



Victoria Legal Aid

SEVENTEENTH STATUTORY ANNUAL REPORT 2011-12

HELPING VICTORIANS WITH THEIR LEGAL PROBLEMS



FAST FIGURES	2011-12	2010-11	% CHANGE
Unique clients	91,079*	89,255*	↑ 2.0
% Legally assisted clients receiving government benefits	65	66	↓ 1.0
% Legally assisted clients with no income	33	31	↑ 2.0
% Clients satisfied with legal aid overall	87	86	↑ 1.0
Legal representation services			
NPA Grants of legal assistance	44,641	42,097	↑ 6.0
% In-house grants of legal assistance	26.5	28.8	↓ 2.3
% Private practitioner grants of legal assistance	72.4	69.9	↑ 2.5
% Community legal centre grants of legal assistance	1.1	1.3	↓ 0.2
Preventative services			
Calls to Legal Help	76,129	80,734	↓ 5.7
NPA Matters dealt with by Legal Help	81,708	88,078	↓ 7.2
NPA External referrals**	40,829	15,685	N/A
NPA Publications distributed	688,813	540,674	↑ 27.4
NPA Community legal education participants***	11,434	1,277	N/A
NPA Community legal education sessions***	295	70	N/A
Visits to our website	879,807	612,807	↑ 43.6
Early intervention services			
NPA Legal advice, minor work and advocacy	43,113	45,633	↓ 5.5
Family dispute resolution services (Roundtable Dispute Management)			
Number of conferences	1,033	777	↑ 32.9
Duty lawyer services			
NPA In-house duty lawyer services	68,047	70,898	↓ 4.0
NPA Private practitioner duty lawyer services	7,123	8,067	↓ 11.7

FINANCIAL SUMMARY	2011-12	2010-11	% CHANGE
(\$ thousand)			
Income from government	119,209	116,324	↑ 2.5
Income from Public Purpose Fund	25,663	25,769	↓ 0.4
Total income from transactions	153,831	149,204	↑ 3.1
Total expenses from transactions	(159,991)	(140,748)	↑ 13.7
Net result from transactions	(6,160)	8,456	↓ 172.8
Net result for the period	(3,095)	2,124	↓ 245.7
Net cash flow from operating activities	(3,660)	9,788	↓ 137.4
Cash at 30 June	14,560	19,913	↓ 26.9
Total assets	52,411	55,987	↓ 6.4
Total liabilities	28,638	29,119	↓ 1.7
Total equity	23,773	26,868	↓ 11.5

* Includes clients accessing our legal assistance services carried over from previous years. This data was not included in previous reports.

** Recorded in 2010-11 from 18 January 2011.

***A new system was introduced in March 2012 to record community legal education sessions across Victoria, which has significantly improved our collection of data.

NPA = Council of Australian Governments *National Partnership Agreement on Legal Assistance Services* output.

Our services are explained in 'Our services across Victoria' (pp.9-11). Some definitions are also contained in the Glossary (pp.103-104).

ABOUT VICTORIA LEGAL AID

Our vision

A leading and responsible force for community access to the legal system and for social justice.

Our values

Victoria Legal Aid (VLA) is committed to:

- serving our clients and community professionally and ethically
- acting with integrity, fairness and transparency at all times
- respecting and valuing diversity
- pursuing continuous improvement across the organisation.

Our purpose and functions

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

Our statutory objectives¹ are:

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

In so doing, we may²:

- 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 must³:

- 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 truly need it.

Chairperson's declaration

In accordance with the *Financial Management Act 1994* (Vic), I am pleased to present the Victoria Legal Aid Annual Report for the year ending 30 June 2012.



Andrew Guy
Chairperson

29 August 2012

¹ Section 4 *Legal Aid Act 1978*

² Section 6 *ibid*

³ Sections 7 and 8 *ibid*

INSIDE THIS REPORT

This annual report highlights our key achievements of 2011-12 and also looks at some of our challenges and the year ahead.

OUR YEAR

We overview the year, look at highlights, our services and who our clients are.

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OUR ORGANISATION

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Good governance and transparent reporting help ensure public confidence in legal aid and the justice system.

