effectively identifying and responding to legal need. Priority clients include Aboriginal and Torres Strait Islander men, women and children, young people, people with disabilities, people who are criminalised and/or imprisoned, people experiencing family and other forms of violence, people in socially and economically disadvantaged areas who are affected by environmental changes and clients generally experiencing difficulty accessing appropriate and timely legal assistance.

[Managed through our Access and Equity Program.](#)

### **Legal help to Shepparton's Rumbalara Aboriginal Cooperative**

An initiative launched during National Reconciliation Week provides legal assistance from one of Victoria's largest service providers for Aboriginal and Torres Strait Islander people. A lawyer from the Goulburn Valley Community Legal Centre now works with health service staff at Rumbalara Aboriginal Co-operative to help clients address their legal problems in a culturally sensitive and supportive environment.

The lawyer provides free information, advice and referral on a broad range of legal issues – including family law, family violence, consumer law, tenancy disputes and criminal matters – and works closely with specialist agencies such as the Victorian Aboriginal Legal Service, Aboriginal Family Violence Prevention and Legal Service and Victoria Legal Aid.

The partnership is supported by a grant of \$295,780 over two years from Victoria Legal Aid's Innovation and Transformation Fund, set up to support new approaches and new ways of working in the community legal sector.

### **Framework for collaborative sector wide service planning**

We established a Sector Innovation and Planning Committee (SIPC), a multi-disciplinary group to advise us on sector planning and innovation in February 2016. The committee comprises individuals from the private profession, community legal centres, Aboriginal organisations, health and research.

We are developing a model to measure legal need in Victoria that will underpin sector planning and we have received assistance from the New South Wales Law and Justice Foundation with this work. We have presented to the community legal centre sector on this work and our ideas for the sector planning process. Once the model has been validated and tested, we will deploy it in a number of regions in Victoria for the purpose of collaborative planning between Victoria Legal Aid and our



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partners in the legal assistance sector. See page 62 to learn more about our Sector Innovation and Planning Committee.

[Managed through our Access and Equity Program.](#)

### **Began planning our review of the means test**

The current means test, which is used to determine access to grants of legal aid, was developed more than 20 years ago and no longer reflects the circumstances of many who needed legal help but cannot afford a lawyer.

A Steering Committee involving internal and external stakeholders was established in 2015 to oversee the means test review project, including representatives from the Attorney-General's Department, Department of Justice and Regulation, Federation of Community Legal Centres, Law Institute of Victoria, and Victorian Council of Social Services. The Steering Committee held its first meeting in February 2016. The review will help us ensure the means test is easier to understand, fairer and capable of increasing eligibility. A public consultation process is planned from August 2016 to improve understanding of how the means test operates, and to encourage feedback from stakeholders and the public, particularly about the experiences of people who miss out on legal assistance.

By listening to peoples' stories during the consultation period, we hope to capture as many difference experiences as possible, which will help us in developing a better test.

In March this year, we made modest changes to financial eligibility thresholds to make more disadvantaged Victorians eligible for legal assistance, ahead of the full review.

[Managed through Legal Practice.](#)

### **We also...**

#### **Ran a joint training day to ensure the best possible expert evidence in crimes mental impairment cases**

One of our strategic advocacy priorities is to ensure that people with disability or mental health problems are not disadvantaged when exercising their legal rights. This commitment led to our collaboration with the Victorian Bar and Forensicare to run a training day in April 2016, aimed at ensuring quality presentation of expert evidence in cases run under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997*. At the training day, registrars from Forensicare played the role of experts, alongside Victoria Legal Aid Chambers advocates who specialise in criminal and civil law. Each expert gave evidence in chief and was cross examined by advocates playing prosecution and defence counsel. Following this, senior advocates from Victoria Legal Aid Chambers and the Victorian Bar sat on a panel and provided feedback.

#### **Helped asylum seekers with protection claims**

In April, the Attorney-General Martin Pakula launched a two-year initiative funded by Victoria Legal Aid that enables Refugee Legal and Justice Connect to coordinate services that help 'legacy caseload' asylum seekers prepare visa applications and express their claims in writing. The initiative will help many of the 11,000 asylum seekers living in Victoria and will provide education about legal processes and requirements. Early assistance will help the government to more quickly identify and settle valid claims, allowing more asylum seekers who are owed protection to stay in Australia. Refugee Legal, Victoria Legal Aid and Justice Connect are working with others who are investing significant resources working with this group of asylum seekers. They include the Asylum Seeker Resource Centre and private lawyers coordinated by the Law Institute of Victoria.

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### **Formed a new partnership to help support women in Melbourne's east**

In June 2016, we formed a partnership with Eastern Domestic Violence Service (EDVOS) to increase access to specialist legal services for women and children responding to family violence in Melbourne's east. From the first week of July, a Victoria Legal Aid family lawyer was located onsite at EDVOS to work closely with their team of specialist family violence case workers. As well as assisting EDVOS clients, our Victoria Legal Aid family lawyer collaborates with EDVOS staff to provide advice, guidance and education through secondary consultations and professional development sessions. Clients are still required to complete the Victoria Legal Aid intake process, but they now have the convenience of onsite legal support at EDVOS where they can see family violence advocates and a family lawyer at the same time and location.

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## Making a difference through our advocacy and law reform

The defining characteristic of strategic advocacy is that its ambition is for far-reaching beneficial impacts. Strategic advocacy seeks positive change and, at Victoria Legal Aid, we are committed to working on the justice system as well as within it. Under the *Legal Aid Act 1978* (Vic) we are required to pursue innovative means of providing legal assistance to reduce the need for individual legal services. We are also required to provide the community with improved access to justice and legal remedies. One way of achieving this is by pursuing improvements in law and policy that result in better outcomes for our clients and the community more broadly.

Our strategic advocacy is informed by our broad practice in family, youth, criminal, civil and administrative law. The breadth of our work means we are uniquely placed to identify opportunities for reform within the justice system.

Our justice and law reform activities include:

- running test cases to clarify points of law
- making submissions to inquiries and reviews
- advocating directly to government and the courts to improve policies and processes.

### Significant cases

#### Australia's first challenge to discrimination by insurers against people with mental illness

In December 2015, we won a landmark discrimination case on behalf of 21-year-old Ella Ingram against insurance company QBE (Australia) Ltd who had rejected her travel insurance claim under a blanket mental illness exclusion clause because she had cancelled an overseas school trip when she experienced a bout of severe depression.

The Victorian Civil and Administrative tribunal found that QBE had directly discriminated against Ms Ingram because its blanket mental illness exclusion clauses failed to take account of the type, severity or circumstances of different types of mental illness. The case was a strong wake-up call for the industry to comply with the law and keep up with community expectations about how people with a mental illness should be treated.

On the back of this win, together with our partners, beyondblue, Mental Health Australia and the Public Interest Advocacy Centre, we called on the Government to change discrimination laws so that there is stronger protection for consumers suffering from mental illness. We also encouraged change to ensure that insurers can be held accountable for their decisions in excluding or rejecting claims on these grounds.

#### Appeal against first baseline sentence

In November 2015, we won a significant victory with the Victorian Court of Appeal ruling in the matter of *DPP v Walters* (a pseudonym) [2015] VSCA 303 (17 November 2015) in which the Court held that the baseline sentencing provisions enacted in 2014 were 'incapable of being given any practical operation'. Victoria Legal Aid represented the accused in the case.

Baseline sentences were introduced in the *Sentencing Amendment (Baseline Sentences) Act 2014* to be the median prison sentence set for serious offences, including murder, drug trafficking, sexual abuse of a child, incest with a child, sexual penetration of a child and culpable driving causing death.

Four out of five judges in the Court of Appeal ruled that a median was 'unknown and unknowable' until the end of a relevant counting period and could not be set by Parliament.

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This decision demonstrates the fundamentally important role our Court of Appeal plays in statutory interpretation. This was not a decision attacking the provisions because they were unpopular; rather it found a fundamental defect in the structure of the baseline provisions which meant they were unworkable.

This led to one of our major Criminal Law Program policy submissions to the Sentencing Advisory Council in February this year on effective mechanisms for sentencing guidance focused on the need for evidence-based decision-making. We questioned whether there is a need for a new form of legislative guidance, whether strategies like mandatory sentencing are capable of improving public confidence and consistency of sentencing approach. We argued that on the evidence, schemes that limit judicial discretion do not work, are unjust, and disproportionately affect the disadvantaged. We noted that if the aim is to improve consistency and public confidence, guideline judgments are likely to be most effective, together with non-legislative measures such as community education and research.

In June, we welcomed the Sentencing Advisory Council's report on sentencing guidance in Victoria and its recommendation to repeal baseline sentencing.

### **First time Administrative Appeals Tribunal considers 'lived experience' in ruling on NDIS client support**

In August 2015, our Commonwealth Entitlements team won a landmark appeal in the Administrative Appeal Tribunal on behalf of Kylie McCutcheon, who had been informed that the National Disability Insurance Scheme (NDIS) would not pay for her physical therapies which she viewed as essential in keeping her mobile and independent. Ms McCutcheon, a single mother who was born with spina bifida and scoliosis, also has renal failure and a degenerating bone disease in her hip. After the NDIS refused to provide the same level of care that she had been receiving through a Victorian government package, many aspects of her life began to unravel. While she initially used some savings to pay directly for her therapy, when this money ran out, her health deteriorated. She had to leave her job and withdraw from studies. The case was not only a victory for Ms McCutcheon but was the first time the AAT had considered evidence of "lived experience" of a claimant in deciding what was a 'reasonable and necessary support' under the NDIS.

### **Major submissions**

#### **Access to Justice Review**

In March 2016, we submitted a comprehensive submission to the Victorian Government's Access to Justice Review, which will consider a broad range of issues relating to access to justice, including the role of Victoria Legal Aid in ensuring disadvantaged Victorians get the help they need. The review has provided an opportunity for us to consider how the justice system can better assist people currently missing out on legal help because of where they live, because they can't afford a lawyer, or because they don't understand the system. It also provides an opportunity to build on the work being done to improve collaboration and co-ordination in the legal assistance sector.

Our submission details the challenges of helping clients in a justice system where there is crushing demand and inadequate funding. The submission makes 29 recommendations to boost access to justice in Victoria. It shows that Victoria's legal assistance sector is underfunded compared to New South Wales and calls for an additional investment of \$72 million annually, including \$42 million from the Victorian Government.

The submission identified 10 'touchstones' that will unlock the potential of our justice system and enable us to safeguard rights and help more people.

The Review is expected to deliver its final report in August 2016.

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## 10 Touchstones for improved access to justice in Victoria:

**Touchstone 1:** A more vibrant joined-up legal assistance and allied support sector

**Touchstone 2:** Bigger and better access to Legal Help's online and telephone services, as the main entry point to the legal assistance sector

**Touchstone 3:** Reduced financial eligibility barriers to legal aid to reflect the reality of disadvantage, poverty and the true costs of legal services

**Touchstone 4:** Incentives for high-quality services and early appropriate resolution of cases

**Touchstone 5:** More time-intensive legal and non-legal services for persons charged with summary offences to achieve non-custodial sentences where appropriate and reduce reoffending

**Touchstone 6:** More equitable and time-intensive, specialist and integrated family and civil law services, particularly in regional and outer suburban growth corridors

**Touchstone 7:** Commonwealth and state agencies and family-focused courts working together better to ensure acutely vulnerable families and children do not fall through the cracks

**Touchstone 8:** More equitable access to therapeutic justice programs to break the cycle of reoffending and keep our communities safe, regardless of postcode

**Touchstone 9:** Properly resourced courts and tribunals with processes that place citizens and court users at the centre, including through improved listing practices

**Touchstone 10:** A strengthened evidence and innovation base to spark adaptation and improvements in the sector.

## Appearances at the Family Violence Royal Commission and final report

Last year we made an extensive submission to the Royal Commission into Family Violence in Victoria, drawing on our substantial expertise in assisting applicants and respondents in family violence intervention order matters as well as people accused of crimes in the context of family violence. This year we continued our advocacy through this process, providing witness evidence to the Commission on three occasions and engaging in consultation processes, such as roundtables on restorative justice models. The Commission's report, delivered in March 2016, made a number of key recommendations that reflected our submissions. Some of the recommendations included:

- recognition that Victoria Legal Aid and community legal centres should be adequately resourced to provide legal representation for applicants and respondents in family violence intervention order matters
- expansion of the Family Violence Division Courts to all Magistrates' Court of Victoria headquarter courts
- improvements to the response to families with complex needs to promote better coordination of support when a family is experiencing family violence, family law and child protection legal issues
- support for a specialist response to children and young people who use violence that prioritises early intervention therapeutic and diversionary responses and seeks to address the underlying causes of violence and challenging behaviours.

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## Working together better

### What we said we would do in our Business Plan

Our annual *Business Plan 2015–16* commits to investing in a legal assistance sector that provides increased access to justice for the community's most vulnerable and disadvantaged. It puts into action a number of initiatives in the *Strategy 2015–18* and commits to continuing to improve services that clients and the community need.

Outlined below are some key initiatives that report our achievements against the *Business Plan 2015–16*.

#### **Implemented a framework to better manage major criminal cases and improve quality**

On 1 February 2016, we introduced a new framework for managing major criminal cases (trials likely to last more than 15 days and committals beyond four days). A significant amount of our funding is spent on major criminal cases and we introduced this framework to help us better manage and financially plan for the demand on funding.

Practitioners must comply with specific requirements including requesting aid within set time frames and providing certain documents to Victoria Legal Aid. We use this information to monitor the progress of major cases. For example, we use the information to ensure that the case strategy has been considered by the practitioner as early as possible. The rationale behind this is to ensure high quality representation for clients, greater accountability for practitioners, and to better plan and financially forecast for major cases.

The new framework for managing major criminal cases also brings us into line with interstate legal aid commissions, which more closely manage costs in major trials. We will review the framework 12 months after its implementation.

[Managed through Legal Practice.](#)

#### **Began rolling out more flexible technology for our staff**

We continued to develop, maintain and protect information technology assets to ensure our systems are reliable, effective and responsive to organisational and client service needs. We replaced nearly all desk computers with Windows tablets across the organisation, improved network performance across all our offices and implemented new standard operating software including the latest versions of MS Office and Windows.

In accordance with our ICT Strategy we have made significant inroads into cloud based computing, including an online case management solution for the Family Dispute Resolution Service and a new contact centre solution for Legal Help.

As a result of the tablets and cloud based computing, staff will no longer be desk bound to provide services. This allows staff to access information from anywhere, any time.

[Managed through Corporate Affairs.](#)

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## **Increasing transparency and accountability**

This year we started publishing the public proceedings of the Victoria Legal Aid Board meetings on our website, ensuring we provide information to the community in a timely and meaningful manner. Prepared after each meeting, the public proceedings provide insight into Victoria Legal Aid, its decision-making processes and areas of strategic, governance, risk and compliance focus. Consistent with our ongoing commitment to transparency, accountability and building understanding with our stakeholders, the public proceedings include a summary report from Managing Director Bevan Warner as well as an overview of matters up for discussion and decision.

[Managed through Corporate Affairs.](#)

## **Strengthening our forecasting, increasing evaluation and making better use of client data**

Forecasting our services is challenging as there are many drivers that increase the demand in legal help. To strengthen our forecasting capability, we are:

- working with KPMG to better understand and model demand in Legal Help
- continuing to work with the Department of Justice and Regulation on tracking service demand across the whole criminal justice system
- increasing the use of external data. We are liaising with Court Services Victoria about the data they capture and how we may be able to use this in conjunction with our own data, in order to better understand demands and impacts in the system.

This year we have increased our evaluation effort by:

- providing the final evaluation report on the Mental Health and Disability Advocacy expansion project. The evaluation found that the project had supported an increase in the availability of legal services for people diagnosed with mental health issues and who experience some form of disability, particularly cognitive or neurological disability
- completing the Youth Crime Service Review, the final report and management's response to the recommendations are to be released in early 2016–17
- completing the final evaluation of iCAT Project (Improved Client Access and Triage)
- the commencement of the Summary Crime evaluation
- evaluating capacity building through an improved focus at the program/project design stage, with tailored one-on-one support being provided to all key initiatives and projects. In addition, program logic development has been completed with Mental Health and Disability, Equality Law, Commonwealth Entitlements and Community Legal Education.

Our client data was published in a report on Victoria Legal Aid clients who breach family violence orders; we are currently investigating another potential project.

[Managed through Corporate Affairs.](#)

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## **We also...**

### **Continued our Chamber circuits in regional areas**

Our Chambers advocates provide high quality representation for clients with a grant of legal assistance in criminal law, civil law, child protection and family law. This year, our Chambers advocates broadened their reach across the state appearing in Federal Family Circuit Courts in Ballarat, Geelong, Mildura, Bendigo dealing with anything between 3 and 12 matters, whereas previously only Criminal Circuit Courts were serviced. Our advocates appeared in 2,146 cases, with 24 per cent of all hearings conducted in regional locations. Of the criminal matters, 25 per cent were conducted in regional locations, of the family matters, 32 per cent were conducted in regional locations and of the civil matters, five per cent were conducted in in regional locations.

### **Continued to deliver training to benefit new and emerging communities**

Our Settled and Safe program aims to help people from new and emerging communities learn about laws in Australia around family relationships. It includes information about Commonwealth family law and Victorian laws regarding child protection and family violence. This year, we worked with AMES Australia and Life Without Barriers to provide training to all of their settlement workers throughout Victoria. There were 91 Settled and Safe sessions, an increase of 117 per cent from 2014–15 when 42 sessions were held.

### **RMIT Fastrack program**

Victoria Legal Aid invested in RMIT's Fastrack program. This three-year partnership between the Centre for Innovative Justice, Victoria Legal Aid and the Federation of Community Legal Centres aims to promote the design, development and adoption of technology solutions to improve access to justice. Four groups of students, recruited from across RMIT, worked on issues associated with family violence and infringements. The infringements work has become a project called 'Streamline Fines' that enables bulk negotiation of fines incurred by clients with special circumstances The Centre for Innovative Justice is pursuing options for the other projects.



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## Our partnerships

We are committed to building strong, effective partnerships with other organisations for the benefit of our clients. We work with state and national partners, lawyers in private practice, community legal centres, local communities and educational institutions.

### **National Legal Aid**

As a member of National Legal Aid, we work with the other state and territory legal aid commissions to ensure that legal aid is delivered in the most effective and efficient way possible across Australia.

More information: [www.nationallegalaid.org](http://www.nationallegalaid.org)

### **Legal Assistance Forums**

#### **Australian Legal Assistance Forum**

The Australian Legal Assistance Forum brings together National Legal Aid, the Law Council of Australia, Aboriginal and Torres Strait Islander Legal Services, National Association of Community Legal Centres and National Family Violence Prevention Legal Services Forum.

The forum allows these organisations to address legal assistance issues in Australia in a co-operative and coordinated way.

More information: [www.nationallegalaid.org](http://www.nationallegalaid.org)

#### **Victorian Legal Assistance Forum**

The Victorian Legal Assistance Forum (VLAF) brings together the Aboriginal Family Violence Prevention and Legal Service (Vic), Federation of Community Legal Centres, Justice Connect, Law Institute of Victoria, the Victorian Bar, Victoria Law Foundation, Victoria Legal Aid and the Victorian Aboriginal Legal Service.

The forum allows these organisations to plan and advocate for increased access to legal services for socially and economically disadvantaged Victorians, and to develop responsive service delivery models.

The forum also meets with the Commonwealth Attorney-General's Department and the Victorian Department of Justice and Regulation to discuss funding arrangements for the legal assistance sector, including the National Partnership Agreement on Legal Assistance Services.

This year the Victorian Legal Assistance Forum:

- Prepared a joint response by letter to the Access to Justice Review, providing an overview of the VLAF forum and how it could assist going forward.
- Prepared a discussion paper for the VLAF Main Forum to discuss a sector-wide approach to the legal needs of Victorian Prisoners, addressing legal need in prisons.
- Activated Disaster Legal Help Victoria in response to the Wye River and Indigo Valley fires, the Geelong flood and the fire in Buninyong.

More information: [www.vlaf.org.au](http://www.vlaf.org.au)

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## **Private practitioners**

The significant contribution of private legal practitioners enables us to help more people access legal services. Our partnership with private practitioners is essential for the provision of quality legal aid services.

### **Private practitioners providing duty lawyer services**

Private practitioners help us to deliver duty lawyer services at a number of courts and tribunals across Victoria. Twelve per cent of duty lawyer services were provided by private practitioners.

### **Private practitioners receiving grants of legal assistance**

In 2015–16, 70 per cent of grants of legal assistance were assigned to private practitioners on our panels (68 per cent last year). This included:

- 65 per cent of criminal law grants (62 per cent last year)
- 82 per cent of family and children’s law grants (81 per cent last year)
- 18 per cent of civil law grants (21 per cent last year).

Private practice law firms vary greatly in size and areas of practice and this impacts on the volume and type of legal aid work they can undertake.

The duration and complexity of individual cases also influences the number of cases that each firm can undertake.

Lawyers must be on one of our specialist private practitioner panels in order to conduct most legally assisted matters. This increases our ability to monitor the quality of work and improves knowledge of, and confidence in, the professional competence of practitioners who act for legally aided clients.

**Top 20 private practitioner firms receiving the highest aggregate payments for legal aid cases in 2015–16**

2015–16 Rank	Private practitioner firm	2015–16 Amount paid \$ (GST exclusive)	2014–15 % variance on amount paid (GST exclusive)	2015–16 Number of new cases assigned	2014–15 % variance on new cases assigned
1	Dowling Mcgregor Pty Ltd	1,551,606	8.3	780	1.2
2	James Dowsley & Associates	1,432,036	35.6	1351	36.2
3	Stary Norton Halphen Pty Ltd	1,339,093	-27.3	883	-0.5
4	Gorman & Hannan	1,106,477	-3.4	583	-10.6
5	Cathleen Corridon & Associates Family Lawyers	887,549	10.6	375	8.1
6	Revill & Papa Lawyers*	763,792	-20.6	375	-51.9
7	Tyler Tipping & Woods	755,582	-1.6	508	16.0
8	Nicole Amad	713,363	10.9	282	15.6
9	Emma Turnbull Lawyers Pty Ltd	680,596	4.0	574	59.4
10	Leanne Warren & Associates	652,169	-15.8	392	8.6
11	Dotchin Tan	590,444	13.9	388	11.2
12	Claudia Grimberg	578,678	-21.0	274	0.7
13	Comito & Associates	543,291	18.6	323	12.5
14	Doogue & O'Brien George	542,383	-26.6	369	-14.2
15	Greg Thomas	531,050	-7.1	362	28.4
16	Howard G Draper	530,187	32.5	152	-23.2
17	Deanne Jackel	527,560	7.8	221	-9.4
18	Lampe Family Lawyers	524,706	-1.8	196	-16.2
19	Heinz & Partners	516,349	-9.3	216	3.8
20	Martin Irwin & Richards	503,017	23.0	383	36.3

\*This firm is no longer operative – the partnership dissolved during the reporting period.

Expenditure includes any fees and disbursements to third parties where the payment is made via private practitioners. Disbursements may include court fees, interpreters' fees, service fees, barristers fees and those that have prior written approval of Victoria Legal Aid (for example, fees for investigations and professional/expert reports, transcripts of evidence, plans and photographs). Expenditure may include cases from previous years.

## Quality Audits

The Quality Audit team (QA) was established in November 2015. Quality Auditors will support Panel Practitioners to meet our Practice Standards and provide high quality services to clients.

Quality Audits provide an opportunity to strengthen our partnership with Panel Practitioners and to recognise the high quality work they provide. We have conducted pilot audits of 20 Family Law panel practitioners in 2016, visiting practices in Melbourne, Portland and Mildura.

## Barristers

The private Bar plays an instrumental role in providing quality representation to the thousands of people whose defence is funded by Victoria Legal Aid each year. Barrister quality is fundamental. It ensures high quality representation and well run trials that benefit our clients, the courts and the community.

Victoria Legal Aid is responsible for providing legal aid in the most effective, efficient and economic manner. This includes ensuring quality advocacy for legally aided clients. See page 150 for more facts and figures about briefing Victoria Legal Aid Chambers and the private Bar, including female barristers and the Trial Counsel Development Program.

### Our partnerships – barristers

Includes all costs paid including circuit fees, travelling cost and other expenses.

<b>2015–16</b>	<b>Private practitioner assigned (\$)</b>	<b>Victoria Legal Aid assigned (\$)</b>	<b>Total (\$)</b>
Total all barrister payments	14.2 million	4 million	18.2 million
<b>2014–15</b>	<b>Private practitioner assigned (\$)</b>	<b>Victoria Legal Aid assigned (\$)</b>	<b>Total (\$)</b>
Total all barrister payments	10.6 million	3.5 million	14.1 million

The \$4 million increase to the private Bar can be attributed to an increase of more grants of legal assistance, more expensive cases and better reporting.

### Direct payments to barristers by area of law

In 2015–16, Victoria Legal Aid paid \$18.2 million to barristers across the state. This included more than \$12 million for criminal law matters, \$5 million for family law matters and \$269,444 for civil law matters.

<b>Area of law</b>	<b>Payments to barristers (\$)</b>	<b>% of total</b>
Criminal	12,639,940	69.5
Family and children	5,274,241	29.0
Civil	269,444	1.5

### Direct payments to barristers for criminal matters

Type of work	Payments to barristers (\$)	% of total
Appellate Crime	705,397	5.6
Indictable Crime (includes sexual offences)	8,991,208	71.1
Summary crime	2,326,717	18.4
Youth crime	616,618	4.9

### Direct payments to barristers for family related-matters

Type of work	Payments to barristers (\$)	% of total
Family Dispute Resolution Service	604,745	11.5
Child Protection	1,648,119	31.2
Family Violence	462,385	8.8
Child Support	44,885	0.9
Independent Children's Lawyers	1,561,440	29.6
Parenting Disputes	952,668	18.1

### Direct payments to barristers for civil related-matters

Type of work	Payments to barristers (\$)	% of total
Commonwealth Entitlements	51,685	19.2
Equality	15,887	5.9
Mental Health and Disability	26,442	9.8
Migration	89,380	33.2
Social Inclusion	86,050	31.9

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## Community legal centres

Community legal centres are independent community organisations that provide free advice, casework and legal education to their communities. There are currently 50 of these centres in Victoria. Some specialise in particular areas of law.

More information: [www.communitylaw.org.au](http://www.communitylaw.org.au)

We administer funding to most (38) of Victoria's community legal centres, including the Federation of Community Legal Centres, and monitor their performance against service agreement obligations and service targets to ensure accountability for the use of those funds. We are increasingly focusing on working with the sector to understand and respond to legal need collaboratively through joint legal needs assessment projects.

This year we:

- provided and administered record funding of more than \$28.4 million to centres (an increase of 13 per cent from last year). We committed \$15,961,316 of state government funds to centres, and an additional \$1,951,264 in project funding.
- held the second and final round of our Innovation and Transformation Fund with the remaining \$1.4 million of our \$2 million pool. We received 24 expressions of interest, these were reviewed by an independent grants assessment panel, and eleven centres were invited to submit their formal application. Agreements and first payments have been made.
- provided two centres with additional funds for services through a Legacy Caseload project, and supported a further 10 centres through strategic and other small grants.
- provided an additional \$560,358 to 10 centres for family violence and related family law services at court. These funds were allocated on the basis that centres would collaborate with their local VLA office to ensure clarity and efficiency of local arrangements for court services.
- rolled out our funded child protection pilot with two community legal centres and invited applications for funding from community legal centres for a new family violence to family law 'continuity of service delivery' pilot as recommended by our Family Law Legal Aid Services Review (with this pilot announced in July 2016).
- ensured that centres were given appropriate additional funds to increase staff salaries under the Social and Community Services Award Equal Remuneration Order. This additional investment totalled \$2,597,008 in 2015–16.

## Community legal centre performance outputs

The following data is obtained from the Community Legal Service Information System (CLISIS) database which has been used for data collection by community legal services across Australia since 2003. Not all community legal centres use this system. In Victoria, seven community legal centres funded by Victoria Legal Aid are using other systems designed to meet their individual centre data requirements. Reports are provided to Victoria Legal Aid every six months.

The accuracy of individual centre data varies based on user understanding and interpretation of the system and the data categories and the timeliness of submission of the data.

Other factors that have influenced this year's data include mergers of centres in the north and western regions of Melbourne and a focus on making submissions to the Royal Commission into Family Violence (Victoria) and the Access to Justice Review.

The CLISIS system will be replaced by a new national data collection system (CLASS) in January 2017, coordinated by the National Association of Community Legal Centres (NACLC).

Activity	2015–16	2014–15	% variance
Information	49,790	60,165	-17.2
Advice	53,943	55,537	-2.9
Cases* opened	24,978	26,085	-4.2
Community legal education projects delivered	1,041	1,289	-19.2
Law reform and legal policy submissions	153	141	7.8

\* Community legal centre case definition is different from a case conducted under a grant of legal assistance. It involves more than one-off advice. For example, a lawyer looking over documents, undertaking research, providing written advice, making telephone calls, advocating for a person or negotiating on their behalf, or making a simple appearance before a court or tribunal. Occasionally it involves representation in court, including complex matters.

### Top 10 matters

Matter type	2015–16 Number of matters	2014–15 Number of matters	% variance
Family or domestic violence order	17,291	16,174	6.9
Child contacts or contact orders	8,000	8,330	-4.0
Government/admin issues relating to fines	5,511	6,139	-10.9
Road traffic and motor vehicle regulatory offences	4,628	4,883	-5.2
Property in marriage	3,881	4,289	-9.5
Family or domestic violence	3,782	3,184	18.8
Divorce	3,747	3,943	-5.0
Motor vehicle accident	2,852	3,238	-11.9
Child residency	2,596	2,694	-3.6
Family Law other	2,400	2,375	1.1

Responses to family or domestic violence have increased while all other matter types show a slight decrease. In the areas of motor vehicle accidents and fines there has been a stronger focus on strategic case work and systemic reform.

### Explanatory notes for performance outputs

Figures are from a database used by 31 of the 38 community legal centres funded through Victoria Legal Aid in 2015–16. The figures do not include client service and community and law reform activities undertaken by the following funded centres: Aboriginal Family Violence Prevention and Legal Service (Vic), Consumer Action Law Centre, Homeless Law (Justice Connect), Job Watch and Refugee and Immigration Legal Clinic. These community legal centres do not use the common database. Figures do not include client advice provided by the Tenants' Union of Victoria, which records this activity on a separate database.

## Funding through the Community Legal Centres Funding and Development Program

We granted and administered funding to 38 community legal centres across Victoria and the Federation of Community Legal Centres as the sector's peak body. Funding was provided by the Commonwealth Attorney-General's Department and by Victoria Legal Aid out of its state funding allocation.

Community legal centre	Commonwealth funding* (\$)	State core funding (\$)	Other one-off projects (\$)	Total payments (\$)
Aboriginal Family Violence Prevention and Legal Service (Vic)**	0	323,894	89,250	413,144
Barwon Community Legal Service	522,422	519,137	0	1,041,559
Brimbank Melton Community Legal Centre, Comm Unity Plus	250,744	634,831	70,000	955,575
Broadmeadows Community Legal Service^	419,828	435,840	0	855,668
Casey Cardinia Legal Service	316,124	398,228	0	714,352
Central Highlands Community Legal Centre	289,913	360,420	0	650,333
Consumer Action Law Centre**	301,693	1,047,612	120,000	1,469,305
Darebin Community Legal Centre	193,768	531,978	0	725,746
Disability Discrimination Legal Service**	225,573	48,245	0	273,818
Eastern Community Legal Centre	445,555	888,359	81,330	1,415,244
Emma House Domestic Violence Service	0	154,442	0	154,442
Environmental Justice Australia (Victoria)**	0	191,142	113,750	304,892
Federation of Community Legal Centres (Vic)**	0	825,949	641,224	1,467,173
Fitzroy Legal Service	210,050	477,359	36,450	723,859
Flemington and Kensington Community Legal Centre	110,936	258,215	100,000	469,151
Gippsland Community Legal Service, Anglicare Victoria	374,302	339,251	0	713,553
Homeless Law, Justice Connect**	337,119	336,189	0	673,308
Hume Riverina Community Legal Service, Upper Murray Family Care	505,772	327,653	0	833,425
Inner Melbourne Community Legal Inc.	231,175	239,213	60,000	530,388
Job Watch**	0	479,145	0	479,145



Community legal centre	Commonwealth funding* (\$)	State core funding (\$)	Other one-off projects (\$)	Total payments (\$)
Loddon Campaspe Community Legal Centre, Advocacy and Rights Centre (including Goulburn Valley Community Legal Centre)	230,260	861,911	295,781	1,387,952
Monash Oakleigh Legal Service	223,882	23,391	0	247,273
Moonee Valley Legal Service	99,995	268,648	0	368,643
Moreland Community Legal Centre <sup>^</sup>	115,321	235,076	0	350,397
Murray Mallee Community Legal Service, Mallee Family Care	514,074	178,843	0	692,917
Peninsula Community Legal Centre	789,513	1,064,438	0	1,853,951
Refugee and Immigration Legal Centre <sup>**</sup>	496,800	173,140	0	669,940
Seniors Rights Victoria, Council on the Ageing <sup>**</sup>	86,177	597,599	0	683,776
Social Security Rights Victoria	234,384	40,756	0	275,140
Springvale Community Aid and Advice Bureau <sup>**</sup>	88,450	27,088	0	115,538
Springvale Monash Legal Service	477,956	293,289	0	771,245
St Kilda Legal Service	118,214	404,395	0	522,609
Tenants Union of Victoria <sup>**</sup>	131,284	646,448	0	777,732
West Heidelberg Community Legal Service	110,890	198,750	0	309,640
Western Community Legal Centre	468,980	1,070,545	0	1,539,525
Whittlesea Community Legal Service, Whittlesea Community Connections	257,751	479,855	179,774	917,380
Women's Legal Service Victoria <sup>**</sup>	1,143,619	405,183	163,705	1,712,507
Youthlaw, Young People's Legal Rights Centre <sup>**</sup>	152,662	174,859	0	327,521
<b>Total</b>	<b>10,475,186</b>	<b>15,961,316</b>	<b>1,951,264</b>	<b>28,387,766</b>

\* This funding includes Commonwealth funding to the Community Legal Sector Program. It does not include other Commonwealth funding allocated directly to centres.

\*\* Specialist community legal centre.

<sup>^</sup>Broadmeadows CLS and Moreland CLC merged to become Northern CLC as of February 2016.

### Explanatory notes for core funding table

These funding amounts include core grants and contributions from the Commonwealth and Victorian governments to assist funded community legal centres to meet increased staff salaries under the Social and Community Services Award Equal Remuneration Order.

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## Special projects strategic grants

We committed an additional \$1,951,264 in strategic grants to special projects in 2015–16. This included grants to centres for round two of the Innovation and Transformation Fund projects. These strategic grants included:

- Goulburn Valley Community Legal Centre, through ARC Justice, to embed legal assistance at Rumbalara Aboriginal Cooperative
- Environmental Justice Australia to embed lawyers in outreach locations to help build community collaboration in support of systemic legal advocacy
- the Federation of Community Legal Centres, on behalf of a selection of specialist and generalist centres, to review current referral, support and co-case management relationships and to pilot new models
- Flemington and Kensington Community Legal Centre to explore governance and administrative structures of the centre
- Whittlesea Community Legal Centre to develop and pilot an integrated health and justice service in the growth corridor of Melbourne's north
- Women's Legal Service to investigate and trial a structured intensive triage approach in a specialist centre setting
- Consumer Action Law Centre to scope and confirm the capabilities of the legal assistance sector to respond to requests for drought legal assistance
- Brimbank Melton Community Legal Centre to assist prisoners to deal with their debts and fines using a bulk debt model
- Broadmeadows Community Legal Service to support the formation of Northern CLC through the amalgamation of their centre and Moreland Community Legal Centre.

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## Managing our organisation

### Corporate governance

#### Organisational structure

Access and Equity	Dan Nicholson	Managing Director Bevan Warner	Victoria Legal Aid Board	Attorney-General The Hon Martin Pakula
Civil Justice	Dan Nicholson			
Criminal Law	Helen Fatouros			
Family, Youth and Children's Law	Nicole Rich			
Chambers	Tim Marsh			
Legal Practice	Sarah Bendall (Acting)			
Corporate Affairs	Cameron Hume			
Finance and Reporting	Elizabeth Jennings			

As at 30 June 2016

#### Governing legislation

Victoria Legal Aid is an independent statutory authority established under the *Legal Aid Act 1978 (Vic)*. We receive funding from the Commonwealth and Victorian governments and through the Public Purpose Fund, but are independent of government.

Our responsibilities are set out in the Act, which gives us authority to provide legal aid in accordance with the legislation and to control and administer the Legal Aid Fund.

We are also required to perform functions according to any specific written direction given by the Victorian Attorney-General. No ministerial directions were given during 2015–16.

We have legislated and organisational processes in place to ensure transparency and accountability to the Victorian public. These include external and internal auditing, regular reporting to stakeholders, and the tabling of audited financial statements as part of this report.

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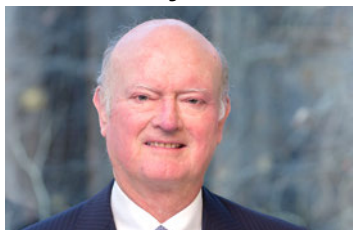
## The Board

Our Board of Directors is responsible for ensuring Victoria Legal Aid meets its statutory objectives and carries out its functions and duties in accordance with the Act. The Board met eight times in 2015–16.

### Board members

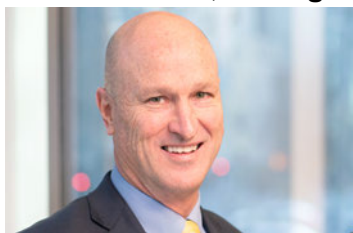
The Board has five directors nominated by the Victorian Attorney-General and appointed by the Governor-in-Council. At least one member must have experience in financial management and one must have experience in business or government operations. One of the directors is our Managing Director. In April 2016, the Victorian Attorney-General announced that legislation will be amended to allow Victoria Legal Aid to expand its Board from four to six non-executive members.

#### Andrew Guy, Non-executive Director and Chairperson



Andrew Guy has more than 40 years of legal and management experience. A former managing partner at Arthur Robinson & Hedderwicks, Andrew has extensive experience as a director, sitting on the boards of several listed public companies as well as Anglicare Victoria. Andrew was appointed as Chairperson of the Victoria Legal Aid Board in October 2011.

#### Bevan Warner, Managing Director



Bevan was appointed Managing Director of Victoria Legal Aid in August 2008. He has 20 years' senior executive experience including in Corrections and in Aboriginal Affairs where he developed an appreciation of the diversity and underlying causes of the over representation of Aboriginal people in the criminal justice and child protection systems. Bevan was formerly the General Manager of Legal Aid Western Australia.

#### Catherine McGovern, Non-executive Director



Catherine McGovern has extensive experience in social and health policy and government relations having held senior roles both in Australia and overseas, including as General Manager, Government and Public Affairs, at Medibank Private. Before this, she worked in merchant banking and as advisor in the Howard Government. Catherine is also a board member of Melbourne City Mission. Catherine was appointed in September 2011.

#### David Thompson, Non-executive Director



David Thompson has more than 30 years' experience in the finance sector in senior roles in Australia and America, including as Chief Financial Officer for the NAB Business Bank. He holds a Masters in Applied Finance and graduate diplomas in computing, chartered secretarial practice and corporate administration. He is a member of the Chartered Accountants Australia and New Zealand Council. David was appointed in February 2013.

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**Jennifer Kanis, Non-executive Director**

Jennifer Kanis has extensive legal, government and community experience. She has practised in employment, industrial relations and equal opportunity law. Prior to pursuing a legal career, Jennifer spent six years as a secondary school teacher. She was elected to the Melbourne City Council in 2008 and the Parliament of Victoria in 2012 as the Member for Melbourne. Jennifer was appointed in May 2015.

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## **Audit committee**

The Audit Committee assists the Board to fulfil its governance responsibilities. It provides oversight of financial performance including:

- the annual financial statements
- assurance on the operation and implementation of the risk management framework
- overview of the scope, quality and outcome of internal and external audits
- monitoring our compliance with legal and regulatory requirements and compliance policies.

The Charter for the Audit Committee, approved by the Board, specifies the committee's purpose and objectives, authority, membership, attendance at meetings, and roles and responsibilities.

### **Members**

The Audit Committee membership comprised:

#### **David Thompson**

Chair of Audit Committee

#### **Andrew Guy**

Non-executive Audit Committee member

#### **Catherine McGovern**

Non-executive Audit Committee member

#### **Jennifer Kanis**

Non-executive Audit Committee member

A standing invitation to attend Audit Committee meetings is issued to the:

- Managing Director, Chief Financial Officer, Manager Complaints and Statutory Compliance
- external auditor – the Victorian Auditor-General's Office
- internal auditor – KPMG.

These representatives receive a copy of the meeting papers and minutes. The Audit Committee met four times in 2015–16.

### **Internal audit**

KPMG provides our internal audit services. Our internal auditing procedures assist the Audit Committee through examining our control and risk management practices and determining whether they are effective, efficient and economical in assisting us to achieve our objectives. Where necessary, improvements in procedures and systems are recommended.

### **Reports**

The Audit Committee was regularly presented with reports on audit activities undertaken, advisory services provided and audit support carried out. Reports and advice during the year included:

- risk transformation
- procurement
- stakeholder engagement
- payroll
- fraud prevention

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## Agency executive

The senior executive team meets regularly to plan, discuss and review operational performance.

### Bevan Warner

Managing Director



Bevan was appointed Managing Director of Victoria Legal Aid on 4 August 2008. He has 20 years' senior executive experience including in Corrections and in Aboriginal Affairs where he developed an appreciation of the diversity and underlying causes of the over representation of Aboriginal people in the criminal justice and child protection systems. Bevan was formerly the General Manager of Legal Aid Western Australia.

### Meagan Keogh

Executive Director Legal Practice (to July 2015)

Executive Director for Outer Eastern and Western suburbs



Meagan commenced as Executive Director Legal Practice in October 2010 and was previously the Managing Lawyer of our Preston office. In her Legal Practice role, she oversaw implementation of quality practice standards throughout the Victoria Legal Aid network. Meagan has experience in private practice and community legal centres, and with the Commonwealth Director of Public Prosecutions. In 2012 she was awarded as the Law Institute of Victoria's Accredited Criminal Law Specialist of the year. Meagan departed Victoria Legal Aid in July 2015 when she was appointed a Magistrate.

### Kristen Hilton

Executive Director Civil Justice, Access and Equity (to August 2015)

Executive Director Legal Practice (from August 2015 – May 2016)

Executive Director for Barwon and South Coast regions



Kristen commenced as Executive Director, Civil Justice, Access and Equity in November 2009. She was previously the Executive Director of the Public Interest Law Clearing House and has extensive knowledge of current civil law and human rights issues and the needs of marginalised and disadvantaged individuals. Kristen has practised in the private profession and in community legal centres, and is currently completing a Master of Laws at the University of Melbourne. Kristen transferred from the Executive Director Civil Justice Access and Equity role into the Executive Director Legal Practice role in August 2015. She subsequently departed Victoria Legal Aid in May 2016 upon her appointment as Victoria's Equal Opportunity and Human Rights Commissioner.

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## **Helen Fatouros**

Executive Director Criminal Law

Executive Director for Goulburn region and North Western suburbs



Helen was appointed Executive Director of Criminal Law in January 2013. She was previously employed by the Victorian Office of Public Prosecutions (OPP) for 13 years. She held the role of Legal Prosecution Specialist, appearing on behalf of the Director of Public Prosecutions in complex indictable matters. Helen has an extensive criminal law background having also been the Directorate Manager of the Specialist

Sex Offences Unit at the OPP. She also led the profession-wide implementation of the Sexual Offences Interactive Legal Education Program in 2012, earning her the Law Institute of Victoria's 2013 President's Award, for Government Lawyer of the Year. Helen is a Commissioner to the Victorian Law Reform Commission.

## **Nicole Rich**

Executive Director Family, Youth and Children's Law

Executive Director for Westernport, Peninsula and Gippsland regions



Nicole commenced as Executive Director Family, Youth and Children's Law in August 2013 and was formerly our Director Research and Communications. She is experienced in developing legal research and policy, including as the former Director, Policy and Campaigns at the Consumer Action Law Centre, and has practised in the private profession and community legal centres. Nicole is currently the Chair of CHOICE

(the Australian Consumers' Association).