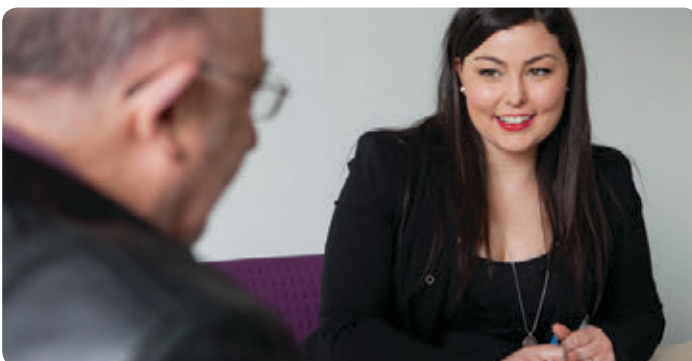
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The services and initiatives we deliver are arranged into programs with defined objectives.

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OUR PEOPLE

Fostering professionalism and practice expertise is underpinned by a safe working environment, effective recruitment and development of highly skilled professionals.

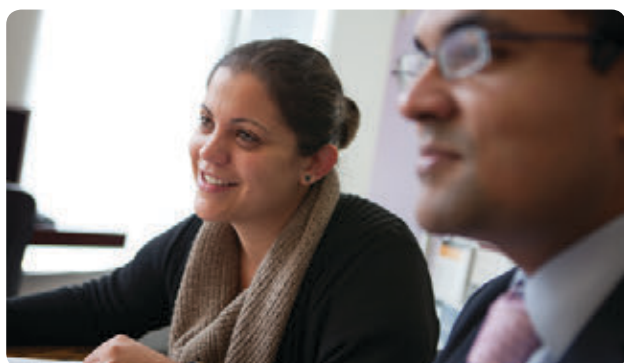
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Chairperson

Andrew Guy

Managing Director

Bevan Warner

Additional copies

This report can be read and downloaded at www.legalaid.vic.gov.au

A limited number of reports are available on recycled stock.

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OUR YEAR

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SNAPSHOT OF THE YEAR

This is a snapshot of our achievements for the year. The services we provide and our initiatives are guided by the themes and goals we have committed to in our *Strategic Plan 2011-14*, available at www.legalaid.vic.gov.au



ACCESS AND INCLUSION

Strategic goal: To deliver timely and respectful access to the justice system; to help people resolve legal problems and protect rights.



RELATIONSHIPS AND COLLABORATION

Strategic goal: To build strong effective relationships with other organisations for the benefit of our clients.



ORGANISATIONAL RESPONSIVENESS

Strategic goal: To enhance organisational capability to respond to a changing environment.

Achievements

Provided legal help to over 90,000 unique clients.



Established the Equal Opportunity Legal Service to significantly expand our work in equality law (p.31).



Implemented new family law guidelines that prioritise children and keeping families out of court (p.42).



Commenced a pilot project aimed at helping people receive high quality and timely access to justice in circuit courts (p.36).



Ran important test cases to clarify migration law (p.30).



Made submissions to four parliamentary inquiries into people smuggling and gave evidence before two Senate inquiries (p.36).



Evaluated the Kids Talk program to improve its delivery and use (p.43).



Increased private practitioner fees by 2.5 per cent in summary crime, and then by 10 per cent for all private practitioner fee scales and disbursements (p.21).



Secured a major grant from the Legal Services Board to deliver a project aimed at helping to prevent family violence (p.42).



Reviewed our adult summary crime duty lawyer service to ensure the most effective use of time for lawyers, clients and the Magistrates' Court of Victoria (p.36).



Placed Junior Counsel in 37 trials to acquire trial skills through the Trial Counsel Development Program (p.21).



Jointly produced and launched a nationally available education kit to help new arrivals address common legal issues (p.24).



Hosted Victorian Legal Assistance Forums and supported working groups to increase collaborative responses to community justice needs (p.20).



Provided funding to the Goulburn Valley Community Legal Centre to help address unmet legal need (p.24).



Helped clarify the operation of the infringements system in a number of important test cases (p.30).



Challenges of 2011-12

- Implementing major changes to our Legal Help telephone service, while maintaining good access for people who call us (p.25).
- Meeting the needs of a growing number of clients with debt-related problems (p.31).
- Responding to greater demand for grants of legal assistance in child protection matters (p.44).