## **Tim Marsh**

Chief Counsel

Director for Loddon–Campaspe and North West regions



Tim joined Victoria Legal Aid as a Senior Public Defender in 2011, after eight years at the Criminal Bar and commenced as Chief Counsel, Victoria Legal Aid Chambers in August 2013. Tim was formerly a solicitor at the Office of Public Prosecutions. Tim appears regularly in Supreme Court and County Court trials and appeals and has developed an extensive practice in mental impairment and unfitness matters. Tim is a

member of the Victorian Law Reform Steering Committee for the VLRC reference into mental impairment and is a past legal member of the Mental Health Review Board. Effective 1 April 2016, Chief Counsel Tim Marsh finished his membership on the senior executive team. The change in role emphasis was designed to allow Tim to focus on the leadership of Victoria Legal Aid Chambers and provide sufficient professional neutrality from day-to-day operations to allow Tim to play a greater role in Victoria Legal Aid Board meetings.



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## **Cameron Hume**

Executive Director Corporate Affairs

Executive Director for Central Highlands and Wimmera regions



Cameron was appointed Executive Director Corporate Affairs in November 2014, following his appointment as Director Research and Communications in October 2013. He previously worked at the Department of Justice and Regulation in project, policy and operations management roles relating to law reform and administration of the justice system. He also spent several years as a management consultant

working across a variety of public sector management areas, including research and evaluation, strategic planning, corporate governance, business case development, organisational and operational reviews. This work spanned a range of social policy and operational portfolios including justice, human services and the community sector. Cameron holds a Masters of Public Policy and Management and is an independent member of the joint Finance and Audit Committee for the Sentencing Advisory Council and Judicial College of Victoria.

## **Dan Nicholson**

Executive Director, Civil Justice, Access and Equity

Executive Director for South Coast regions



Dan Nicholson was appointed Executive Director Civil Justice, Access and Equity in November 2015 having acted in the role on previous occasions since joining Victoria Legal Aid in 2012 as Associate Director of Access and Equity. Prior to joining Victoria Legal Aid he managed the Human Rights Unit at the Victorian Department of Justice and Regulation, was Associate to Justice Maxwell, President of the Court of Appeal, and

worked at Fitzroy Legal Service. He has also worked on a range of human rights issues in Cambodia and Timor-Leste.

## **Elizabeth Jennings**

Chief Financial Officer



Elizabeth joined Victoria Legal Aid as Chief Financial Officer in November 2011. She was previously Head of Strategic Finance at World Vision Australia. She has held senior financial roles in government and not-for-profit sectors. Her commitment to social justice is also reflected in a prior board role at the Leprosy Mission Australia and a current board role at donkey wheel house. Elizabeth's

qualifications include a Master of Business and a Master of Assessment and Evaluation.

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## Independent review

Independent reviewers can reconsider or review a decision made by one of our officers or another independent reviewer, where it relates to a grant of legal assistance.

They can also hear and determine matters relating to the removal or exclusion of a lawyer from our general referral panels.

When reviewing a matter, the independent reviewer must have regard to the *Legal Aid Act 1978 (Vic)* and any guidelines determined by the Board. They can confirm, vary or change our decision.

### Independent review of decisions

#### Review of decisions relating to a grant of legal assistance

Nature of review	2015–16	2014–15
Independent reviewer agreed with our decision	104	154
Independent reviewer changed our decision	14	27
<b>Total</b>	<b>118</b>	<b>181</b>

#### Review relating to proposed removal or exclusion of a lawyer from one of our practitioner panels

Nature of review	2015–16	2014–15
Independent reviewer agreed with our decision	0	0
Independent reviewer changed our decision	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

### Independent reviewers

We acknowledge the valuable contribution of the independent reviewers appointed under the Act:

- Andrew McIntosh (Chairperson from July 2015)
- John Nixon (end July 2015)
- Brook Hely (reappointed November 2013)
- Carmel Morfuni (reappointed November 2013).

### Sector innovation and planning committee

The Sector Innovation and Planning Committee (SIPC) is a multidisciplinary advisory group formed under the *Legal Aid Act 1978 (Vic)*. It replaces the Community Consultative Committee and is an important part of our commitment to support disadvantaged Victorians. The committee includes private practitioners, members from community legal centres and members with experience in Indigenous organisations.

The committee was first convened in 2016 and provides advice on the following:

- legal assistance sector reform and innovation
- a framework for legal assistance sector planning
- individual case scenarios submitted to the committee for advice
- any other matter referred to the committee.

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## Committee members

**Rebecca Boreham** is a sole practitioner in Mildura, working in summary crime, Children's Court (crime and family divisions), family law and intervention orders.

**Freia Carlton** is the Manager of Victoria Legal Aid's Family Dispute Resolution Service.

**Lee Carnie** a lawyer in the LGBTI Rights Unit at the Human Rights Law Centre.

**Indi Clarke**, a proud 23-year-old Muthi Muthi and Lardil man, is employed by Mallee District Aboriginal Services in Mildura in the role of Youth and Community Engagement Facilitator.

**James Dowsley** is an accredited criminal law specialist and principal at his firm James Dowsley and Associates.

**Eleanore Fritze** is a senior lawyer in the Mental Health and Disability Law sub-program.

**Suzie Forell** is Principal Researcher at the Law and Justice Foundation of New South Wales. She has over 20 years experience in justice sector research.

**Mark Madden** is Deputy Director of the Centre for Innovative Justice at RMIT University.

**Helena Maher** is Manager of Strategy and Planning at the Royal Women's Hospital and Company Director of Co-health.

**Peter Noble** was the Executive Officer of the Bendigo based not-for-profit service ARC Justice, operating Bendigo's Loddon Campaspe Community Legal Centre and Shepparton's Goulburn Valley Community Legal Centre.

**Meena Singh** is Associate Director of Aboriginal Services at Victoria Legal Aid and a Melbourne-born Yorta Yorta woman with Indian heritage.

**Josh Taaffe** is an accredited criminal law specialist and partner of the firm Doogue O'Brien George.

**Allegra Walsh** is the Director of Criminal Justice Operations at the Department of Justice and Regulation.

**Khoi Cao-Lam** is Manager, Client Access at Victoria Legal Aid and part of the team establishing SIPC.

**Jon Cina** is the Associate Director of Access and Equity at Victoria Legal Aid.

**Dan Nicholson** is the Executive Director of Civil Justice, Access and Equity at Victoria Legal Aid.

**Bevan Warner** is the Managing Director of Victoria Legal Aid and has 20 years senior executive experience including in corrections and Aboriginal affairs.

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## **Our offices**

We have 14 offices in metropolitan and regional Victoria. People living in regional and remote communities can feel isolated and find it difficult in accessing legal assistance. Therefore, our regional offices play a vital role in servicing the community, providing professional and timely advice to those living in rural and remote parts of Victoria.

### **Melbourne**

350 Queen Street (head office)  
Melbourne VIC 3000

### **Suburban**

Broadmeadows  
Dandenong  
Frankston  
Ringwood  
Sunshine

### **Regional**

Bairnsdale  
Ballarat  
Bendigo  
Geelong  
Horsham  
Morwell  
Shepparton  
Warrnambool

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## Supporting our people

Victoria Legal Aid is committed to increasing staff engagement, improving the way we work together and developing our approaches to managing staff health risks and wellbeing.

### Employment practices

We work in an inclusive environment, supported by policy and procedures that reflect the values of our organisation and help us to develop and deliver services that meet community justice needs.

### Employment and conduct principles

Our staff are bound by the values and employment principles in the Code of Conduct for Victorian Public Sector Employees and the *Public Administration Act 2004* (Vic).

To further strengthen understanding and commitment to these values and principles, this year we focused attention on ensuring induction processes and staff obligations are clearly defined and behavioural expectations are communicated to all new staff.

### Employee benefits

Our employees have access to a broad range of flexible working options that support work/life balance. This year, 32 per cent of our staff worked part-time and the vast majority accessed flexible working hours.

Our parental leave provisions continue to support staff retention. This year, 12 per cent of staff accessed paid maternity leave entitlements this year and four staff accessed paid parent/partner leave.

Maternity leave absence often extends beyond 12 months and our staff can request part-time work arrangements until each child reaches school age. We expect maternity leave absences to remain at a relatively high level due to our current staff profile, which is 79 per cent female. Additionally 70 per cent of our female workforce are under 45 years of age.

Provisions in the Victoria Legal Aid Enterprise Agreement 2013–2016 provide access to family violence leave and further clarify access to compassionate leave.

### Workforce data

Our people resources are aligned with our strategic directions to enable us to deliver the most appropriate services at the right time, based on client needs. Of note is the establishment of our new Independent Mental Health Advocacy service and additional legal resources to support regional family violence and child protection work and to address the legacy caseload of asylum seekers. We also committed people resources to supporting the increased demand in Legal Help.

### Productive workforce

Comparative staffing levels across two years are expressed below as full-time equivalent (FTE) staff on our payroll. We have excluded 18.4 FTE maternity leave absences from the table below as these positions are usually backfilled by contract staff who are included in the count.

In addition to our FTE staff on payroll, we had 21 agency or labour hire staff engaged to perform the work of vacant budgeted positions during the last pay period of the financial year.

Productive workforce	2015–16	2014–15	Variance
FTE staff on payroll	641	603.4	37.6

## Workforce distribution

Comparative workforce distribution (staff across direct and indirect client service roles and corporate service roles) of active FTE across two years is expressed below. 'Active' FTE is defined as people who were employed and paid for the final pay period in June 2016 (as defined in Financial Reporting Direction 29A).

Workforce distribution	2015–16	2014–15	Variance (FTE)
Direct service delivery*	480.1	439.3	40.8 <sup>^</sup>
Indirect service delivery**	99.7	118.2	-18.5
Corporate***	79.6	61.1	18.5
<b>Total</b>	<b>659.4</b>	<b>618.6</b>	<b>40.8</b>

\* Direct client service delivery roles involve direct client interaction.

\*\* Indirect client service delivery roles do not involve direct interaction with clients, but support direct client services.

\*\*\* Corporate service roles deliver traditional corporate functions, such as finance, communications, human resources, business reporting and information and communication technology.

<sup>^</sup>This includes 31.2 new FTE recruited into direct service delivery and 9.6 FTE reclassified from indirect service delivery.

As we are reporting on Active FTE (all employees who were employed and paid in the last full pay period in June 2016) vacancies and staff movements must be taken into account. This will account for a small number the differences between 2014–15 and 2015–16.

The bulk of the new positions approved during 2015–16 were direct service delivery roles (IMHA, Legal Help, Family Violence regional lawyer roles) however it should be noted that some of these roles were vacant at the time of reporting and therefore are not captured as Active FTE.

Additionally, in finalising the data for the Annual Report we have reviewed our workforce distribution by designation of direct, indirect and corporate. This resulted in the reclassification of roles from indirect to either direct or corporate. Roles reclassified from indirect to direct were mainly in the Community Legal Education program. Roles reclassified from indirect to corporate were mainly in the Strategic Communications program.

## Total headcount and full-time equivalent employees

'Active' FTE is defined as people who attend work or are paid during the last full pay period of the financial year. This includes ongoing, maximum term and casual employees and maternity leave absences, and excludes labour hire or agency staff.

### Full-time equivalent staffing trends

2015–16	2014–15	2013–14	2012–13	2011–12
659.4	618.6	606.4	570.2	596.5

## Gender breakdown of ongoing employee

Staff engaged on an open-ended contract of employment or executives engaged on a standard executive contract.

Gender	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
Male	130	131	126.7	127.5

Female	456	444	402.2	392.6
<b>Total</b>	<b>586</b>	<b>575</b>	<b>528.9*</b>	<b>520.1**</b>

\* Includes 16.4 maternity leave FTE.

\*\* Includes 15.2 maternity leave FTE.

### Gender breakdown of maximum term/casual employees

Staff engaged casually or on a contract for a maximum period.

Gender	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
Male	26	23	23.4	21
Female	125	87	107.2	77.5
<b>Total</b>	<b>151</b>	<b>110</b>	<b>130.6*</b>	<b>98.5 **</b>

\* Includes 2.0 maternity leave FTE.

\*\* Includes 0.0 maternity leave FTE.

### Age breakdown of ongoing employees

Staff engaged on an open-ended contract of employment or executives engaged on a standard executive contract.

Age	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
Under 25	5	4	5	3.8
25–34	180	190	171.1	177.4
35–44	191	173	165.1	150.2
45–54	116	116	103.9	104.7
55–64	82	78	72.4	70.7
Over 64	12	14	11.4	13.2
<b>Total</b>	<b>586</b>	<b>575</b>	<b>528.9</b>	<b>520.1</b>

### Age breakdown of maximum term/casual employees

Staff engaged casually or on a contract for a maximum period.

Age	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
Under 25	14	10	11.6	8.2
25–34	67	57	62.3	53.6
35–44	38	23	30.8	20.1
45–54	19	16	15.4	13.4
55–64	11	3	9.1	2.6
Over 64	2	1	1.4	.6
<b>Total</b>	<b>151</b>	<b>110</b>	<b>130.6</b>	<b>98.5</b>

## Classification breakdown ongoing employees

Staff engaged on an open-ended contract of employment or executives engaged on a standard executive contract.

Classification	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
VLA 1	0	0	0	0
VLA 2	124	120	107.3	103.3
VLA 3	204	211	185.0	190.9
VLA 4	175	156	156.7	141.3
VLA 5	59	65	56.3	62.5
VLA 6	17	15	16.5	14.5
Executive	7	8	6.9	7.6
<b>Total</b>	<b>586</b>	<b>575</b>	<b>528.9</b>	<b>520.1</b>

## Classification breakdown of maximum term/casual employees

Staff engaged casually or on a contract for a maximum period.

Classification	2015–16 headcount	2014–15 headcount	2015–16 FTE	2014–15 FTE
VLA 1	0	0	0	0
VLA 2	32	30	26.1	24.3
VLA 3	80	53	70.1	49.2
VLA 4	25	19	20.9	17.1
VLA 5	9	5	8.5	4.9
VLA 6	5	3	5	3
Executive	0	0	0	0
<b>Total</b>	<b>151</b>	<b>110</b>	<b>130.6</b>	<b>98.5</b>

## Workforce inclusion

We are working towards creating a balanced working environment where equal opportunity and diversity are valued.

### Executive officers at 30 June 2016

An 'executive officer' is defined as a person employed as an executive officer at an annual remuneration rate not less than an executive officer employed by a Victorian Government department.

We have one executive board member, the Managing Director, and six executive director positions leading our services and functions.

Executive officers are classified into two categories. 'Ongoing' executives are responsible for functions or outputs that are expected to be ongoing at the end of the reporting period.

'Special projects' executives are employed for a specific project, generally for a fixed period of time. We do not currently engage executive officers for special projects.



The workforce data tables below include executive officers active in the last full pay period of the financial year.

### Number of ongoing executive officers

Class	Headcount 2015–16*	Headcount 2014–15
EO-1	0	0
EO-2	1	1
EO-3	6	7
<b>Total*</b>	<b>7</b>	<b>8</b>

\* As at 30 June 2016 and includes one Acting Executive Director.

### Breakdown of executive officers into gender

Class	Male	Variation 2014–15	Female	Variation 2014–15
EO-1	0	0	0	0
EO-2	1	0	0	0
EO-3	2	1	4	0
<b>Total*</b>	<b>3</b>	<b>1</b>	<b>4</b>	<b>0</b>

\* As at 30 June and includes one Acting Executive Director.

### Reconciliation of executive numbers

The tables below reflect the Financial Statement Note 15 and includes any individual employed as an executive officer or with executive officer responsibility (as defined in FRD 21B) at any time during the financial period.

Reconciliation of executive numbers		2015–16	2014–15
	Executives with total remuneration over \$100,000	7	8
	Executives employed with total remuneration below \$100,000	1*	0
	<b>Sub-total (as reported in Financial Statement Note 41(a))</b>	<b>8</b>	<b>8</b>
Add	Vacancies	1	0
	Accountable Officer (Managing Director)	1	1
Less	Separations	2	0
	Non-executive role	0	0
	Executive role removed	0	0
	<b>Total executive numbers at 30 June</b>	<b>8</b>	<b>9</b>

\* Executive Director left early in the year.

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## Health, safety and wellbeing

Our updated Health and Safety Management System (HSMS) was introduced to managers and staff through our *Safety leadership* and *Contributing to safety* training programs that reached 48 managers and 371 staff during 2015–16. The vast majority of staff have now received training in key HSMS procedures, and elements of the HSMS are continuously refined and updated to improve their effectiveness.

We have reorganised our designated work groups (DWGs) and appointed health and safety representatives accordingly, bringing fresh perspectives to health and safety at Victoria Legal Aid. The health and safety committee (HSC) has also reformed to provide effective staff and management consultation on strategic health and safety matters.

The relocation of our Bairnsdale office, with upgraded security features, was completed as part of our strategy to upgrade and improve regional office sites.

Incident reporting has increased, which we attribute to an increased awareness following intensive training. Unlike the previous year, reported injuries were higher than security incidents in 2015–16, the majority of security incidents continue to occur in Melbourne CBD. The number of standard WorkCover claims has increased from the previous year but no identifiable trend or cause has emerged. The claims relate to a range of physical injuries (including overuse and accidental injury), together with some psychological illness claims.

Our managers continue to take an active role in supporting their staff to return to work after injury, supported by coaching and consultancy from People and Culture and expert external providers.

Several new online e-learning modules have been utilised by staff for self-guided learning, the most popular being *How to manage stress*. A key module, introduced in March 2016, takes staff through the fundamentals of workstation assessment and setup. Routine adjustments are now being made by the individual or with assistance from our Facilities and Maintenance team, reserving specialist assessment and intervention for more complex issues, injury or disability. This is a positive development given the office-based nature of many roles and the consequent risk of injury due to poor ergonomic setup.

## Psychological wellbeing

Our staff work in a stressful environment, therefore our key preventative health, safety and wellbeing activity has been the pilot of two psychological wellbeing programs in Victoria Legal Aid Chambers and Criminal Law Melbourne. The programs are in the initial stages, with establishment of wellbeing committees enabling staff representatives to take a leadership role in the design and implementation.

The first stage, including completion of baseline assessments utilising psychometric questionnaires, has occurred in both areas. The results from those assessments and other workplace observations will inform an evidence-based intervention program to be implemented over the course of the next year. It is anticipated that the intervention program will contain a mix of general awareness-raising information, personal development strategies and targeted interventions for individuals and/or teams.

In our Family, Youth and Children's Law program, group debriefing for vicarious trauma prevention has continued through this year. Periodic team debriefing followed by individual counselling has been trialled in the Equality Team in our Civil Justice program.

These programs are deliberately tailored to address the needs of the individuals and teams, taking account of specific stressors. Learnings from each approach are applied to continuous refinement the programs and inform how we introduce and roll out programs to the rest of the organisation.

Staff have access to a 24-hour employee assistance program, providing confidential professional counselling for personal and work-related issues. Critical incident response and support occurs when necessary. As a further preventative measure, we continue to offer the *Safe and effective interactions* workshop, completed by 44 staff this year.

## Performance against occupational health and safety measures

### Incidents

Performance indicator	2015–16	2014–15	2013–14
No. of incidents	56	31	46
Rate per 100 FTE	8.52	5.1	7.59

### Claims

Performance indicator	2015–16	2014–15	2013–14
Total WorkCover claims	8	1	5
No. of standard claims*	7	0	4
Rate per 100 FTE	1.07	0	0.66
No of lost time claims*	6	1	4
Rate per 100 FTE	0.91	0.016	0.66
No of claims exceeding 13 weeks*	1	0	1
Rate per 100 FTE	0.15	0	0.16

\* Data was sourced from WorkSafe Victoria's authorised agent. A claim is standard when the employer liability period (ten days lost and/or medical expenses of \$667 indexed annually) has been exceeded.

### Other measures

Performance indicator	2015–16	2014–15	2013–14
Fatality claims	0	0	0
Average cost per standard claim*	\$12,756.81	N/A	\$22,135.92**
Percentage of claims with return to work plan less than 30 days	100%	100%	N/A

\* Data was sourced from WorkSafe Victoria's authorised agent.

\*\* Costs relate to three ongoing claims from previous years.

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## **Training, development and support**

### **Professional development**

We provide training, development and support for our lawyers and staff through:

- professional support lawyers
- ongoing professional legal education
- specialist accreditation support, including study groups and materials.

Professional legal education includes training on priority topics for each practice area delivered face-to-face and online, as well as topics that span the compulsory fields of continuing professional development.

We also provide targeted internal and external training opportunities to our community legal centre lawyers and volunteers, and private legal practitioners on our panels. This year we expanded delivery of Aboriginal and Torres Strait Islander cultural awareness training, making workshops available to community legal centres and private legal practitioners in regional Victoria.

This year we also continued to work with child protection experts and the Department of Health and Human Services to deliver multi-disciplinary training and development events. This training assists child protection practitioners and lawyers to perform more effectively in areas including child protection and permanent care reforms, court practices and other changes to the law.

### **New Lawyers Program**

Our New Lawyers Program attracts and retains high quality first and second year lawyers and provides the knowledge and skills necessary to effectively represent our unique and diverse clients. Since the first intake in September 2010, 66 lawyers have participated in the New Lawyers Program.

Participants are selected through a rigorous and highly competitive process and after two years in the program are placed as legal vacancies emerge. Through this, the program supports agile and streamlined recruitment into lawyer roles, complementing our regular recruiting practices.

New lawyers recruited in 2015 participated in placements across our programs and offices, including our Warrnambool, Geelong, Morwell and Bendigo offices.

The program continues to attract high calibre junior lawyers and provides Victoria Legal Aid with a skilled pool of talent ready to deliver legal services across our offices.

### **Law student opportunities and training placements**

We continued to meet our statutory obligation to provide opportunities for law students to obtain experience in legal aid work. We have established relationships with many educational institutions, including most of the major universities in Victoria. We provide opportunities for students to undertake placements within our organisation to gain practical experience. In 2015–16 we hosted law students as part of our Family Law and Civil Law Internship programs and students from Leo Cussen Centre for Law who completed their Practical Legal Training course. We also provided other volunteer opportunities for law students across our Geelong, Ringwood, Frankston, Dandenong and Broadmeadows offices.

### **Specialist accreditation**

We recognise the value of the Law Institute of Victoria's Accredited Specialisation program as a means of ensuring quality representation for legally aided clients. We continued to support the program, which assesses and accredits the expertise of lawyers in diverse areas of law.

Our support of participants included guidance from our professional support lawyers, professional legal education lectures and all day intensive sessions, facilitation of study groups and provision of study notes, resources and practice exams, and payment of application fees for Victoria Legal Aid lawyers.

This year we supported lawyers to participate in the family law and administrative law accreditation assessment program. Our own lawyers received a 100 per cent pass rate in the specialisation programs. Please note that our accreditation program runs on a calendar-year basis and 2015 figures are reported below.

#### Number of lawyers supported through the specialist accreditation program in 2015

Area of law	Staff lawyers	Private practitioners*	Staff lawyers who passed	Private practitioners* who passed
Administrative law	1	0	1	N/A
Family law	3	3**	3	N/A**

\* Includes community legal centre and private lawyers.

\*\* Three external lawyers withdrew from the study support program.

At 30 June 2016 we have:

- 28 accredited criminal law specialists
- 11 accredited family law specialists
- 16 accredited children's law specialists
- one accredited immigration law specialist
- two accredited administrative law specialists.

#### Number of lawyers supported through the specialist accreditation program in 2016\*

Area of law	Victoria Legal Aid lawyers	External lawyers**
Criminal law	15 <sup>^</sup>	24 <sup>^</sup>
Children's law	2 <sup>^^</sup>	3

\* Exams will be conducted in July–August 2016.

\*\* This includes community legal centre and private lawyers.

<sup>^</sup> 6 candidates have withdrawn.

<sup>^^</sup> 2 candidates have withdrawn.

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## Legislative compliance

This report has been prepared in accordance with all relevant legislation. See Appendix 1 for the disclosure index that identifies our compliance with statutory disclosure requirements.

### Complaints

We welcome complaints and aim to resolve them fairly and quickly. We believe they provide invaluable feedback about the quality of our services, and that this in turn can help us to improve.

Our website explains how to make a complaint if we do not meet expectations. Anyone can make a complaint about our staff, services or private practitioners representing clients under a grant of legal assistance.

In the last year we have focused on making our complaints processes and performance monitoring framework more transparent, particularly for private practitioners, while retaining a focus on early informal resolution where appropriate.

This year we received 753 complaints and enquiries compared to 741 in 2014–15 (up by ~1 per cent).

### What people complained about

Nature of complaint	2015–16	2014–15
Our services and staff	207	256
Services provided by private practitioners	99	97
Enquiries	447	388
<b>Total</b>	<b>753</b>	<b>741</b>

### Our targets

Complaints resolved within 28 days	2015–16	2014–15
Our services and staff	88%	-
Services provided by private practitioners	68%	-
<b>Overall</b>	<b>77%</b>	<b>74%</b>

### Complaints about our services and staff

We received 207 complaints about our services and staff (down by 19%). The most common complaints were about:

- legal services (36%)
- communication issues (28%)
- policy and administrative processes (13%)
- funding eligibility and service limitations (12%)

These complaints were most commonly resolved by:

- providing information or an explanation to the complainant (30%)
- the complaint not being substantiated and no further action being required (24%)
- further action such as a change of practice, staff feedback or reducing a debt (18%)
- an apology (10%)
- payment of an outstanding account (12%)

### Complaints about services provided by private practitioners

We received 99 complaints about services provided by private practitioners (up by 2%). These are considered in relation to VLA’s Practice Standards, the most common complaints were about:

- Practice Standard 3.1 – compliance with professional obligations (37%)
- Practice Standard 3.3(d) – lack of preparation (10%)
- Practice Standard 3.3(g) – lack of communication (9%)
- Legal Aid Act section 32 – improper request for private payment (7%)

These complaints were most commonly resolved by:

- the complaint not being substantiated and no further action being required (51%)
- private practitioner taking additional action, such as a further letter to a client (18%)
- providing additional information (12%)
- disciplinary outcome, such as a caution or notice of potential panel non-inclusion (4%)

Private practitioners are required to have an internal complaint handling policy, and complaints resolved under those policies are not captured in our data.

### Enquiries

We received 447 enquiries this year about a range of issues including queries about another person’s eligibility for a grant of legal assistance and complaints not related to our services.

### Government advertising expenditure

The disclosure threshold for government advertising expenditure (campaigns with a media spend) is \$100,000 (exclusive of GST). Our total advertising expenditure during 2015–16 was not more than \$100,000 (exclusive of GST).

### Information and Communication Technology

For the 2015–16 reporting period, Victoria Legal Aid had a total ICT expenditure of \$3,654,000, with the details shown below.

Business as usual (BAU) ICT expenditure	Non-Business as usual (non-BAU) ICT expenditure Total = Operational expenditure and Capital expenditure	Operational expenditure	Capital expenditure
\$2,281,000	\$1,373,000	\$0	\$1,373,000

ICT expenditure refers to Victoria Legal Aid’s costs in providing business-enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non-Business As Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing Victoria Legal Aid’s current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## Consultancy expenditure

### Details of consultancies (valued at \$10,000 or greater)

In 2015–16, we engaged 17 consultancies where the total fees payable to the consultants were greater than \$10,000. The total expenditure incurred during 2015–16 in relation to these consultancies is \$798,485 (excluding GST). Details of individual consultancies are outlined below:

Consultant	Purpose of consultant	Total approved project fee (\$) (excl. GST)	Expenditure (\$) (excl. GST)	Future expenditure (\$) (excl. GST)
Anita Tang Advocacy	Advocacy and campaign advice	45,000	45,000	0
ATG Consultants	Design for the Shepparton office upgrade	27,000	23,700	3,300
Clear Horizon consulting	Development of program logic for sub programs.	25,850	18,715	7,135
Enhance Solutions	Occupational health & safety policy review	100,000	92,215	7,785
Finity Consulting	Valuation of legal creditors and debtors	25,000	11,781	13,219
Hay Group	Remuneration benchmarking and analysis	22,560	22,560	0
Law and Justice Foundation of NSW	Research and evaluation	200,000	100,000	100,000
PriceWater House	Interviews, preparation and facilitation	41,800	41,833	0
Property Dynamics	Property advisory and lease negotiation services	155,800	155,800	0
Real Politic	Workshop facilitation	14,275	14,275	0
Regina Hill	Youth services review	45,000	45,000	0
RMIT	Development of the Access to Justice Technology Program	150,000	50,000	50,000
Social Ventures Consulting	Mental Health & Disability program evaluation	37,625	37,825	0
Tandem Media	What's the law - expansion pack videos	17,525	16,799	726
Technology One	Finance system upgrade	72,700	32,763	39,937
Temuka Breeze	Facilitation services	40,219	40,219	0
Victorian Mental Illness Council Inc.	Evaluation of client participation strategies for the independent mental health advocacy service	50,000	50,000	0



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## **Details of consultancies under \$10,000**

In 2015–16, we engaged 18 consultancies where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during 2015–16 in relation to these consultancies was \$74,048 (excluding GST).

## **Contracts**

There were zero contracts entered into during the financial year that require specific disclosure as they were all less than \$10 million in value.

## **Information and records management**

We have obligations under the relevant legislation to make and keep full and accurate records of our business practices. These records must be managed in accordance with revised Public Record Office Victoria standards and specifications under section 12 of the *Public Records Act 1973* (Vic). The standards apply to all records (in all formats) and detail requirements for the creation, maintenance and authorised timely disposal of these records.

We continue to focus on achieving compliance with the revised standards and specifications.

This year we:

- continued our path to electronic records management including successful pilots in case and client record management
- completed additional stages of our major records destruction project in accordance with relevant disposal authorities and policies, which significantly reduced our archival storage costs.

## **Information privacy**

We are committed to protecting the personal privacy of our clients and the people we help. We only collect, use or disclose personal information where it is necessary to perform legal aid functions or where required by law.

We comply with the *Privacy and Data Protection Act 2014* (Vic) and our policies and processes for dealing with personal information comply with the Information Privacy Principles.

We received no notifications of complaints lodged with the Commissioner for Privacy and Data Protection this year.

Information about how we handle personal information is available at [www.legalaid.vic.gov.au](http://www.legalaid.vic.gov.au).

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## Freedom of information

The *Freedom of Information Act 1982 (Vic)* gives members of the public the right to apply for access to information held by us. It applies to the documents we create, as well as those created by other organisations in our possession.

We received 14 applications this year. Of these:

- eight resulted in documents being released in full
- two resulted in Victoria Legal Aid confirming that we did not hold documents covered by the request
- two applications refused in full
- two are pending.

## Freedom of Information Commissioner

Members of the public can complain to the Freedom of Information Commissioner about the way we handle freedom of information requests or our decisions about freedom of information applications.

This year we received notification of one complaint and one review request from the Freedom of Information Commissioner. Of these:

- the review upheld our decision in full
- the complaint was resolved.

## Making a request

Access to documents may be obtained through written request, as detailed in section 17 of the Freedom of Information Act. In summary, the requirements for making a request are that it should:

- be in writing
- identify as clearly as possible which document is being requested
- be accompanied by the appropriate application fee (or a request to have the fee waived).

Access charges may also apply once documents have been processed (for example, photocopying and search and retrieval charges).

Freedom of information requests can be made by:

- email to [foi@vla.vic.gov.au](mailto:foi@vla.vic.gov.au)
- post to:  
Freedom of Information  
Victoria Legal Aid  
GPO Box 4380  
MELBOURNE VIC 3001.

Victoria Legal Aid's Complaints and Statutory Compliance team can also be contacted by phone on (03) 9280 3789 for any questions about Freedom of Information requests.

## Victorian Ombudsman

Members of the public can complain to the Victorian Ombudsman about administrative actions taken by Victoria Legal Aid, if we cannot resolve their complaint directly. The Victorian Ombudsman notified us of three complaints lodged with the office this year. All were resolved informally by providing the Ombudsman with further information.

## Compliance with the *Building Act 1993 (Vic)*

We are exempt from notifying our compliance with the building and maintenance provisions of the Building Act because we do not own any buildings.

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We undertook minor upgrades to provide additional capacity for the new Independent Mental Health Advocates, our new lawyer program and to enable expansion in the provision of Family Violence Advocacy across our Dandenong, Broadmeadows, Ringwood, Sunshine, Morwell and Bendigo offices.

We completed the refurbishment of a new office in Bairnsdale in March 2016 and are about to commence the refurbishment of a new office for Shepparton. The Shepparton office is scheduled for completion in early October.

The Frankston office reached the end of defects liability period in July 2016 and has since been used as a blueprint for our regional offices. It has received positive feedback in its open and flexible workspace layout.

### **Compliance with the *Disability Act 2006***

Our *Disability Action Plan 2012–2014* complies with the *Disability Act 2006* (Vic). Key activities to help improve access, inclusion and engagement of people with a disability, or who experience a mental health issue, included:

- creating a ‘Speaking from Experience’ group which is working to integrate consumer perspectives into our services
- consultation with consumers about our Mental Health Advocacy service and what resources they need to make decisions and self-advocate
- creation of a senior consumer consultant role as a mechanism for developing and implementing consumer leadership in mental health
- training 442 special school teachers in 21 schools to use our education kit, *Learning the law*. We are researching whether this education changes the attitudes of participating students
- improved physical access to our new office in Bairnsdale (see above)
- ensuring our new CBD office is accessible by running a staff focus group on occupational health and safety and access issues.

### **Industry Participation Policy**

We are required to apply the Victorian Industry Participation Policy in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria. No tenders were awarded over these amounts.

### **National Competition Policy**

We comply with the requirements of the National Competition Policy, where relevant, to ensure competitive neutrality where any services compete, or potentially compete, with the private sector.

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## **Compliance with the *Protected Disclosure Act 2012 (Vic)***

The Protected Disclosure Act encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

We do not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. We are committed to ensuring transparency and accountability in administrative and management practices. We support the making of disclosures that reveal:

- corrupt conduct
- conduct involving a substantial mismanagement of public resources
- conduct involving a substantial risk to public health and safety or the environment.

We will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. We will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

Disclosures about Victoria Legal Aid or any of its employees can be made to the Independent Broad-based Anti-corruption Commission. See [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au).

For more information about reporting improper conduct go to [www.legalaid.vic.gov.au](http://www.legalaid.vic.gov.au).

## **Compliance with the *Carers Recognition Act 2012***

We are exempt from reporting on our compliance under the Act because Victoria Legal Aid is not a public service care agency or a funded care agency. As such, the Act does not apply.

## Risk management

Our risk management framework is consistent with the Victorian Government Risk Management Framework, the Australian/New Zealand risk management standard AS/NZS ISO31000:2009 and the directions issued under the *Financial Management Act 1994* (Vic).

Our strategic risk profile is reviewed annually in line with our risk management policy and is undertaken in accordance with the risk management procedures.

Our risk profile is developed by aggregating risks across the organisation and then identifying the top risks we face. Factors influencing the prioritisation of risks are our strategic priorities, external factors impacting on service delivery and financial commitments.

We developed mitigating strategies and actions to embed planning around identified risks into current activities. Key risk indicators were developed to track and monitor the movement of risks, against likelihood and consequence. The risk profile is approved by the Victoria Legal Aid Board. Quarterly reports against the risk profile are provided to our Audit Committee.

## Identified risks

Risks identified during the year included:

- failure of government decisions and activity to take into account Victoria Legal Aid and other entities
- failure to successfully plan and implement key strategic projects
- failure to identify, forecast and respond to service pressures
- community fails to value legal aid services
- failure to provide staff with a safe and supportive work-place and work-environment impacting physical or mental wellbeing
- failure to implement quality assurance processes for services to legal aid clients
- failure to align staff capability with organisational goals
- increased staff disengagement and attrition arising from enterprise bargaining agreement processes.

### **Attestation of compliance with Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes**

I, Andrew Guy certify that Victoria Legal Aid has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Victoria Legal Aid Audit Committee verifies this.



**Andrew Guy**

Chairperson

on behalf of the Board of Victoria Legal Aid

Dated: 17 August 2016

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## Additional information on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, information relating to the 2015–16 reporting period to be made available to ministers, members of parliament and the public on request and subject to the provisions of the *Freedom of Information Act 1982 (Vic)* include:

- a statement that declarations of pecuniary interests have been duly completed by all relevant officers of Victoria Legal Aid
- details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary
- details of publications produced by Victoria Legal Aid about our activities and where they can be obtained
- details of changes in prices, fees, charges, rates and levies charged by Victoria Legal Aid for its services, including services that are administered
- details of any major external reviews carried out in respect of the operation of Victoria Legal Aid
- details of any other research and development activities undertaken by Victoria Legal Aid that are not otherwise covered either in the report of operations or in a document which contains the financial statement and report of operations
- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- details of major promotional, public relations and marketing activities undertaken by Victoria Legal Aid to develop community awareness of the services provided by it
- details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the report of operations
- a general statement on industrial relations within Victoria Legal Aid and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations
- a list of major committees sponsored by Victoria Legal Aid, the purposes of each committee and the extent to which the purposes have been achieved
- details of all consultancies and contractors.



## Our finances

### Year in review

We finished the year with a surplus on transactions, our day-to-day business, of \$1.5 million significantly lower than last years' surplus of \$11 million. This reflects the increased demand for our services which saw expenditure increase 11 per cent or \$16.6m to \$172.3m.

The comprehensive surplus was \$2.7 million, compared to an \$11 million surplus last year.

The year-end cash balance was \$48.7 million.

The 2015–16 financial statements record:

- Victorian Government income of \$91.3 million
- Commonwealth Government income of \$49.4 million
- Public Purpose Fund income of \$28.3 million
- \$71.2 million spent on case-related private practitioner payments
- \$18.7 million allocated as direct funding provided to community legal centres with a further \$9.7 million allocated as indirect funding, a total of \$28.4 million funding
- a comprehensive surplus of \$2.7 million.

## Five-year financial summary

Financial summary	2015-16 \$'000	2014-15 \$'000	2013-14 \$'000	2012-13 \$'000	2011-12 \$'000
Income from government and the Public Purpose Fund	169,057	161,535	158,071	147,842	144,872
Total income from transactions	173,877	166,749	162,222	155,990	153,831
Total expenses from transactions	(172,337)	(155,774)	(146,903)	(162,473)	(159,991)
Net result from transactions	1,540	10,975	15,319	(6,483)	(6,160)
Net result for the period	2,744	11,006	16,109	(9,332)	(3,095)
Net cash flow from operating activities	9,676	13,411	20,493	(1,035)	(3,660)
Cash at 30 June	48,703	44,201	32,185	12,893	14,560
Total assets	86,798	78,961	67,064	50,048	52,411
Total liabilities	42,498	37,405	36,514	35,609	28,638
Total equity	44,300	41,556	30,550	14,439	23,773

## Our income

Our operating income is predominantly provided by the Victorian and Commonwealth governments and the Public Purpose Fund. Total operating income was \$173.9 million an increase of \$7.1 million or 4 per cent on last year's income of \$166.7 million.

The Commonwealth Government, through the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services* provided \$47.9 million (\$45.8 million in 2014–15). The Commonwealth provided supplementary funding of \$1.5 million (\$1.4 million in 2014–15) for expensive criminal cases and direct project funds for the Community Legal Centre. Direct operating grants for community legal centres are passed on directly by Victoria Legal Aid and accordingly are not recognised as income in our financial statements.

The State Government provided \$69.9 million (\$67.9 million in 2014–15) as a base funding. In addition, specific funds for the operation of a state wide non-legal advocacy service, the weekend remand court, equal opportunity and family violence totalled \$5.9 million (\$2.5 million 2014–15) and \$15.6 million (\$14.7 million 2014–15) specially for the Community Legal Centres. Without these specific funds these services cannot be provided.

Funding from the Public Purpose Fund was \$28.3 (\$29.3 million 2014–15). Last year's funds included a one-off amount for prior indexation that had not previously been received. The remaining operating income was \$4.8 million (\$5.2 million 2014–15) the majority relates to client contribution and interest income.



## Income five-years

Source	2015–16 \$000	2014–15 \$000	2013–14 \$000	2012–13 \$000	2011–12 \$000
Commonwealth grants	49,401	47,228	49,366	46,875	46,345
State grants	91,343	85,034	83,042	75,304	72,864
Public Purpose Fund	28,313	29,273	25,663	25,663	25,663
Client contributions	2,152	2,025	1,331	5,157	5,913
Other income	2,668	3,189	2,820	2,991	3,046
<b>Total income from transactions</b>	<b>173,877</b>	<b>166,749</b>	<b>162,222</b>	<b>155,990</b>	<b>153,831</b>
% income annual growth	4%	3%	4%	1%	3%

## Our expenditure

Our total operating expenditure this year was \$172.3 million, an increase of \$16.6 million or 11 per cent on last year's expenditure of \$155.8 million.

Case-related payments totalled \$71.2 million, an increase of 12 per cent. These funds are paid to private practitioners, barristers, medical experts and interpreters, as well as to third parties for services rendered on in-house cases.

The other major expense was staffing-related costs totalling \$62.1 million, an increase of 8 per cent. Staffing-related costs includes annual increments paid to staff as well as salaries for staff employed for new funded service expansion; the state wide non-legal advocacy service, the weekend remand court, and family violence.

## Expenditure five-years

Source	2015–16 \$000	2014–15 \$000	2013–14 \$000	2012–13 \$000	2011–12 \$000
Case-related payments	71,169	63,567	61,942	77,461	79,639
Community legal centre payments	18,721	15,481	13,335	12,855	12,367
Employee benefits	62,156	57,465	54,294	53,577	50,305
Depreciation and amortisation	3,463	2,936	2,812	3,304	2,737
Other administration	16,828	15,965	14,520	15,276	14,943
<b>Total expenses from transactions</b>	<b>172,337</b>	<b>155,774</b>	<b>146,903</b>	<b>162,473</b>	<b>159,991</b>
% expenditure annual growth	11%	6%	(10%)	2%	14%

## Our operations and financial position

### Operations result

The net result from transactions, our day-to-day business, was a surplus of \$1.5 million significantly lower than last years' surplus of \$11 million. This reflects the increased demand for our services as indicated by the increased expenditure related to increased service delivery.

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## Financial position

Our comprehensive result was a surplus of \$2.7 million. The comprehensive surplus takes into account year-end adjustments of \$1.2 million.

The year-end cash balance was \$48.7 million, which is above the targeted \$22.0 million minimum cash balance to ensure we meet fluctuations in annual payments.

## Future planning

We know there is a lag between when a grant of legal assistance is approved and the work is done and the payments made. Therefore, we expect to continue to see the case-related payments increase into next year and this is likely to result in a deficit on transactions as the income we receive does not meet the needs of our clients and the services they require.

## Understanding the financial statements

The 'Financial statements' detail our financial performance and overall financial position for the year ended 30 June 2016. They are presented in accordance with Australian Accounting Standards and the requirements set by the Department of Treasury and Finance.

There are four financial statements in this section and notes to the financial statements.

## Comprehensive operating statement

This statement is often known as the 'Profit and loss statement' and details the sources of our income or revenue under the headings 'Government' and 'Operating' as well as the expenditure or expenses incurred in running Victoria Legal Aid during the financial year. The expenditure is operational in nature and does not include costs associated with the purchase or the building of assets (capital expenditure).

An item that is included in the operational expenditure is 'depreciation', which is the sum of the assets 'used up' during the financial year. The 'Comprehensive operating statement' includes both cash and non-cash items, and all income and expenses for the year are reflected in the statement even though some income may not be received and some expenses may not yet be paid (such as supplier invoices not yet paid for goods or services received).

A key figure in the 'Comprehensive operating statement' is the surplus (or deficit) for the year, which is equivalent to the profit (or loss) of Victoria Legal Aid for the financial year. A surplus indicates that the income was greater than the expenditure. The comprehensive result is also equal to the movement in our net assets or total equity from the prior year.

## Balance sheet

This 'Balance sheet' is a snapshot of our financial position as at 30 June 2016 and details what we own (assets) and owe (liabilities). The assets and liabilities are separated into current and non-current. 'Current' indicates that the assets or liabilities are likely to be consumed or fall due within the next 12 months. The 'net assets' value is the residual of assets once the liabilities have been deducted. This represents the net financial worth of Victoria Legal Aid at 30 June 2016.

## Statement of changes in equity

The 'Statement of changes in equity' summarises the change in our net financial worth during the financial year. During the course of the year the value of total equity as set out in the balance sheet changes. This statement shows the values of such changes and how these changes arose. The main reason for a change in our equity is from the 'Comprehensive result', or from the operations described in the 'Comprehensive operating statement'.