- Assisting an increasing number of clients who need help with safety plans, violence restraining orders, and resolving how their children will be supported and cared for in the long-term and in the immediate aftermath of a relationship breakdown (p.43).
- Responding to regular changes in civil law areas, including to the assessment of disability for social security purposes and the processing of asylum seekers (p.32).
- Responding to an increasing number of applications in sexual offence cases for post sentence supervision and detention orders and subsequent breaches (p.37).
- Representing a large number of Indonesian boat crew charged with aggravated people smuggling (p.38).

2012-13 future challenges

- Keeping abreast of demographic change and population growth in planning service delivery.
- Providing services that better respond to a broader range of issues that clients come to us with.
- Consolidating, reviewing and adjusting our Legal Help service to deliver the best possible service for people who call us.
- Responding to an expected continuing increase in family violence matters and changes to the Commonwealth's definition of family violence.
- Responding to proposed changes to the mental health system, particularly those relating to the Mental Health Review Board and guardianship and administration.
- Reconfiguring the way services are provided to deliver child protection services in a more complex environment, including delivering more mediation through new model conferencing.
- Effectively contributing to a reduction in court delays in the face of increasing court activity and corresponding demand for legal help.

OUR COMMITMENTS

Our commitments help us to achieve the goals in our *Strategic Plan 2011-14* over a three-year period. In 2011-12:

130,676

PEOPLE BENEFITED FROM INFORMATION, ADVICE, COMMUNITY LEGAL EDUCATION AND OTHER EARLY INTERVENTION SERVICES



ACCREDITED
CRIMINAL LAW SPECIALISTS
HELPED OUR CLIENTS



ACCREDITED
FAMILY LAW SPECIALISTS
HELPED OUR CLIENTS



44%

OF SIGNIFICANT CASES HAD **WOMEN BARRISTERS** BRIEFED IN THEM

40,829

REFERRALS MADE TO ENSURE A MORE COMPLETE SERVICE FOR OUR CLIENTS

Other commitments in our *Strategic Plan 2011-14* which we cover in this report include:

- reporting what clients say about us (p.8)
- helping to reduce court delays (p.21, p.36, p.37).

Achieving our strategic goals and commitments

This annual report follows our program management and reporting framework and aligns to our strategic plan that came into effect on 1 July 2011.



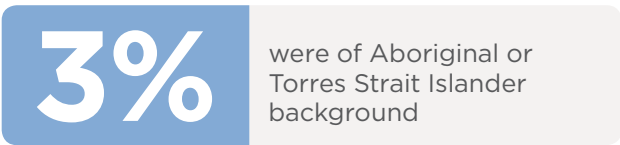
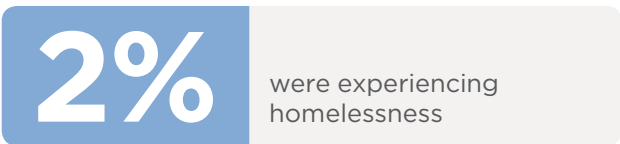
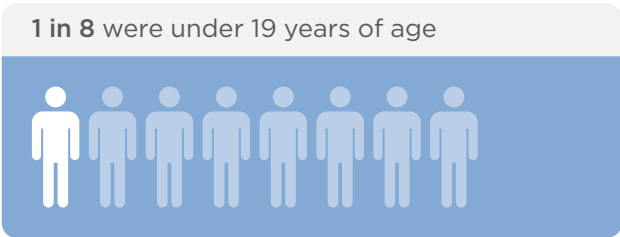
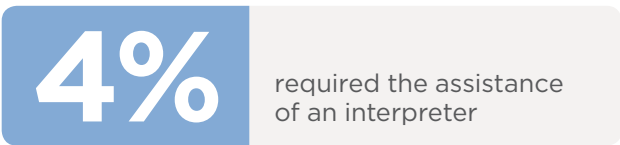
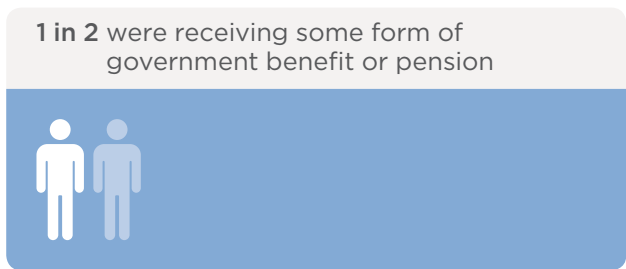
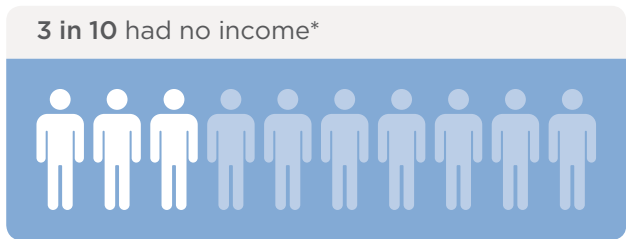
We operate four programs with defined objectives against which we review our effectiveness (pp.22-45). Each program comprises a number of sub-programs against which we also review how resources are used.