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## **Cash flow statement**

The 'Cash flow statement' summarises our cash receipts and cash payments for the financial year ended 30 June 2016. The values may differ from those shown in the 'Comprehensive income statement' because the income statement is prepared on an accrual accounting basis. This means that income is reported when earned and expenses when incurred not when the physical cash is transacted. Cash in the 'Cash flow statement' refers to bank deposits and other forms of liquid amounts that can readily be converted to cash. Our cash arises from, and is used in, two main areas:

### **1) Cash flows from operating activities**

Receipts include all cash received into our bank account from those who owed money to Victoria Legal Aid. Receipts also include the interest received from our cash investments but do not include the costs associated with the sale of assets. Payments include all cash paid by Victoria Legal Aid from its bank account to staff and payments to legal and trade creditors but do not include the costs associated with purchasing assets.

### **2) Cash flows from investing activities**

This section shows the cash invested in the creation or purchase of assets such as property, plant and equipment and the cash received from the sale of these assets, mainly Victoria Legal Aid pool cars.

## **Notes to the financial statements**

The notes should be read in conjunction with the four financial statements so that a clear picture can be obtained of the financial accounts. They provide greater detail to support the presented figures, enabling an understanding of the basis on which the amounts reported in the financial statements are derived.

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## Victoria Legal Aid Financial Report – 30 June 2016

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#### **This financial report covers Victoria Legal Aid as an individual entity**

The Victoria Legal Aid is a statutory authority of the state of Victoria. The authority was established under the *Legal Aid Act 1978*. Its principal address is:

Victoria Legal Aid  
350 Queen Street  
Melbourne VIC 3000

## Comprehensive operating statement

For the financial year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>CONTINUING OPERATIONS</b>			
<b>Income from transactions</b>			
<b>Government</b>			
Commonwealth grants	1(e), 2(c)	49,401	47,228
State grant	1(e), 2(c)	91,343	85,034
Public Purpose Fund	1(e)	28,313	26,240
Public Purpose Fund – one-off	1(e)	-	3,033
		<b>169,057</b>	<b>161,535</b>
<b>Operating</b>			
Client contributions (secured and unsecured)	1(e)	2,152	2,025
Costs recovered and appeals cost fund	1(e)	1,271	1,812
Interest on investments	1(e)	1,353	1,312
Other income		44	65
		<b>4,820</b>	<b>5,214</b>
<b>Total income from transactions</b>		<b>173,877</b>	<b>166,749</b>
<b>Expenses from transactions</b>			
Case-related professional payments	1(f)	(71,169)	(63,567)
Grants and other payments	1(f), 2(b)	(18,721)	(15,841)
Employee benefits	1(o), 3	(62,156)	(57,465)
Depreciation and amortisation	1(f), 3	(3,463)	(2,936)
Other expenditure	3	(16,828)	(15,965)
<b>Total expenses from transactions</b>		<b>(172,337)</b>	<b>(155,774)</b>
<b>Net result from transactions (net operating balance)</b>		<b>1,540</b>	<b>10,975</b>

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**Other economic flows included in net result**

**Items that may be reclassified subsequently to net result**

Net gains/(losses) arising from other economic flows	1(h), 4	<u>1,204</u>	<u>31</u>
<b>Total other economic flows included in net result</b>		<b><u>1,204</u></b>	<b><u>31</u></b>
<b>Net result from continuing operations</b>		<b><u>2,744</u></b>	<b><u>11,006</u></b>
<b>Comprehensive result</b>		<b><u>2,744</u></b>	<b><u>11,006</u></b>

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

## Balance sheet

As at 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	1(i), 6	50,524	44,235
Accrued income	7	706	1,155
Receivables	1(j), 8	22,934	21,832
Prepayments		1,147	865
<b>Total financial assets</b>		<b>75,311</b>	<b>68,087</b>
<b>Non-financial assets</b>			
Property, plant and equipment	1(l), 9	7,570	6,217
Intangible assets	1(l), 10	3,917	4,657
<b>Total non-financial assets</b>		<b>11,487</b>	<b>10,874</b>
<b>Total assets</b>		<b>86,798</b>	<b>78,961</b>
<b>Liabilities</b>			
Payables	1(n), 11	24,898	21,459
Provisions	1(p), 12	17,600	15,946
<b>Total liabilities</b>		<b>42,498</b>	<b>37,405</b>
<b>Net assets</b>		<b>44,300</b>	<b>41,556</b>
<b>Equity</b>			
Contributed capital	1(k), 13(a)	42,194	42,194
Accumulated surplus/(deficit)	13(b)	2,106	(638)
<b>Total equity</b>		<b>44,300</b>	<b>41,556</b>
Contingent liabilities	1(v), 21		
Commitments for expenditure	1(u), 19		

*The balance sheet should be read in conjunction with the accompanying notes.*

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## Statement of changes in equity

For the financial year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000
<b>Equity at start of financial year</b>			
Contributed capital	13(a)	42,194	42,194
Accumulated deficit	13(b)	(638)	(11,644)
<b>Total equity at start of financial year</b>		<b>41,556</b>	<b>30,550</b>
Comprehensive result for the year		2,744	11,006
<b>Total recognised income and expenses for the year</b>		<b>2,744</b>	<b>11,006</b>
<b>Total equity at end of financial year</b>		<b>44,300</b>	<b>41,556</b>

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



## Cash flow statement

For the financial year ended 30 June 2016

	Notes	2016 \$'000 inflow/ (outflow)	2015 \$'000 inflow/ (outflow)
<b>Cash flows from operating activities</b>			
<i>Receipts from government</i>			
Commonwealth grants		48,706	47,226
		<b>48,706</b>	<b>47,226</b>
State		93,089	84,281
Public Purpose Fund		28,316	26,240
Public Purpose Fund – one-off		-	1,033
		<b>121,405</b>	<b>111,554</b>
<i>Receipts from operating activities</i>			
Client contributions		2,712	2,556
Costs recovered and appeals cost fund		1,300	2,003
Interest on investments		1,279	1,204
Goods and services tax recovered from the ATO		10,249	9,191
Other income		44	210
		<b>15,584</b>	<b>15,164</b>
		<b>185,695</b>	<b>173,944</b>
<i>Payments to suppliers and employees</i>			
Case-related professional payments		(76,659)	(69,378)
Employee benefits		(61,464)	(56,795)
Community legal centres		(20,593)	(17,446)
Administration costs		(17,303)	(16,914)
		<b>(176,019)</b>	<b>(160,533)</b>
<b>Net cash from/(used in) operating activities</b>	17	<b>9,676</b>	<b>13,411</b>
<b>Cash flows from investing activities</b>			
Payments for non-financial assets		(3,311)	(1,276)
Proceeds from sale of non-financial assets		137	73
<b>Net cash from/(used in) investing activities</b>		<b>(3,174)</b>	<b>(1,203)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>		6,502	12,208
Cash and cash equivalents at the beginning of the financial year		42,201	29,993
<b>Cash and cash equivalents at the end of the financial year</b>	1(i), 6	<b>48,703</b>	<b>42,201</b>

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

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## Note 1. Summary of significant accounting policies

The following summary explains the significant policies that have been adopted in the preparation of these financial statements.

### (a) Statement of compliance and basis of accounting

The financial report is a general purpose financial report that has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, the *Australian Charities and Not-for-profit Commission Act 2012*, the Australian Charities and Not-for-Profit Regulations 2013 and the applicable Australian Accounting Standards (AASs), which includes Interpretations issued by the Australian Accounting Standards Board (AASB) and other mandatory professional requirements.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied.

The financial report also complies with relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

The financial statements were authorised for issue by the Board on 17 August 2016.

### (b) Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of AASs management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Consistent with AASB 13 Fair Value Measurement, Victoria Legal Aid determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment, and financial instruments in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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## Note 1. Summary of significant accounting policies (continued)

For the purpose of fair value disclosures, Victoria Legal Aid has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The functional currency of Victoria Legal Aid is the Australian dollar, which has also been identified as the presentation currency of Victoria Legal Aid. Amounts in the financial report have been rounded to the nearest thousand dollars, unless otherwise stated.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2016 and the comparative information presented for the year ended 30 June 2015.

When necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (c) Objectives

The objectives of Victoria Legal Aid as detailed in the *Legal Aid Act 1978* are:

- (i) to provide legal aid in the most effective, economic and efficient manner
- (ii) to manage its resources to make legal aid available at a reasonable cost to the community and on an equitable basis throughout the state
- (iii) to provide to the community improved access to justice and legal remedies
- (iv) to pursue innovative means of providing legal aid directed at minimising the need for individual legal services in the community.

### (d) Scope and presentation of financial statements

#### *Comprehensive operating statement*

Income and expenses in the comprehensive operating statement are separated into either 'transactions' or 'other economic flows'.

#### *Balance sheet*

Items of assets and liabilities in the balance sheet are:

- aggregated into financial and non-financial assets
- classified according to Government Finance Statistics (GFS) terminology, but retain measurement and disclosure rules under existing accounting standards applicable to Victoria Legal Aid
- current versus non-current assets and liabilities are disclosed in the notes where relevant.

#### *Cash flow statement*

Cash flows are classified according to whether or not they arise from operating, investing, or financing activities. This classification is consistent with requirements under AASB 107 Statement of Cash Flows.

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## Note 1. Summary of significant accounting policies (continued)

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet.

### *Statement of changes in equity*

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balances at the beginning of the reporting period to the closing balances at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts related to 'Transactions with owner in its capacity as owner'.

### **(e) Revenue recognition**

Amounts disclosed as revenue are, where applicable, net of returns, allowances, duties and taxes. Revenue is recognised for each of Victoria Legal Aid's major activities as follows:

#### *(i) Government grants*

Grants payable by government and recognised as revenue when Victoria Legal Aid gains control of the underlying assets. For reciprocal grants (i.e. equal value is given back by Victoria Legal Aid to the provider) Victoria Legal Aid is deemed to have assumed control when Victoria Legal Aid has satisfied its performance obligations under the terms of the grant. For non-reciprocal grants, Victoria Legal Aid is deemed to have assumed control when the grant is receivable or received. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant.

#### *(ii) Public Purpose Fund*

Monies from the Public Purpose Fund are distributed to the Legal Aid Fund pursuant to section 6.7.9 of the *Legal Profession Act 2004* and it is recognised as revenue when received. The Public Purpose Fund comprises interest and investment earnings on clients' funds held in solicitors' trust accounts. The amount of any distribution from the Public Purpose Fund to the Legal Aid Fund can vary from year to year depending on its investment performance and any other calls that may be made on the fund, as set out in the *Legal Profession Act 2004*.

#### *(iii) Client contribution revenue*

Revenue from the provision of legal services to clients is recognised at fair value. Contributions for services are only recognised when the fair value can be reliably determined.

#### *(iv) Sale of goods and disposal of assets*

Revenue from the sale of goods and disposal of other assets is recognised when Victoria Legal Aid has passed to the buyer the significant risks and rewards of ownership of the goods or other assets.

#### *(v) Interest*

Interest revenue is recognised on a time-proportionate basis that takes into consideration the effective yield on the financial asset.

#### *(vi) Costs recovered and appeal costs fund*

Revenue arising from costs recovered and appeal costs fund is recognised when Victoria Legal Aid gains control of the revenue or the right to receive revenue.

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## Note 1. Summary of significant accounting policies (continued)

### *(vii) Other income*

Other income includes room rental and other minor income and is recognised when the right to receive payment is established.

## **(f) Expenses from transactions**

### *(i) Case-related professional payments*

Payments made to the organisation's panel members for legal work undertaken on behalf of the organisation. This includes duty lawyer, mediation, interpreter fees, medical reports and conduct monies. Case-related professional payments are recognised as an expense in the reporting period in which they are incurred and fluctuate depending on demand and types of cases funded.

### *(ii) Grants payments*

Supplies and services, including case-related professional payments, are recognised as an expense in the reporting period in which they are incurred. Case-related professional payments fluctuate depending on demand and types of cases funded.

### *(iii) Supplies and services*

Supplies and services payments are recognised as an expense in the reporting period in which they are incurred.

### *(iv) Depreciation and amortisation*

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding cultural assets) over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. Estimates of useful lives, residual values and depreciation method are reviewed on a regular basis.

The following depreciation rates are used for each major class of depreciable assets for the current and prior years:

Furniture, fixture and fittings	10%
IT equipment	33%
Leasehold improvements	10%
Motor vehicles	20%
Office machines and equipment	15%
Cultural assets	0%

Intangible assets with finite useful lives are amortised on a systematic (typically straight-line) basis over the asset's useful life. Amortisation begins when the asset is available for use. The amortisation period and method for an intangible asset with a finite useful life are reviewed annually at the end of each reporting period, in conjunction with a review for impairment.

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## Note 1. Summary of significant accounting policies (continued)

### (g) Maintenance and repairs

Assets of Victoria Legal Aid are required to be refurbished on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with Note 1(f).

Other routine operating maintenance, repair costs and minor renewals are also charged as expenses when incurred.

### (h) Other economic flows included in net result

Other economic flows measure the change in volume of assets or liabilities that do not directly result from transactions.

#### *(i) Net gains/(losses) on non-financial assets*

Net gains/(losses) on non-financial assets and liabilities includes realised and unrealised gains and losses from revaluations, impairments, disposals of all non-financial assets and intangible assets.

Any gain or loss on the sale of non-financial assets is recognised at the date that control of the asset is passed to the buyer and is determined after deducting from the proceeds the carrying value of the asset at that time.

Intangible assets with indefinite lives (and intangible assets not yet available for use) are tested annually for impairment and whenever there is an indication that the asset may be impaired. All other assets are assessed annually for indications of impairment, excluding financial assets (Note 1m).

#### *(ii) Net gains/(losses) on financial instruments and statutory receivables/payables*

Net gains/(losses) on financial instruments and statutory receivables/payables includes realised and unrealised gains and losses from revaluations by actuarial assessment of legal payables and receivables.

Bad and doubtful debts are assessed on a regular basis. Those bad debts considered as written off by mutual consent are classified as a transaction expense. The allowance for doubtful receivables and bad debts not written off by mutual consent are adjusted as 'other economic flows'.

#### *(iii) Net gains/(losses) arising from other economic flows*

Other gains/(losses) from other economic flows include the gains or losses from reclassifications of amounts from reserves and/or accumulated surplus to net result, and from the revaluation of the present value of the long service leave liability due to changes in the bond interest rates.

### (i) Cash and cash deposits

Cash and deposits, including cash equivalents, comprise cash on hand, cash in banks and deposits at call, and highly liquid investments with an original maturity of three months or less, that are readily convertible to cash and are subject to an insignificant risk of changes in value.

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## Note 1. Summary of significant accounting policies (continued)

### *(i) Monies held in trust*

Monies held in trust are for the purpose of administering specific matters and are held on behalf of the Department of Justice and Regulation.

### **(j) Receivables**

#### *Granting of legal assistance*

Pursuant to the *Legal Aid Act 1978*, as amended, the organisation is empowered to make a grant of legal assistance subject to certain conditions. Under section 27 of the Act, Victoria Legal Aid may require a client to:

- a) make a contribution towards the cost of providing assistance
- b) make a contribution in respect of any out-of-pocket expenses incurred in providing assistance
- c) pay contributions in such a manner and within such a time as the organisation directs
- d) provide the organisation with security against costs incurred on their behalf.

In accordance with Victoria Legal Aid's means test and asset guidelines, a client may or may not be required to make a contribution towards the cost of their legal assistance.

Under section 46 of the Act, all costs payable under the terms of any judgment or order, or of any settlement of an action or claim by a client, are payable to the organisation.

Client contribution receivables arise as a result of contributions assessed as above and are recorded at their recoverable amount.

Impairment of legal debtors is reviewed on an annual basis. A provision for impairment is raised for estimated irrecoverable amounts, determined by the actuarial assessment. Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Bad debts are written off when identified.

### **(k) Contribution by owners**

Consistent with Interpretation 1038 *Contribution by Owners Made to Wholly-Owned Public Sector Entities*, appropriations for additions to net assets have been designated as contributions by owners. Other transfers that are in the nature of contributions or distributions have also been designated as contributions by owners.

### **(l) Non-current assets**

#### *Non-current physical assets*

Plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

In accordance with FRD 07A Early adoption of authoritative accounting pronouncements Victoria Legal Aid has early adopted the AASB 2015-7 Amendments to Australian Accounting Standards - Fair Value disclosures of Not-for-Profit Public Sector Entities to benefit from some limited scope exemption in relation to fair value disclosures for the 2015-16 reporting period.

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## Note 1. Summary of significant accounting policies (continued)

### *Leasehold improvements*

The cost of improvements to or on leasehold properties is amortised over the unexpired period of the lease or the estimated useful life of the improvement to Victoria Legal Aid. Leasehold improvements are measured at cost less accumulated depreciation and impairment (Note 1m).

Where applicable, leasehold improvements include a component for leasehold make-good at the end of the lease. A corresponding provision for decommissioning expense is created based on present value of the expected make-good expense.

### *Cultural assets*

Cultural assets such as artworks that Victoria Legal Aid intends to preserve because of their unique cultural and historical attributes are valued at fair value.

### *Intangibles assets*

Intangible assets represent identifiable non-monetary assets without physical substance.

An internally generated intangible asset arising from development is recognised if, and only if, all of the following are demonstrated:

- a) the technical feasibility of completing the intangible asset so that it will be available for use or sale
- b) an intention to complete the intangible asset and use or sell it
- c) the ability to use or sell the intangible asset
- d) the intangible asset will generate probable future economic benefits
- e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- f) the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where no internally generated asset can be recognised, development expenditure is recognised as an expense in the period incurred.

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as:

Capitalised software and development costs – 3–10 years

### *Receivables client contributions*

Finity Consulting Pty Limited actuaries perform an annual independent assessment of the net present value of receivables. The analysis undertaken reviews the receivable portfolio, recovery history and the current and forecast financial environment to determine a recoupment pattern. This payment pattern was discounted by 2.65% (2015: 3.6%) for secured receivables which is the forecast earnings rate of the organisation's investment portfolio to determine the net present value. The average repayment time for unsecured receivables is significantly less than that for secured, and therefore a different discount rate of 2.1% was used for 2016 (2015: 2.7%).



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## Note 1. Summary of significant accounting policies (continued)

### (m) Impairment of assets

All assets are assessed annually for indications of impairment.

If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the operating statement except to the extent that the write-down can be debited to an asset revaluation reserve amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

### (n) Payables

Payables are recognised when Victoria Legal Aid becomes obliged to make future payments resulting from the purchase of goods and services.

#### *Trade creditors*

The amounts are unsecured and are usually paid within 30 days of recognition. No interest is charged within the first 30 days. Payables are measured at face value.

#### *Case-related professional payments*

Legal creditors represent amounts owing to the organisation's panel members for legal work undertaken on behalf of the organisation. The amount owing to legal creditors for work performed comprises two components:

- (i) amounts certified but not paid
- (ii) amounts incurred not yet invoiced at balance date.

An assessment was undertaken by VLA Management, based on Finity Consulting Pty Limited actuarial assessment methodology used in the past years to identify amounts owing to legal creditors for work performed prior to 30 June 2016 but not yet invoiced.

No interest charge is applicable.

### (o) Employee benefits

#### *(i) Wages and salaries and annual leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Those liabilities that are not expected to be settled within 12 months are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

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## Note 1. Summary of significant accounting policies (continued)

### *(ii) Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

- Current liability – unconditional LSL (representing seven or more years of continuous service) is disclosed as a current liability even where Victoria Legal Aid does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave or depart within 12 months.

The components of this current LSL liability are measured at:

- present value – component that Victoria Legal Aid does not expect to settle within 12 months
- nominal value – component that Victoria Legal Aid expects to settle within 12 months.

- Non-current liability – conditional LSL (representing less than seven years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as another economic flow (refer Note 1h).

### *(iii) Employee benefits on-costs*

Employee benefits on-costs (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### *(iv) Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date. Victoria Legal Aid recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

### *(v) Defined contribution superannuation funds*

Contributions to defined contribution superannuation plans are expensed when incurred (See note 14).

### *(vi) Defined benefit superannuation funds*

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation represents the contribution made by Victoria Legal Aid to the superannuation fund in respect to the current services of current staff of Victoria Legal Aid. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian Government employees in such funds.

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## Note 1. Summary of significant accounting policies (continued)

### (p) Provisions

Provisions are recognised when Victoria Legal Aid has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

### (q) Operating leases

Operating leases are those in which the lessor effectively retains all substantial risks and benefits. Payments made in relation to operating leases are charged to the comprehensive operating statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

### (r) Goods and services tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

### (s) Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Victoria Legal Aid. These items are recognised as an expense in the reporting period in which they are incurred.

### (t) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Victoria Legal Aid and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date statements are authorised for issue

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## Note 1. Summary of significant accounting policies (continued)

where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

### (u) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of GST payable (See note 19).

### (v) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value (See note 21).

### (w) Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. Victoria Legal Aid evaluates these judgements regularly.

- Critical accounting estimates and assumptions

#### *Measurement of payables – case-related professional creditors*

Measurement of outstanding payments for case-related professional creditors is based on an assessment of outstanding claims. The assessment makes reference to historical data.

#### *Measurement of receivables – client contributions*

Measurement of receivables for secured client contributions is based on an actuarial assessment which makes reference to annual modelling and historical data on debt recovery.

### (x) Going concern

The financial report has been prepared on a going-concern basis. Victoria Legal Aid is funded predominantly by regular appropriations from the Victorian Government and the Commonwealth Government. The appropriation for Commonwealth funding under the National Partnership Agreement for the provision of legal services will expire on 30 June 2020. The Victorian Department of Justice and Regulation provides continued support as indicated in the annual Budget Papers.

These financial statements have been prepared in the reasonable expectation that such funding will continue.

### (y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2016. Victoria Legal Aid has not adopted these standards early, and does not intend to.

## Note 1. Summary of significant accounting policies (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 9 Financial Instruments	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018	<p>The assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p>
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 January 2017 (Exposure Draft 263 – potential deferral to 1 January 2018)	<p>The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.</p> <p>A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening retained earnings if there are no former performance obligations outstanding.</p>

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet	1 January 2019	
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)	<p>The requirements for classifying and measuring financial liabilities were added to AASB 9. The existing requirements for the classification of financial liabilities and the ability to use the fair value option have been retained. However, where the fair value option is used for financial liabilities the change in fair value is accounted as follows:</p> <ul style="list-style-type: none"> <li>- the change in fair value attributable to changes in credit risk is presented in other comprehensive income (OCI); and</li> <li>- other fair value changes are presented in profit or loss. If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.</li> </ul>	1 January 2018	
AASB 2014 1 Amendments to Australian Accounting Standards [Part E Financial Instruments]	Amends various AASs to reflect the AASB's decision to defer the mandatory application date of AASB 9 to annual reporting periods beginning on or after 1 January 2018 as a consequence of Chapter 6 Hedge Accounting, and to amend reduced disclosure requirements.	1 January 2018	This amending standard will defer the application period of AASB 9 to the 2018-19 reporting period in accordance with the transition requirements.

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## Note 1. Summary of significant accounting policies (continued)

### (z) Changes to accounting policies

Subsequent to the 2014-15 reporting period, the following new and revised Standards have been adopted in the current period with their financial impact detailed as below.

#### FRD 22G Standard Disclosures in the Report of Operations

The requirements to disclose of Information and Communication Technology (ICT) expenditure and a reduced disclosure threshold for government advertising expenditure from \$150,000 to \$100,000.

Based on the new criteria prescribed, Victoria Legal Aid has reviewed the existing arrangements and concluded that no additional disclosure is required.

#### Recommendation 51, PAEC Report 118

Departments are required to disclose information on the completed capital projects with a Total Estimated Investment of \$10 million or more for the portfolio.

Based on the new criteria prescribed, Victoria Legal Aid has reviewed the existing projects. Victoria Legal Aid has concluded that no investment over \$10 million or more has been completed.

## Note 2. Funding

### (a) The organisation

On the 1st July 2010 the Commonwealth and the Victorian Government entered into a National Partnership Agreement for legal assistance services which will expire on 30 June 2020. The agreement specified arrangements for the delivery of Commonwealth-funded services by the state. Funding flows through the Victorian Government to Victoria Legal Aid and is reported as an indirect Commonwealth funding, 2016 \$47.9 million (2015: \$45.8 million).

Victoria Legal Aid continues to be reimbursed for expensive Commonwealth cases directly, 2016 \$0.8 million (2015: \$1.2 million).

Funding is received from the State Budget for supporting legal processes, 2016 \$91.3 million (2015: \$85.0 million).

Funds are provided from the Public Purpose Fund, the amount distributed each year can vary depending on the performance of the fund and when calls on the fund are made.

### (b) Community legal centres

Each year Victoria Legal Aid allocates a portion of its funding and provides certain administration assistance to community legal centres in Victoria. For the year ended 30 June 2016, Victoria Legal Aid allocated \$14.9 million of direct funds (2015: \$14.3 million) and \$0.6 million of project funds (2015: \$1.6 million).

The organisation has disclosed this transaction in its financial statements as the Board of Victoria Legal Aid has discretionary funding choices over the allocation of state grants.

The organisation does not control the allocation of grants received from the Commonwealth Government and consequently does not include these funds in its financial statements as income or expenditure. The total amount received from the Commonwealth for community legal centres to 30 June 2016 was \$9.7 million (2015: \$9.2 million).

### (c) Commonwealth grants

	2016	2015
	\$'000	\$'000
<b>Commonwealth grants</b>		
Commonwealth expensive criminal cases	785	1,249
National partnership agreement	47,911	45,800
Commonwealth project income	525	-
Community legal centre project	180	179
	<u>49,401</u>	<u>47,228</u>
<b>State grants</b>		
State base grant	69,840	67,895
State project income	5,915	2,484
Community legal centre	14,984	14,054
Community legal centre project	604	601
	<u>91,343</u>	<u>85,034</u>



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### Note 3. Expenses from ordinary activities

#### Employee benefits

	2016 \$'000	2015 \$'000
Salaries and overtime	48,073	44,780
Annual leave and long service leave expense	6,139	5,964
Superannuation	4,966	4,616
Staff development	510	423
Workcover	281	172
Temporary employment cover	1,224	891
Other	963	619
<b>Total employee benefits</b>	<b>62,156</b>	<b>57,465</b>

#### Depreciation of property, plant and equipment

Furniture, fixture and fittings	60	65
Information technology equipment	307	168
Leasehold improvements	2,163	1,740
Motor vehicles	113	101
Office machines and equipment	21	38
<b>Total depreciation</b>	<b>2,664</b>	<b>2,112</b>

#### Amortisation of intangible assets

Software	799	824
<b>Total amortisation</b>	<b>799</b>	<b>824</b>

#### Total depreciation and amortisation

<b>3,463</b>	<b>2,936</b>
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#### Other expenditure from ordinary activities

Other supplies and services	6,363	5,691
Premises – minimum lease payments	5,313	5,133
Premises – other	2,697	2,332
Information management systems	1,974	1,825
Bad debts	481	984
<b>Total other expenditure from ordinary activities</b>	<b>16,828</b>	<b>15,965</b>

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#### Note 4. Other economic flows included in net result

	2016 \$'000	2015 \$'000
<b>(a) Net gains/(losses) on non-financial assets:</b>		
Net gains/(losses) on disposal property, plant and equipment	(197)	12
Net gains/(losses) on revaluation of cultural assets	33	-
<b>(b) Net actuarial gains/(losses) on receivable amounts:</b>		
Net actuarial gains/(losses) of secured client contributions receivables – net present value	1,089	(781)
Net actuarial gains/(losses) on impairment of unsecured client contributions receivables	207	588
Net actuarial gains/(losses) on recognition of outstanding legal receivables	-	(70)
<b>Total net actuarial gains/(losses) on recoverable amounts</b>	<b>1,296</b>	<b>(263)</b>
<b>(c) Net actuarial gains/(losses) on amounts payable:</b>		
Net actuarial gains/(losses) on movement in case-related professional payments	-	27
<b>(d) Net gains/(losses) arising from other economic flows:</b>		
Net gains/(losses) arising from revaluation of long service leave liability due to changes in discount bond rates and staff retention	72	255
<b>Total other economic flows included in net result</b>	<b>1,204</b>	<b>31</b>

#### Note 5. Remuneration of auditors

	2016 \$'000	2015 \$'000
Remuneration of auditors comprises:		
Audit of financial reports: Victorian Auditor General's Office	56	55

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## Note 6. Cash and cash equivalents

	2016 \$'000	2015 \$'000
Cash at bank and on hand	9,282	3,268
Term deposits	39,421	38,933
Monies held in trust	1,821	2,034
	<b>50,524</b>	<b>44,235</b>

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Cash at bank and on hand	9,282	3,268
Term deposits	39,421	38,933
Balance as per statement of cash flows	<b>48,703</b>	<b>42,201</b>

## Note 7. Accrued income

	2016 \$'000	2015 \$'000
Commonwealth expensive criminal cases	456	180
Interest accrual	250	175
State Treasurer's advance – ending violence against women and children	-	800
	<b>706</b>	<b>1,155</b>

Accrued income represents amounts that Victoria Legal Aid has earned through the provision of goods and services or obtained the right to receive. The amounts are recognised as an asset and income as the income recognition criteria are met but the cash will be received in the new reporting period.

## Note 8. Receivables

	2016 \$'000	2015 \$'000
<b>(a) Secured</b>		
Secured client contributions receivable	18,990	18,791
Provision for secured client contributions (b)	(5,954)	(7,043)
Secured client contributions receivable at net present value	<u>13,036</u>	<u>11,748</u>
<b>Unsecured</b>		
Unsecured client contributions receivable	4,514	5,028
Provision for unsecured client contributions (c)	(1,964)	(2,171)
Unsecured client contributions receivable at net present value	<u>2,550</u>	<u>2,857</u>
Secured client contributions receivable on unfinalised matters	1,864	2,004
<b>Total client contributions</b>	<b><u>17,450</u></b>	<b><u>16,609</u></b>
<b>Sundry receivables</b>		
GST receivable	5,469	5,187
Other	15	36
	<u>5,484</u>	<u>5,223</u>
<b>Total receivables</b>	<b><u>22,934</u></b>	<b><u>21,832</u></b>
This is represented by:		
Current	7,111	7,130
Non-current	15,823	14,702
	<u>22,934</u>	<u>21,832</u>
<b>(b) Provision for secured client contributions</b>		
<b>Balance at 1 July 2015</b>	7,043	6,262
Movements in actuarial assessment of secured client contributions receivable	(1,089)	781
<b>Balance at 30 June 2016</b>	<b><u>5,954</u></b>	<b><u>7,043</u></b>
<b>(c) Provision for unsecured client contributions</b>		
<b>Balance at 1 July 2015</b>	2,171	2,759
Re-assessments and bad debts written off		
Increase/(decrease) in provision for re-assessments and bad debt write-downs	481	984
Movements in actuarial assessment of unsecured client contributions receivable	(688)	(1,572)
<b>Balance at 30 June 2016</b>	<b><u>1,964</u></b>	<b><u>2,171</u></b>
<b>Total provision for client contributions</b>	<b><u>7,918</u></b>	<b><u>9,214</u></b>

## Note 8. Receivables (continued)

No interest is charged on receivables.

A provision is made against secured client contributions, determined by actuarial assessment of the recoverable amount. Secured debtors are long term, therefore the balance is measured at the net present value. The recoverable amount estimates the extent of future debts receivable after adjustments and the discount to net present value.

A provision for impairment has been made for unsecured client contributions receivable. The assessment estimates future cash flows receivable after adjustments and bad debts determined by reference to past default experience, and discounts the estimate to the net present value. Actuarial assessment of the recoverable amount is used.

## Note 9. Property, plant and equipment

	2016 \$'000	2015 \$'000
Information technology at fair value	4,179	3,421
Less: accumulated depreciation	(2,479)	(3,094)
	<b>1,700</b>	<b>327</b>
Furniture, fixtures and fittings fair value	802	812
Less: accumulated depreciation	(668)	(623)
	<b>134</b>	<b>189</b>
Leasehold improvements at fair value	24,077	22,828
Less: accumulated depreciation	(18,949)	(17,710)
	<b>5,128</b>	<b>5,118</b>
Motor vehicles at fair value	599	552
Less: accumulated depreciation	(178)	(147)
	<b>421</b>	<b>405</b>
Office machines and equipment at fair value	1,193	1,619
Less: accumulated depreciation	(1,146)	(1,548)
	<b>47</b>	<b>71</b>
Cultural assets at valuation	140	107
	<b>140</b>	<b>107</b>
Total property, plant and equipment	30,990	29,339
Less: total accumulated depreciation	(23,420)	(23,122)
Total written-down value	<b>7,570</b>	<b>6,217</b>

## Note 9. Property, plant and equipment (continued)

### (a) Reconciliation

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

	At fair value (Level 3)	At fair value (Level 3)	At fair value (Level 3)	At fair value (Level 3)	At fair value (Level 3)	At fair value (Level 2)	
	Information technology	Furniture, fixtures and fittings	Leasehold improvements	Motor vehicles	Office machines equipment	Cultural assets	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2016</b>							
Carrying amount at start of year	327	189	5,118	405	71	107	6,217
Additions	1,758	6	2,230	248	-	-	4,242
Revaluations	-	-	-	-	-	33	33
Disposals	(78)	(1)	(57)	(119)	(3)	-	(258)
Depreciation/ amortisation expense	(307)	(60)	(2,163)	(113)	(21)	-	(2,664)
Carrying amount at end of year	<b>1,700</b>	<b>134</b>	<b>5,128</b>	<b>421</b>	<b>47</b>	<b>140</b>	<b>7,570</b>
<b>2015</b>							
Carrying amount at start of year	271	254	5,391	378	107	107	6,508
Additions	224	-	1,467	193	2	-	1,886
Revaluations	-	-	-	-	-	-	-
Disposals	-	-	-	(65)	-	-	(65)
Depreciation/ amortisation expense	(168)	(65)	(1,740)	(101)	(38)	-	(2,112)
Carrying amount at end of year	<b>327</b>	<b>189</b>	<b>5,118</b>	<b>405</b>	<b>71</b>	<b>107</b>	<b>6,217</b>

Property, plant and equipment is classified as 'Public Safety and Environment' by 'purpose' for which the assets are used, according to one of five 'purpose groups' based upon Government Purpose Classifications (GPC).

## Note 9. Property, plant and equipment (continued)

### (b) Description of significant unobservable inputs to level 3 valuations

Asset	Valuation Technique	Significant unobservable inputs
Information technology	Depreciated replacement cost	Cost Per Unit
		Useful Life
Furniture, fixtures and fittings	Depreciated replacement cost	Cost Per Unit
		Useful Life
Leasehold improvements	Depreciated replacement cost	Cost Per Unit
		Useful Life
Motor Vehicles	Depreciated replacement cost	Cost Per Unit
		Useful Life
Office machines equipment	Depreciated replacement cost	Cost Per Unit
		Useful Life

Unobservable inputs to level 3 valuations for the current and prior years.

## Note 10. Intangible assets

	2016 \$'000	2015 \$'000
Software at cost	8,308	8,330
Less: accumulated amortisation	(4,391)	(3,673)
	<b>3,917</b>	<b>4,657</b>

### Reconciliation

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below.

	2016 \$'000	2015 \$'000
<b>Software</b>		
Carrying amount at beginning of year	4,657	5,459
Additions	58	22
Amortisation	(799)	(824)
Carrying amount at end of year	<b>3,917</b>	<b>4,657</b>

## Note 11. Payables

	2016 \$'000	2015 \$'000
<b>Current</b>		
<i>Unsecured</i>		
Case-related professional creditors	14,877	13,249
Trade creditors	4,267	2,813
GST payable	3,933	3,363
Monies held in trust	1,821	2,034
	<b>24,898</b>	<b>21,459</b>

The average credit period for creditors is 30 days. No interest is charged.

## Note 12. Provisions

	2016 \$'000	2015 \$'000
<b>(a) Provisions</b>		
<b>Current</b>		
Employee benefits:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	4,146	3,818
- Long service leave	710	657
- Executive officer bonus	136	93
- Unconditional and expected to be settled after 12 months:		
- Long service leave	5,487	5,311
Employee benefits on-costs:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	417	375
- Long service leave	71	58
- Unconditional and expected to be settled after 12 months:		
- Long service leave	552	527
	<b>11,519</b>	<b>10,839</b>
<b>Non-current</b>		
Employee benefits:		
- Long service leave (conditional)	1,816	1,876
Employee benefits on costs:		
- Long service leave (conditional)	183	184
Decommissioning	4,082	3,047
	<b>6,081</b>	<b>5,107</b>
<b>Aggregate carrying amount of provisions</b>		
Current	11,519	10,839
Non-current	6,081	5,107
	<b>17,600</b>	<b>15,946</b>



## Note 12. Provisions (continued)

	2016 \$'000	2015 \$'000
<b>(b) Employee benefits and related on-costs</b>		
<b>Current employee benefits</b>		
Current employee benefits for annual leave, sick leave, executive officer bonus and unconditional long service leave entitlements:		
Current employee benefits for annual leave, sick leave, executive officer bonus entitlements	4,282	3,911
Current employee benefits for unconditional long service leave entitlements	6,197	5,968
	<b>10,479</b>	<b>9,879</b>
<b>Non-current employee benefits</b>		
Conditional long service leave entitlements	1,816	1,876
<b>Total employee benefits</b>	<b>12,295</b>	<b>11,755</b>
Current on-costs	1,040	960
Non-current on-costs	183	184
<b>Total on-costs</b>	<b>1,223</b>	<b>1,144</b>
<b>Total employee benefits and on-costs</b>	<b>13,518</b>	<b>12,899</b>
<b>(c) Movement in provisions</b>		
<b>Employee benefits on-costs</b>		
<b>Balance at 1 July 2015</b>	1,144	1,108
Additional provisions recognised	79	36
<b>Balance at 30 June 2016</b>	<b>1,223</b>	<b>1,144</b>
<b>(d) Decommissioning</b>		
<b>Balance at 1 July 2015</b>	3,047	2,454
Reductions arising from payments		
Additions/(reductions)	752	738
Unwind of discount and effect of changes in the discount rate	283	(145)
<b>Balance at 30 June 2016</b>	<b>4,082</b>	<b>3,047</b>

The provision for decommissioning represents the present value of future leasehold make-good expense at the end of the lease.

The unexpired term of the leases vary from one month to nine years.

## Note 13. Equity and movements in equity

	2016 \$'000	2015 \$'000
<b>(a) Contributed capital</b>		
Balance at the beginning of the year	42,194	42,194
Movement during the year	-	-
Balance at the end of the year	<b>42,194</b>	<b>42,194</b>
<b>(b) Accumulated deficit</b>		
Balance at the beginning of the year	(638)	(11,644)
Net result for the year	2,744	11,006
Balance at the end of the year	<b>2,106</b>	<b>(638)</b>

## Note 14. Superannuation funds

The organisation contributes to a number of different superannuation schemes on behalf of staff including:

### (a) Victorian Government Superannuation

No liability is recognised in the balance sheet for Victoria Legal Aid's share of the state's unfunded superannuation liability. The state's unfunded superannuation liability is reflected in the financial statements of the Department of Treasury and Finance.

This covers former employees of the State Public Solicitor's Office and any employee who joined the organisation after its commencement date and who elected to contribute to superannuation. The Victorian Government operates three schemes for employees.

	2016 \$'000	2015 \$'000
<b>Paid employer contributions for the year:</b>		
State Superannuation Fund – new scheme	137	150
VicSuper Pty Ltd	3,269	3,199
Various other	1,555	1,266
	<b>4,961</b>	<b>4,615</b>

The employer contribution rate is 9.50% for new employees.

Employees under State Superannuation Fund scheme are entitled to defined lump-sum benefits on retirement, disability or death. This benefit is based on years of service and final average salary.

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## Note 14. Superannuation funds (continued)

### Funds participating during the period ending 30 June 2016:

<u>Superannuation fund schemes</u>	<u>Employee numbers</u>
GSO – new scheme	23
VicSuper Pty Ltd	580
Various other	310

#### (b) Outstanding liabilities

The organisation had no amounts outstanding as at the end of the reporting period to any superannuation scheme. No liability is recognised for Victoria Legal Aid's share of the state's unfunded superannuation liability. There were no loans made between any of the superannuation funds and Victoria Legal Aid during the financial year.

## Note 15. Ministers and accountable officers

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

### Names

The persons who held the below positions in Victoria Legal Aid are as follows:

#### **Responsible ministers**

Victorian Attorney-General	The Hon. Martin Pakula MP	1 July 2015 to 30 June 2016
Commonwealth Attorney-General	The Hon. George Brandis QC	1 July 2015 to 30 June 2016

#### **Responsible directors**

Chairperson	Mr Andrew Guy	1 July 2015 to 30 June 2016
Managing Director and Accountable Officer	Mr Bevan Andrew Warner	1 July 2015 to 30 June 2016
Managing Director and Accountable Officer	Ms Helen Fatouros (Acting)	21 December 2015 to 11 January 2016
Managing Director and Accountable Officer	Ms Kristen Hilton (Acting)	24 August 2015 to 28 August 2015
Director	Ms Catherine McGovern	1 July 2015 to 30 June 2016
Director	Mr David Thompson	1 July 2015 to 30 June 2016
Director	Ms Jennifer Kanis	1 July 2015 to 30 June 2016

## Note 15. Ministers and accountable officers (continued)

### Remuneration of directors

Remuneration received or receivable by the directors in connection with the management of Victoria Legal Aid during the reporting period was in the range:

Income Band	Total remuneration		Base remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
\$ 1 - \$9,999	-	1	-	1
\$10,000 - \$19,999	-	3	-	3
\$20,000 - \$29,999	3	-	3	-
\$50,000 - \$59,999	1	1	1	1
\$290,000 - \$299,999	-	-	-	1
\$300,000 - \$309,999	-	-	1	-
\$310,000 - \$319,999	1	-	-	-
\$320,000 - \$329,999	-	1	-	-
Total number	<b>5</b>	<b>6</b>	<b>5</b>	<b>6</b>
Total amount \$000's	<b>431</b>	<b>426</b>	<b>418</b>	<b>403</b>

### Other transactions

Other related transactions and loans requiring disclosure in accordance with the Ministerial Directions issued by the Minister for Finance have been considered and there are no matters to report other than the Trust Account as per Note 22.

## Note 16. Remuneration of executives and payments to other personnel

### (a) Remuneration of executives

The number of executive officers, other than directors (board members), who held office at any one time during the reporting period are reported in the table below.

Executive officers are defined as persons occupying a management position within the reporting entity and employed at an annual compensation rate not less than the minimum remuneration of the Victorian Public Service (VPS) EO-3 band over the reporting period.

Total remuneration for the 2016 reporting period is shown in relevant income bands in the first two columns of the table. Total remuneration includes any cessation entitlements and any bonus payments. Base remuneration for the 2016 reporting period is shown in the third and fourth columns of the table. Base remuneration includes employer superannuation contributions.

The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period. All executive officer positions were occupied during the 2016 reporting period. During the 2016 reporting period, two executive officers ceased employment. This resulted in a higher head count than the annualised employee equivalent.

## Note 16. Remuneration of executives and payments to other personnel (continued)

Income Band	Total remuneration		Base remuneration	
	2016 No.	2015 No.	2016 No.	2015 No.
\$10,000 - \$19,999	-	-	1	-
\$20,000 - \$29,999	1	-	-	-
\$60,000 - \$ 69,999	-	-	-	1
\$70,000 - \$ 79,999	-	1	-	-
\$90,000 - \$ 99,999	-	-	-	1
\$110,000 - \$119,999	-	1	-	-
\$130,000 - \$139,999	1	-	-	-
\$140,000 - \$149,999	-	-	1	-
\$150,000 - \$159,999	-	-	1	-
\$160,000 - \$169,999	1	-	-	-
\$170,000 - \$179,999	-	-	-	1
\$180,000 - \$189,999	-	2	1	2
\$190,000 - \$199,999	2	2	2	2
\$200,000 - \$209,999	1	1	2	1
\$210,000 - \$219,999	2	1	-	-
Total number of executives at any one time during the year	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
Total annualised employee equivalents*	<b>6.4</b>	<b>7.0</b>	<b>6.4</b>	<b>7.0</b>
Total amount \$000's	<b>1,356</b>	<b>1,339</b>	<b>1,299</b>	<b>1,291</b>

\* Note: Annualised employee equivalents is calculated by dividing the total number of ordinary hours that an employee worked over the reporting period by the total number of full-time working hours per annum (38 hours per week over 52 weeks).

### (b) Payments to contractors charged with significant management responsibility

There were no payments made to contractors charged with significant management responsibility in 2016 (2015: Nil).

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## Note 17. Reconciliation of net results from continuing operations to net cash inflow from operating activities

	2016 \$'000	2015 \$'000
Net result from continuing operations	2,744	11,006
Depreciation and amortisation	3,463	2,936
Net (gain) loss on disposal of non-current assets	197	(12)
Movement in adjustment for recoverable amount	140	1,247
Change in operating assets and liabilities		
(Increase) decrease in accrued income	449	(1,045)
Decrease (increase) in receivables	(1,242)	(1,118)
Decrease (increase) in prepayments	(282)	(21)
Increase (decrease) in trade creditors	1,960	(450)
Increase (decrease) in case-related professional creditors	1,628	456
Increase (decrease) in provisions	619	412
Net cash inflow/(outflow) from operating activities	<b>9,676</b>	<b>13,411</b>

## Note 18. Financial instruments

### (a) Financial risk management, objectives and policies

Victoria Legal Aid's activities do not expose it to any significant financial risks other than interest rates held on deposit. Victoria Legal Aid does not enter into derivative financial instruments to manage its exposure to interest rate risk.

Victoria Legal Aid does not enter into financial derivatives and no formal policy have been formally adopted.

### (b) Recognised financial instruments

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

## Note 18. Financial instruments (continued)

Recognised financial instruments	Balance sheet notes	Accounting policies	Terms and conditions
<b>(i) Financial assets</b>			
Cash at bank and on hand	6	Cash at bank and on hand are stated at their principal amount. Interest is recognised in the comprehensive operating statement when earned.	Cash at bank is held at normal commercial interest rates.
Monies held in trust	6	Monies held in trust is not recognised in the comprehensive operating statement, but is offset by related expenditure when incurred.	Monies held in trust is held at normal commercial interest rates.
Accrued income	7	Accrued income is recognised in the comprehensive operating statement when earned, but yet to be received.	Accrued income is dependant on the agreements in place with the third parties for work carried out.
Client contributions receivable	8	Client contributions are actuarially adjusted to their net present value.	The organisation can request a client to contribute toward the cost of providing assistance. Clients pay contributions in such a manner and within such a time as the organisation directs. The organisation may take security against costs incurred on their behalf.
Term deposits	6	Term deposits are stated at their principal amount. Interest is recognised in the comprehensive operating statement when earned.	Term deposits are invested as funds permit at normal commercial rates available at the time of investment.

## Note 18. Financial instruments (continued)

Recognised financial instruments	Balance sheet notes	Accounting policies	Terms and conditions
<b>(ii) Financial liabilities</b>			
Case-related professional creditors	11	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the organisation.	Liability is normally settled on 30-day terms.
Monies held in trust	11	Monies held in trust is not recognised in the comprehensive operating statement, but is offset by related expenditure when incurred.	Monies held in trust does not incur penalty interest rates.
Trade creditors	11	Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the organisation.	Liability is normally settled on 30-day terms.

### (c) Interest rate risk exposures

Exposures to interest rate risk are limited to assets and liabilities bearing variable interest rates. The majority of financial assets are term deposits with fixed interest rates and terms. These are held to maturity.

The carrying amounts of financial assets and liabilities held by Victoria Legal Aid that are exposed to interest rates are detailed below.



## Note 18. Financial instruments (continued)

2016	Notes	Weighted average interest rate %	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>						
Cash at bank and on hand	6	2.25%	9,282	-	-	9,282
Monies held in trust	6	1.25%	1,821	-	-	1,821
Accrued income		0%	-	-	706	706
Term deposits	6	2.95%	-	39,421	-	39,421
Receivables (i)	8	0%	-	-	17,465	17,465
			<b>11,103</b>	<b>39,421</b>	<b>18,171</b>	<b>68,695</b>
<b>Financial liabilities</b>						
Case-related professional creditors	11	0%	-	-	14,877	14,877
Monies held in trust	11	0%	-	-	1,821	1,821
Sundry payables (i)	11	0%	-	-	4,267	4,267
			-	-	<b>20,965</b>	<b>20,965</b>
Net financial assets (liabilities)			<b>11,103</b>	<b>39,421</b>	<b>(2,794)</b>	<b>47,730</b>

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g amounts owing from Victorian government and GST recoverable/payable).

2015	Notes	Weighted average interest rate %	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>						
Cash at bank and on hand	6	1.95%	3,268	-	-	3,268
Monies held in trust	6	2.03%	2,034	-	-	2,034
Accrued income		0%	-	-	1,155	1,155
Term deposits	6	2.28%	-	38,933	-	38,933
Receivables <sup>(i)</sup>	8	0%	-	-	16,645	16,645
			<b>5,302</b>	<b>38,933</b>	<b>17,800</b>	<b>62,035</b>
<b>Financial liabilities</b>						
Case-related professional creditors	11	0%	-	-	13,249	13,249
Monies held in trust	11	0%	-	-	2,034	2,034
Sundry payables <sup>(i)</sup>	11	0%	-	-	2,813	2,813
			-	-	<b>18,096</b>	<b>18,096</b>
Net financial assets (liabilities)			<b>5,302</b>	<b>38,933</b>	<b>(296)</b>	<b>43,939</b>

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g amounts owing from Victorian government and GST recoverable/payable).

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## Note 18. Financial instruments (continued)

### (d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Victoria Legal Aid. Victoria Legal Aid has adopted a policy of obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Victoria Legal Aid measures credit risk on a fair value basis.

Victoria Legal Aid has a significant credit risk exposure to its client contributions receivable balance. These receivables are established on the basis of representation provided to clients and their ability to pay for such services following an assessment of their disposable income and net assets held. Services are provided where individuals do not have sufficient funds to afford privately funded legal representation. In this respect, the likelihood and timing of recovery may vary significantly between individual debtors. The services of a qualified actuary are utilised to establish the recoverable amount of these receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of the financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Legal Aid's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maturity profile of financial assets held by Victoria Legal Aid are detailed below.

## Note 18. Financial instruments (continued)

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired				Impairment \$'000
			Less than 1 month \$'000	1–3 months \$'000	3 months – 1 year \$'000	Greater than 1 year \$'000	
<b>2016</b>							
<b>Financial assets</b>							
Cash at bank and on hand	9,282	9,282	-	-	-	-	-
Monies held in trust	1,821	1,821	-	-	-	-	-
Accrued income	706	706	-	-	-	-	-
Term deposits	39,421	39,421	-	-	-	-	-
Receivables <sup>(i)</sup>	17,465	-	-	-	2,291	15,174	7,918
	68,695	51,230	-	-	2,291	15,174	7,918
<b>2015</b>							
<b>Financial assets</b>							
Cash at bank and on hand	3,268	3,268	-	-	-	-	-
Monies held in trust	2,034	2,034	-	-	-	-	-
Accrued income	1,155	1,155	-	-	-	-	-
Term deposits	38,933	38,933	-	-	-	-	-
Receivables <sup>(i)</sup>	16,645	-	-	-	2,183	14,462	9,214
	62,035	45,390	-	-	2,183	14,462	9,214

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian government and GST recoverable/payable).

### (e) Liquidity risk

Liquidity risk is the risk that Victoria Legal Aid will be unable to meet its payment obligations when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of Victoria Legal Aid's short, medium and long-term funding and liquidity. This framework takes into consideration that Victoria Legal Aid is prohibited by the *Legal Aid Act 1978* from incurring borrowing costs and, consequently, borrowing funds. Victoria Legal Aid manages its liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecasts and actual cash flows while matching the maturity profiles of financial assets and liabilities.

## Note 18. Financial instruments (continued)

The maturity profile of financial liabilities held by Victoria Legal Aid is detailed below.

	Carrying amount \$'000	Nominal amount \$'000	Maturity dates			
			Less than 1 month \$'000	1–3 months \$'000	3 months – 1 year \$'000	1–5 years \$'000
<b>2016</b>						
<b>Financial liabilities</b>						
Case-related professional creditors	14,877	14,877	4,774	10,103	-	-
Monies held in trust	1,821	1,821	-	-	-	1,821
Sundry payables <sup>(i)</sup>	4,267	4,267	655	3,612	-	-
	<b>20,965</b>	<b>20,965</b>	<b>5,429</b>	<b>13,715</b>	<b>-</b>	<b>1,821</b>
<b>2015</b>						
<b>Financial liabilities</b>						
Case-related professional creditors	13,249	13,249	4,610	8,639	-	-
Monies held in trust	2,034	2,034	-	-	-	2,034
Sundry payables <sup>(i)</sup>	2,813	2,813	487	2,326	-	-
	<b>18,096</b>	<b>18,096</b>	<b>5,097</b>	<b>10,965</b>	<b>-</b>	<b>2,034</b>

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g amounts owing from Victorian government and GST recoverable/payable).

### (f) Sensitivity analysis

The table below details Victoria Legal Aid's sensitivity to shifts in interest rate. The 2015/2016 financial exposures are based on management's best estimates.

Annual risk by risk type	Minimum		Average		Maximum	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Interest rate	99	97	247	243	394	389

Interest rate analysis is based upon financial assets not exceeding one year which are all fixed interest rates. Minimum and maximum exposures are calculated at shifts of 25 basis points and 100 basis points respectively. A net decrease in interest translates into a fall in revenue as investment income is reduced.

## Note 18. Financial instruments (continued)

### (g) Net fair value of financial assets and liabilities

#### (i) On-balance sheet

The directors and board consider the net fair value of cash and cash equivalents and non-interest-bearing monetary financial assets and financial liabilities of Victoria Legal Aid approximates their carrying amounts.

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly.
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

The carrying amounts and net fair values of financial assets and liabilities at reporting date are:

	2016			2015		
	Carrying amount	Fair value at end of period using:		Carrying amount	Fair value at end of period using:	
		Level 1	Level 2		Level 1	Level 2
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>On-balance sheet financial instruments</b>						
<b>Financial assets</b>						
Cash and deposits	9,282	9,282	-	3,268	3,268	-
Monies held in trust	1,821	1,821	-	2,034	2,034	-
Accrued income	706	-	706	1,155	-	1,155
Term deposits	39,421	39,421	-	38,933	38,933	-
Receivables <sup>(i)</sup>	17,465	-	17,465	16,645	-	16,645
	<b>68,695</b>	<b>50,524</b>	<b>18,171</b>	<b>62,035</b>	<b>44,235</b>	<b>17,800</b>
<b>Financial liabilities</b>						
Case-related professional creditors	14,877	-	14,877	13,249	-	13,249
Monies held in trust	1,821	1,821	-	2,034	2,034	-
Sundry payables <sup>(i)</sup>	4,267	-	4,267	2,813	-	2,813
	<b>20,965</b>	<b>1,821</b>	<b>19,144</b>	<b>18,096</b>	<b>2,034</b>	<b>16,062</b>

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

Note (ii): There is no significant transfers between level 1 and level 2 during the year.

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## Note 18. Financial instruments (continued)

### (ii) Off-balance sheet

Victoria Legal Aid has potential financial liabilities which may arise from certain commitments and contingencies disclosed in notes 19 and 21. As explained in those notes, no material losses are anticipated in respect of any of those contingencies and the net fair value disclosed below is the estimate of amounts which would be payable by Victoria Legal Aid as consideration for the assumption of those considerations by another party.

## Note 19. Commitments for expenditure

	2016 \$'000	2015 \$'000
<b>Capital commitments</b>		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	154	482
	<b>154</b>	<b>482</b>
<b>Lease commitments</b>		
Commitments in relation to non-cancellable operating leases for office equipment and rental for premises contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	5,970	5,768
Later than one year but not later than five years	22,898	9,922
Later than five years	42,475	124
	<b>71,343</b>	<b>15,814</b>
<b>Other expenditure commitments</b>		
Commitments for the acquisition of other operations and maintenance contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	618	391
	<b>618</b>	<b>391</b>
<b>Outsourcing commitments</b>		
Commitments under outsourcing contracts for legal services and maintenance at the reporting date but not recognised as liabilities, payable:		
Within one year	21,382	12,300
Later than one year but not later than five years	10,643	2,469
	<b>32,025</b>	<b>14,769</b>
<b>Grants commitments</b>		
Commitments in relation to the second round of applications for grants from the Innovation and Transformation Fund for Community Legal Centre that have not been recognised as liabilities, payable:		
Within one year	-	1,500
	-	<b>1,500</b>
Total commitments for expenditure (inclusive of GST)	104,140	32,956
Less GST recoverable from the Australian Taxation Office	9,467	2,996
Total commitments for expenditure (exclusive of GST)	<b>94,673</b>	<b>29,960</b>

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## Note 20. Ex-gratia payments

Victoria Legal Aid made total ex-gratia payments of \$90,019 during the period to two former employees upon termination of employment (2015: \$97,449 to three former employees).

## Note 21. Contingent liabilities

The organisation does not have any contingent liabilities or claims of a material nature which have not already been disclosed in these financial statements (2015: Nil).

## Note 22. Trust account

Victoria Legal Aid as a corporate entity under the *Legal Practice Act 1996* maintains a trust account in accordance with that Act.

*Victoria Legal Aid*  
*Trust account statement of receipts and payments*  
*For the year ended 30 June 2016*

	2016 \$'000	2015 \$'000
Receipts		
Balance at beginning of year	225	382
Amounts received from Legal Practice Board	11	5
Amounts received on behalf of clients	294	357
	<b>530</b>	<b>744</b>
Less Payments		
Amounts paid on behalf of clients	184	519
Balance at end of year	<b>346</b>	<b>225</b>
This amount is represented by:		
Cash at bank	175	98
Deposits with the Legal Practice Board	171	127
	<b>346</b>	<b>225</b>

The trust fund does not form part of the organisation's financial statements. It is included for information purposes only and is audited by a private accounting firm.



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## Certification of financial report

We certify that the attached financial statements for Victoria Legal Aid have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, the *Australian Charities and Not-for-profit Commission Act 2012*, the Australian Charities and Not-for-profit Regulations 2013, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of Victoria Legal Aid as at 30 June 2016.

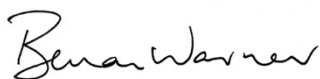
At the time of signing we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



**Andrew Guy**

**Chairperson**

17 August 2016



**Bevan Warner**

**Managing Director**

Victoria Legal Aid

**Accountable Officer**

17 August 2016



**Elizabeth Jennings**

**Chief Finance and Accounting Officer**

17 August 2016

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Victoria Legal Aid

#### *The Financial Report*

I have audited the accompanying financial report for the year ended 30 June 2016 of Victoria Legal Aid which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of financial report.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of Victoria Legal Aid are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the financial reporting requirements of the *Financial Management Act 1994* and the *Australian Charities and Not-for-profit Commission Act 2012* and for such internal control as the Board Members 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*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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 audit procedures selected depend on 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, consideration is given to the 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 the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates have complied with the applicable independence requirements of the Australian Auditing Standards, relevant ethical pronouncements and the *Australian Charities and Not-for-profits Commission Act 2012*.

I confirm that I have given to the Board Members a written independence declaration, a copy of which is included in the Annual Report.

#### *Opinion*

In my opinion, the financial report of Victoria Legal Aid is in accordance with the *Financial Management Act 1994* and Division 60 the *Australian Charities and Not-for-profit Commission Act 2012*, including:

- (a) giving a true and fair view of the entity's financial position as at 30 June 2016, and of its financial performance for the year ended on that date
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Regulation 2013*.

MELBOURNE  
22 August 2016

for

T. RF

Dr Peter Frost  
Acting Auditor-General



Victorian Auditor-General's Office

Level 24, 35 Collins Street  
Melbourne VIC 3000

Telephone 61 3 8601 7000  
Facsimile 61 3 8601 7010

Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

## AUDITOR-GENERAL'S INDEPENDENCE DECLARATION

### To the Board Members, Victoria Legal Aid

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General, an independent officer of parliament, is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised.

Under the *Audit Act 1994*, the Auditor-General is the auditor of each public body and for the purposes of conducting an audit has access to all documents and property, and may report to parliament matters which the Auditor-General considers appropriate.

#### *Independence Declaration*

As auditor for Victoria Legal Aid for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit
- no contraventions of any applicable code of professional conduct in relation to the audit.

MELBOURNE  
22 August 2016

for

Dr Peter Frost  
Acting Auditor-General



## Appendices

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## Appendix 1: Disclosure index

The annual report of Victoria Legal Aid is prepared in accordance with all relevant Victorian legislation. This index has been prepared to enable identification of our compliance with statutory disclosure requirements.

### Ministerial Directions

#### Report of operations – FRD Guidance

##### Charter and purpose

Legislation	Requirement	Page
FRD 22G	Manner of establishment and the relevant Ministers	119
FRD 22G	Purpose, functions, powers and duties	1-2
FRD 8D	Departmental objectives, indicators and outputs	4-82
FRD 22G	Key initiatives and projects	9-44
FRD 22G	Nature and range of services provided	9-44

##### Management and structure

Legislation	Requirement	Page
FRD 22G	Organisational structure	55

## Financial and other information

Legislation	Requirement	Page
FRD 8D	Performance against output performance measures	8
FRD 8D	Budget portfolio outcomes	4-44
FRD 10A	Disclosure index	137
FRD 12A	Disclosure of major contracts	77
FRD 15C	Executive officer disclosures	68-69
FRD 22G	Employment and conduct principles	65
FRD 22G	Occupational health and safety policy	70-71
FRD 22G	Summary of the financial results for the year	21-22
FRD 22G	Significant changes in financial position during the year	83-84
FRD 22G	Major changes or factors affecting performance	85-86
FRD 22G	Subsequent events	103
FRD 22G	Application and operation of <i>Freedom of Information Act 1982</i>	78
FRD 22G	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	79
FRD 22G	Statement on National Competition Policy	79
FRD 22G	Application and operation of the <i>Protected Disclosure Act 2012</i>	80
FRD 22G	Application and operation of the <i>Carers Recognition Act 2012</i>	80
FRD 22G	Details of consultancies over \$10,000	76-77
FRD 22G	Details of consultancies under \$10,000	77
FRD 22G	Disclosure of government advertising expenditure	75
FRD 22G	Disclosure of ICT expenditure	75
FRD 22G	Statement of availability of other information	82
FRD 24C	Reporting of office-based environmental impacts	N/A
FRD 25B	Victorian Industry Participation Policy disclosures	79
FRD 29A	Workforce data disclosures	65-68
SD 4.5.5	Attestation for compliance with <i>Ministerial Standing Direction 4.5.5</i>	81

## Financial report

Legislation	Requirement	Page
SD 4.2(g)	Specific information requirements	1-8
SD 4.2(j)	Sign off requirements	Inside cover

## Financial statements required under Part 7 of the FMA

Legislation	Requirement	Page
SD 4.2(a)	Statement of changes in equity	92
SD 4.2(b)	Operating statement	89-90
SD 4.2(b)	Balance sheet	91
SD 4.2(b)	Cash flow statement	93

## Other requirements under Standing Directions 4.2

Legislation	Requirement	Page
SD 4.2(c)	Compliance with Australian accounting standards and other authoritative pronouncements	94,133
SD 4.2(c)	Compliance with Ministerial Directions	Inside cover, 94
SD 4.2(d)	Rounding of amounts	95
SD 4.2(c)	Accountable officer's declaration	133
SD 4.2(f)	Compliance with Model Financial Report	NA

## Other disclosures as required by FRDs in notes to the financial statements

Legislation	Requirement	Page
FRD 9A	Departmental Disclosure of Administered Assets and Liabilities by Activity	N/A
FRD 11A	Disclosure of Ex gratia Expenses	132
FRD 13	Disclosure of Parliamentary Appropriations	N/A
FRD 21B	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	68-69, 119 - 121
FRD 103E	Non-Financial Physical Assets	99
FRD 110	Cash Flow Statements	93
FRD 112D	Defined Benefit Superannuation Obligations	118

## Legislation

Act	Page
<i>Freedom of Information Act 1982</i>	78
<i>Building Act 1983</i>	79
<i>Protected Disclosure Act 2012</i>	80
<i>Carers Recognition Act 2012</i>	80
<i>Victorian Industry Participation Policy Act 2003</i>	79
<i>Financial Management Act 1994</i>	Inside cover, 94, 313

## Appendix 2: Justice and law reform submissions

Submission name	Authority	Date
Submission on hearings for secure patients	Mental Health Tribunal	27 July 2015
Submission to the Residential Tenancies Act Review—Laying the Groundwork	Victorian Government	19 August 2015
Submission on solution-focused hearings for children and young people	Mental Health Tribunal	19 August 2015
Submission to the inquiry into workplace relations	Productivity Commission	16 September 2015
Submission on the role of victims in the criminal process	Victorian Law Reform Commission	30 September 2015
Submission on the implementation of the Victorian Law Reform Commission Review of <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i>	Department of Justice and Regulation	14 October 2015
Submission on abuse in disability services	Victorian Parliament	30 October 2015
Submission on families with complex needs	Family Law Council	30 October 2015
Submission to the inquiry into the Victorian labour hire industry and insecure work	Department of Economic Development, Jobs, Transport and Resources	9 December 2015
Submission on discrimination in employment (age and disability)	Australian Human Rights Commission	18 December 2015
Submission to the Residential Tenancies Act Review—Security of Tenure	Victorian Government	5 January 2016
Supplementary submission on the role of victims in the criminal process	Victorian Law Reform Commission	13 January 2016
Submission on the Family Law Amendment (Financial Agreements and Other Measures) Bill 2015	Commonwealth Senate Legal and Constitutional Affairs Committee	15 January 2016
Submission on the Criminal Legislation Amendment Bill	Victorian Parliament	19 January 2016
Submission on sentencing guidance reference	Sentencing Advisory Council	12 February 2016
Submission on access to justice	Department of Justice and Regulation	7 March 2016
Submission on the Victorian Government's gender equality strategy consultation	Victorian Government	18 March 2016
Submission to Residential Tenancies Act Review—Rents, bonds and other charges	Victorian Government	22 April 2016
Submission to the inquiry into the indefinite detention of people with cognitive and psychiatric impairment	Commonwealth Senate Standing Committee on Community Affairs	28 April 2016



Submission on the Victorian Civil and Administrative Tribunal (Fees) Regulations	Department of Justice and Regulation	3 May 2016
Submission on practice note on access to documents	Mental Health Tribunal	23 May 2016
Submission to Residential Tenancies Act Review—Responsibilities of Landlords and Tenants	Victorian Government	22 April 2016
Submission to review of the National Disability Advocacy Program	Australian Government Department of Social Services	8 June 2016
Submission on solution-focused hearings for older consumers	Mental Health Tribunal	27 June 2016
Submission on insurance discrimination draft guidelines	Australian Human Rights Commission	27 June 2016
Submission on proposed amendments to the <i>Appeal Costs Act 1998</i>	Department of Justice and Regulation	30 June 2016

### National Legal Aid submissions that Victoria Legal Aid has signed

Submission name	Authority	Date
Review of the 2007 Guideline for Family Law Courts & Children's Contact Services	Family Law Branch, AGD	1 September 2015
Draft Parenting Orders Handbook	Family Law Branch, AGD	3 November 2015
Improved Assessment Process for Carer Payment & Carer Allowance	DSS Carer Payment & Carer Allowance Assessment	27 November 2015
Family Law Council's Terms of Reference on families with complex needs and the intersection of the Family Law & Child Protection Systems (ToR 3-5)	Family Law Council Secretariat, AGD	19 January 2016
Australian Government Federal Budget 2016–17 (pre-budget submission)	The Treasury	9 March 2016
National Disability Advocacy Program	Disability & Carers Group, DSS Canberra	21 June

## Appendix 3: Sub-program performance report

### Civil Justice and Access and Equity Programs

Civil Justice and Access and Equity are two separate programs. Our work in civil and administrative law aims to contribute to a fairer, more inclusive and rights-respecting community that respects human rights. We deal with matters such as social security, mental health, guardianship and administration, infringements, immigration, tenancy, debt, discrimination, sexual harassment and victims of crime. Our work in access and equity helps people deal with legal issues by ensuring that our services are accessible and appropriate to need. This work ranges from helping individual clients, such as providing information and advice over the phone, to benefitting the wider community through advocacy for justice and law reform.

Civil Justice program	Number	% change on 2014–15
Unique clients	12,913	-5.5
Independent Mental Health Advocacy, high intensity occasions of service (advocacy and self-advocacy) *	3,548	N/A
Independent Mental Health Advocacy, Low intensity occasions of service (information and referral) *	6,251	N/A
Clients from Aboriginal or Torres Strait Islander backgrounds	268	-3.2
Clients from culturally and linguistically diverse backgrounds	3,896	-9.5
Referrals to external agencies	83,288	-11
Legal advice, minor assistance and advocacy services	15,279	-11.8
In-house duty lawyer services	5,889	-2.9
Grants of legal assistance	1,145	-13.8
Access and Equity program	Number	% change on 2014–15
Calls to our Legal Help telephone service	186,389	13.5
Calls dealt with by our Legal Help telephone service	111,504	-2.5
Community legal education sessions	392	20

\* The Independent Mental Health Advocacy was established in August 2015

### Grants of legal assistance across the mixed service delivery model

	Number	% change on 2014–15
Victoria Legal Aid lawyers	943	-9.9
Private practitioners	158	-20.2
Community legal centre	44	-47.6

## Program operating expenditure

	Expenditure (\$)	% of expenditure
Commonwealth	7.3 million	15.5
State	8.5 million	8.1
<b>Total</b>	<b>15.8 million</b>	<b>10.4 of total expenditure</b>

### About our Civil Justice sub-programs

**Commonwealth Entitlements** – we assist eligible people to access income support and entitlements and challenge unfair administrative decisions by Centrelink and the Department of Veterans' Affairs by providing quality legal advice and representation, and by encouraging agencies to administer systems that treat clients fairly and respectfully. We also assist people to navigate the social security prosecution system, and aim to influence the system to be efficient, fair and respectful to accused people.

**Equality** – we promote substantive equality by addressing individual and systemic discrimination through case work, legal education and law and policy reform.

**Mental Health and Disability Law** – we provide advice and representation in relation to laws that impact the liberty, dignity and autonomy of people with a mental health diagnosis or cognitive disability. We work to minimise restrictions on these rights as well as help to ensure the justice and health systems operate fairly.

**Independent Mental Health Advocacy** – Independent Mental Health Advocacy supports people who are receiving compulsory psychiatric treatment to have as much say as possible about their assessment, treatment and recovery. Our advocates are 'on the side' of people receiving compulsory treatment and are independent from hospitals and mental health services.

**Migration** – we assist new migrant citizens and asylum seekers and other vulnerable non-citizens by providing community legal education to understand the law, and appropriate legal assistance and other forms of advocacy to obtain just outcomes.

**Social Inclusion** – we contribute to the alleviation of poverty and social exclusion by providing advocacy to help resolve problems that would otherwise lead to entrenched disadvantage, including problems relating to debt, tenancy, infringements and experience as a victim of crime.

### Grants of legal assistance by sub-program

	Number	% change on 2014–15
Commonwealth Entitlements	119	-22.2
Equality	34	-29.2
Mental Health and Disability Advocacy	207	52.2
Migration	65	66.7
Social Inclusion	720	-24.4

### Sub-program operating expenditure

	Operating expenditure (\$)	% of total expenditure
Commonwealth Entitlements	3.2 million	2.1
Equality	2 million	1.3
Mental Health and Disability Advocacy	3.7 million	2.5
Migration	2.3 million	1.5
Social Inclusion	4.5 million	3.0
<b>Total</b>	<b>15.7 million</b>	<b>10.4</b>

### Top five matters\*

Matter type	Number of matters
Infringements	13,027
The law in general**	5,118
Tenancy	5,040
Order for treatment in a health service	3,398
Motor vehicle property damage	2,154

\* This includes matters for grants, advice, duty lawyer services and our phone service.

\*\* The law in general includes issues around commercial law, wills and trusts – we do not fund representation for these matters but receive requests for information and advice about them

## Criminal Law Program

We provide high quality legal advice and representation for people charged with criminal offences who cannot otherwise afford it and who meet our eligibility criteria, with a focus on people who are disadvantaged or at risk of social exclusion. We also influence the criminal justice system to provide timely justice, the fair hearing of charges and appropriate outcomes; ensure that people charged with offences are treated with dignity, are well-informed and are guided appropriately through the criminal justice system; and improve community understanding of criminal justice and behavioural issues.

### Client numbers and service outcomes

	Number	% change on 2014–15
Unique clients	48,511	0.3
Clients from Aboriginal or Torres Strait Islander backgrounds	2,263	15.9
Clients from culturally and linguistically diverse backgrounds	10,307	1.6
Legal advice, minor assistance and advocacy services	14,436	-17.2
In-house duty lawyer services	56,034	2.3
Grants of legal assistance	22,785	13.2

### Grants of legal assistance across the mixed service delivery model

	Number	% change on 2014–15
Victoria Legal Aid lawyers	7,989	5.7
Private practitioners	14,604	17.7
Community legal centre grants	192	23.9

### Program operating expenditure

	Expenditure (\$)	% expenditure
Commonwealth	4.6 million	9.8
State	72.5 million	69.4
<b>Total</b>	<b>77.1 million</b>	<b>50.9 of total expenditure</b>

### About our Criminal Law sub-programs

**Appellate Crime** – we strive to maintain client and public confidence in the criminal justice system by ensuring that cases demonstrating legal errors and miscarriages of justice can be tested by higher courts through expert representation and by contributing to the development of the law through senior appellate courts.

**Indictable Crime (includes sexual offences)** – we provide high quality legal advice and representation to people facing serious State and Commonwealth criminal charges including homicide, sexual offences, terrorism and drug importation. We provide specialist duty lawyer services at the Melbourne Magistrates' Court and expert assistance to people who are responding to applications pursuant to the Serious Sex Offender (Detention and Supervision) Act 2009 (Vic).

We also apply our specialist knowledge and experience to law reform and policy development, to promote fair and just outcomes for all accused people.

**Summary Crime** – we help people charged with summary crimes to achieve timely and appropriate outcomes by targeting finite resources to a range of interventions based on need, and by influencing the criminal justice system to be efficient, fair and respectful to accused people.

**Youth Crime** – we ensure that children charged with crimes are treated fairly and that outcomes have a therapeutic focus by providing expert legal advice and representation in a way that reflects the unique status and vulnerability of children.

#### Grants of legal assistance by sub-program

	Number	% change on 2014–15
Appellate Crime	1,026	15.4
Indictable Crime (includes sexual offences)	3,245	12.3
Summary Crime	14,591	15.8
Youth Crime	3,923	4.8

#### Sub-program operating expenditure

	Operating expenditure (\$)	% of total expenditure
Appellate Crime	3.5 million	2.3
Indictable Crime (includes sexual offences)	25.8 million	17.0
Summary Crime	37.6 million	24.8
Youth Crime	10.2 million	6.8
<b>Total</b>	<b>77.1 million</b>	<b>50.9</b>

#### Top five matters\*

Matter type	Number of matters
Assault	8,545
Breach of family violence intervention order	7,931
Theft	6,583
Drive while licence suspended	6,571
Other miscellaneous criminal offences**	5,781

\* This includes matters for grants, advice, duty lawyer services and our phone service.

\*\* Miscellaneous criminal offences' includes defamation and libel, offences against privacy, public health and safety offences, and illicit drug offences.

## Family, Youth and Children's Law Program

We assist people to resolve their family disputes to achieve safe, workable and child-focused parenting and care arrangements. We also assist parents to build their capacity to resolve future disputes without legal assistance.

### Client numbers and service outcomes

	Number	% change on 2014–15
Unique clients	31,302	-0.9
Clients from Aboriginal or Torres Strait Islander backgrounds	1,354	9.2
Clients from culturally and linguistically diverse backgrounds	5,304	-6.3
Family Dispute Resolution Conference	1,097	0.9
Legal advice, minor assistance and advocacy services	11,055	-21.3
In-house duty lawyer services	17,053	5.7
Grants of legal assistance	14,415	9.0

### Grants of legal assistance across the mixed service delivery model

	Number	% change on 2014–15
Victoria Legal Aid lawyers	2,524	-1.8
Private practitioners	11,598	10.6
Community legal centre grants	293	73.4

### Program operating expenditure

	Expenditure (\$)	% expenditure
Commonwealth	35.1 million	74.7
State	23.5 million	22.5
<b>Total</b>	<b>58.6 million</b>	<b>38.7 of total expenditure</b>

### About our Family, Youth and Children's Law sub-programs

**Child Protection** – we assist children, young people and parents responding to child protection applications by the state by helping to ensure that any legal intervention is limited to that which is necessary to promote the child's or young person's health, safety and wellbeing. We provide legal information, advice and representation, as well as community legal education designed to help protect and promote the rights of children, young people and parents before, during and after child protection proceedings.

**Family Dispute Resolution** – we provide timely, legally assisted family dispute resolution services to vulnerable people. We assist separated families to meet the best interests of their children by providing case management, assessment, preparation and referral (including to our child-inclusive Kids Talk program where appropriate), and by holding conferences facilitated by experienced chairpersons.

**Child Support** – we work to ensure that children of separated parents are financially supported in accordance with the law. In cases where a separated person is unable to adequately support themselves, and their former partner has capacity to pay, we work towards a solution of financial support and the fair distribution of assets and liabilities. We also ensure that liable parents have access to independent legal advice and representation where appropriate.

**Family Violence** – we contribute to the safety of adults and children impacted by family violence and assist in reducing the incidence of family violence by providing legal information, advice and representation to affected adults and children. This includes acting for clients at the Family Law Courts, the Children’s Court and the Magistrates’ Court of Victoria. We also contribute to public debate about policies and practices of Australian courts and governments in relation to family violence.

**Independent Children’s Lawyers** – we provide assistance in Family Law Court proceedings to children at risk of harm due to the conduct of one or both parents. We aim to ensure that judicial officers make good decisions based on the best available evidence and that arrangements ordered by the court are in the children’s best interests.

**Parenting Disputes** – we provide information, advice and representation to separating or separated couples who are in dispute about their children’s living and care arrangements. For high-conflict families who have been unable to resolve children’s issues through family dispute resolution services, we may assist with access to the Family Law Courts. Our aim is to achieve safe, workable and child-focused parenting and care arrangements.

#### Grants of legal assistance by sub-program

	Number	% change on 2014–15
Child Protection	7,718	15.1
Family Dispute Resolution	1,744	-2.5
Child Support	528	-8.7
Family Violence	1,767	-7.5
Independent Children’s Lawyers	1,207	20.1
Parenting Disputes	1,451	16.9

#### Sub-program operating expenditure

	Operating expenditure (\$)	% of total operating expenditure
Child Protection	21.3 million	14.1
Family Dispute Resolution	12.4 million	8.2
Child Support	1.8 million	1.2
Family Violence	2.9 million	1.9
Independent Children’s Lawyers	9.9 million	6.5
Parenting Disputes	10.3 million	6.8
<b>Total</b>	<b>58.6 million</b>	<b>38.7</b>



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**Top five matters\***

Matter type	Number of matters
Responding to a family violence intervention order	14,328
Spending time with children	13,408
Application for a family violence intervention order	7,453
Property settlement	6,661
Who children live with	6,231

\* This includes matters for grants, advice, duty lawyer services and our Legal Help phone service.

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## Victoria Legal Aid Chambers

We provide high quality advocacy for legally aided clients in civil, criminal and family, youth and children's law matters. We also conduct strategic litigation to remedy a legal problem or change a policy or process to benefit an individual client and the broader community.

### Facts and figures

- Our advocates appeared in 2,146 cases (74% criminal, 16% family, 10% civil) including 70 County Court criminal trials (13 in Circuit Courts located in regional centres), 13 Supreme Court criminal trials (2 in regional Victoria), and 5 Children's Court criminal trials (5 in regional Victoria).
- 24% of all hearings were conducted in regional locations.
- Of the criminal matters, 25% were conducted in regional locations.
- Of the family matters: 32% were conducted in regional locations.
- Of the civil matters, 5% were conducted in regional locations.
- Our Trial Counsel Development Program funded 10 criminal trials. In all of those trials, junior counsel was a female member of the Victorian Bar.

When a Chambers advocate is not available, we assist the assigned staff solicitor to brief an appropriate barrister from the private Bar. Our recommendations take into account diversity, equality and the development of promising advocates.

### Facts and figures

- 37% of significant cases were briefed to female barristers at the private Bar (a decrease of 14%).
- Over \$3.9 million was paid to female barristers at the private Bar (an increase of 26%).
- Over \$6 million was paid to female barristers in-house and at the private Bar (an increase of 22%).

\* Significant cases includes County and Supreme Court trials, County and Supreme Court pleas, contested committals and serious sex offender supervision contests

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## Glossary

**accused** – person charged with a criminal offence.

**advocacy** – making legal arguments or negotiating on behalf of a person or group of people, often involving representing them in court.

**barrister** – an independent lawyer who specialises in courtroom advocacy, drafting legal documents and giving expert legal opinions. Barristers may also act as a mediator and/or arbitrator.

**brief** – a document sent to the barrister by a lawyer which gives details on the issues arising in a case, and encloses any relevant paperwork which the barrister will need in order to provide advice and/or represent a client at court (if appropriate).

**community legal centre** – an independent community organisation that provides free advice, casework and legal education to its community.

**duty lawyer services** – information, advice and representation services provided at a court or tribunal where a court or tribunal appearance is imminent and services have not been arranged under a grant of legal assistance.

**early intervention services** – these incorporate our extensive legal advice, minor assistance and advocacy services. Includes any Commonwealth or state-funded matters.

**family dispute resolution services** – family dispute resolution conferences that seek to resolve family legal problems outside of the court system. Family dispute resolution services are Commonwealth-funded matters. To use our Family Dispute Resolution Service (FDRS), at least one person involved in the family dispute must apply for and obtain a grant of legal assistance. If appropriate, FDRS may also be available where court proceedings have been commenced but before a person is provided with a grant of legal assistance to be represented at a final hearing

**family violence** – family violence means violent, threatening or other behaviour by a person that coerces or controls a member of the person's family (the family member), or causes the family member to be fearful; and a child is exposed to family violence if the child sees or hears family violence or otherwise experiences the effects of family violence.

**Federation of Community Legal Centres** – the peak body for 50 community legal centres across Victoria, which leads and supports the centres to pursue social equity and challenge injustice.

**grant of legal assistance** – money from the Legal Aid Fund that enables a lawyer to help a person with their legal problem. The grant enables a lawyer to give legal advice, help reach agreement, prepare legal documents and/or represent a person in court. In determining whether to provide a grant of assistance we apply guidelines that look at what a person wants legal assistance for, if they are likely to win their case, the financial circumstances of the person, the likely cost of the case, and whether it is in the interests of justice to do so. Some people are required to pay a contribution towards the cost of their legal representation.

**independent children's lawyer** – a lawyer appointed by Victoria Legal Aid following the making of an order by a court for the child to be separately represented in their best interests.

**indictable offence** – a serious criminal offence often heard before a judge and jury of the County or Supreme Court. Certain indictable offences may be heard and determined by a magistrate.

**intervention order** – court order to protect you from family violence or stalking.

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**legal advice** – initial advice about a legal problem including help in preparing an application for a grant of legal assistance and the information required for that purpose. Legal advice is a short, one-off session available face-to-face, or by phone or video-conference in some circumstances. We do not provide legal advice by email or via our website.

**legal aid** – defined in the *Legal Aid Act 1978 (Vic)* as education, advice or information in or about the law; legal services (including legal advice, duty lawyer services and legal assistance services); appropriate dispute resolution programs and any other matter within the scope of Victoria Legal Aid's functions, powers and duties under the Act.

**Legal Aid Fund** – controlled and administered by Victoria Legal Aid. It is made up of money received from the state and Commonwealth governments for legal aid purposes, and from money received from the Legal Services Board from the Public Purpose Fund. The Legal Aid Fund also contains monies received from other sources such as contributions received from legally assisted people. Victoria Legal Aid pays for all expenses associated with the provision of legal aid, including administrative costs and expenses, from the Legal Aid Fund.

**legally assisted clients** – clients in receipt of a grant of legal assistance.

**legal assistance services** – defined in the *Legal Aid Act 1978 (Vic)* as legal services provided other than by way of duty lawyer services or legal advice (i.e. grants of legal assistance). However, in a more general sense, defined by the National Partnership Agreement as the services provided by all of the sector-wide legal service providers, including legal aid commissions, community legal centres, Aboriginal and Torres Strait Islander legal services and family violence prevention legal services.

**legal matter** – an issue under consideration in a case of law.

**litigation services** – includes Commonwealth and related state legal representation before a court or tribunal under a grant of legal assistance. Cases may be handled by our in-house practice or private practitioners.

**means test** – a test applied to an application for a grant of legal assistance that looks at what income the applicant for assistance gets from work, welfare benefits or other sources and what their weekly living expenses are. It also looks at if the applicant supports anyone else, or whether anyone else supports the applicant (their income and assets are included), and whether the applicant has assets such as owning a car, home or anything else of value.

**minor assistance** – legal work, including perusal of documents, written advice, telephone calls on the client's behalf, oral or written negotiations and, in some cases, simple appearances before courts or tribunals that are conducted within reasonable limits. This work is not carried out under a grant of legal assistance and is only undertaken where it can be demonstrated there is a tangible benefit for the client. This may include matters such as general civil law assistance that is not funded under a grant of legal assistance.

**National Partnership Agreement (NPA)** – an agreement between the Commonwealth of Australia and the states and territories which provides policy directions and funds for legal assistance programs to assist disadvantaged Australians. Victoria signed the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services* in early July 2010. More information: [www.federalfinancialrelations.gov.au](http://www.federalfinancialrelations.gov.au)

**practitioner panel** – a list of suitably qualified legal firms and/or lawyers who can act for legally assisted clients for specific types of legal matters.

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**preventative services** – includes all referrals to external agencies, any legal information provided by telephone or face-to-face at Victoria Legal Aid offices, including through the Legal Help telephone service, community legal education, publications produced and distributed and website page views (of relevant pages). This includes any Commonwealth or state-funded matters.

**private practitioner** – a lawyer who assists a legally aided client through a private practice. Private practitioners referred to throughout this report are on our practitioner panels.

**Public Purpose Fund** – a fund established under the *Legal Profession Act 2004* used to fund the regulation of the legal profession, finance legal aid and fund a number of other public purposes such as legal education and law reform. It is managed by the Legal Services Board, an independent statutory body within the portfolio of the Department of Justice.

**settlement** – resolution or agreement of a claim or dispute.

**settlement agency** – an organisation that provides support and assistance to new and recently arrived refugees and migrants.

**strategic advocacy** – involves working on the justice system to achieve practical outcomes and procedural fairness for groups of disadvantaged people. It is about influencing those who make, interpret and apply law and policy to effect change, consistent with our objectives and priorities.

**summary offence** – a less serious criminal offence usually heard in the Magistrates' Court or Children's Court.

**triage** – the process of finding out enough about a person's circumstances and their legal issues when they first contact Victoria Legal Aid to make a decision about the best service available to them.

**unique client** – an individual client who accessed one or more of Victoria Legal Aid's early intervention and duty lawyer services or received a grant of legal assistance either for dispute resolution or litigation. Unique clients not include people who received information or participated in community legal education, for whom an individual client record is not created.

## Main reception

350 Queen Street, Melbourne

Postal – GPO Box 4380, Melbourne Vic 3001

Telephone – (03) 9269 0234

[www.legalaid.vic.gov.au](http://www.legalaid.vic.gov.au)

Monday to Friday 8.45 am to 5.15 pm

## Legal Help

Telephone – 1300 792 387

Monday to Friday 8.45 am to 5.15 pm

## Disaster Legal Help

We have a dedicated telephone line for legal help after disasters such as a bushfires or floods.

Telephone – 1800 113 432

## For hearing impaired (TTY)

Call the National Relay Service and ask to be put through to Victoria Legal Aid.

TTY/voice – 133 677 or 1800 555 677 (country callers)

SSR/speak and listen – 1300 555 727 or 1800 555 727 (country callers)



## In different languages

Arabic	(03) 9269 0127
Bosnian	(03) 9269 0164
Cantonese	(03) 9269 0161
Mandarin	(03) 9269 0212
Croatian	(03) 9269 0164
Persian (Farsi)	(03) 9269 0123
Dari	(03) 9269 0534
French	(03) 9269 0541
Greek	(03) 9269 0167
Hebrew	(03) 9269 0542
Hindi	(03) 9269 0487
Italian	(03) 9269 0202
Polish	(03) 9269 0228
Russian	(03) 9269 0315
Serbian	(03) 9269 0332
Spanish	(03) 9269 0384
Thai	(03) 9269 0546
Turkish	(03) 9269 0386
Ukrainian	(03) 9269 0390
Urdu	(03) 9269 0389
Vietnamese	(03) 9269 0391

For all other languages, call the Translating and Interpreting Service on 131 450 and ask to be put through to Victoria Legal Aid.

## Acknowledgements

We would like to thank everyone who contributed to the delivery of our work throughout the year and to the development of this report.

## Feedback

Feedback on this report is welcome. Please write to:

Victoria Legal Aid, Corporate Affairs  
GPO Box 4380, Melbourne Vic 3001