Other functions necessary to administer the scheme of Legal Aid and to give effect to the objectives of the *Legal Aid Act 1978* are undertaken by the Legal Practice, Research and Communications, and Business Services directorates, with all costs attributed throughout our programs.

OUR CLIENTS

WE HELPED OVER 91,000 CLIENTS THIS YEAR

Who are our clients?



Figures are based on the total number of unique clients (91,079) who accessed one or more services during the year, including early intervention services, duty lawyers services, dispute resolution services, and grants of legal assistance.

* For example, children and young people, people experiencing homelessness, people in custody and immigration detention, and psychiatric care patients.

Our clients have complex needs

The complexity of our clients' needs calls for us to respond to more than just their legal problems.

Of those receiving some form of government benefit or pension:

- 24 per cent have a disability or mental illness
- 4 per cent required the assistance of an interpreter

Of those living in regional or rural Victoria:

- 5 per cent are from Aboriginal or Torres Strait Islander backgrounds
- 1 per cent required the assistance of an interpreter

Of those requiring the assistance of an interpreter:

- 8 per cent are experiencing homelessness

Of those in custody, detention or psychiatric care:

- 7 per cent are under 19 years of age
- 7 per cent are from Aboriginal or Torres Strait Islander backgrounds

Of those under 19 years of age:

- 5 per cent are from Aboriginal or Torres Strait Islander backgrounds
- 2 per cent are experiencing homelessness

Of those with a disability or mental illness:

- 7 per cent are in custody, detention or psychiatric care
- 3 per cent are under 19 years of age

Of those experiencing homelessness:

- 21 per cent have a disability or mental illness

Of those from Aboriginal or Torres Strait Islander backgrounds:

- 20 per cent have a disability or mental illness

In helping address our clients' complex needs we sometimes refer them to another service when we are unable to provide the help they need, or if they would benefit from other help.

This year we made 40,829 referrals to external agencies.

See the back inner cover to find out where our clients live across Victoria.

What our clients say about us

We undertook our second client satisfaction survey in April and May 2012 to help us better understand our clients' experience of our services⁴. Our focus this year was on criminal law services (pp.34–39), Legal Help and the legal education resources we provide to the community. Survey findings help us to improve our services.

The results of the survey show that clients hold us in high regard:

- 87 per cent were either extremely satisfied or satisfied with legal aid overall
- 76 to 86 per cent said the service they received helped them sort out their legal problem.

Specifically:

- 86 per cent found our criminal law legal advice and casework services helpful in sorting out their legal problem
- 80 per cent found our Legal Help service helpful
- 79 per cent found our criminal law duty lawyer service helpful
- 76 per cent found our community legal education resources helpful.

Between 94 to 98 per cent of clients surveyed would recommend our services to others. Specifically:

- 98 per cent would recommend our website
- 97 per cent would recommend our Legal Help service
- 96 per cent would recommend the legal representation or casework services, or community legal education resources they used
- 95 per cent would recommend the legal advice services they used
- 94 per cent would recommend the duty lawyer services they used.

The survey results again this year reflected our commitment to helping the most vulnerable and disadvantaged members of our community:

- 25 per cent reported having a disability
- 54 per cent were receiving some form of government benefit or pension
- 49 per cent had approached us for assistance with more than one legal problem.

⁴ A telephone survey was conducted between April and May 2012 of a representative sample of 630 clients who received criminal law duty lawyer, legal representation/casework and legal advice services between July–December 2011; clients who had ordered community legal education resources in that same period; and clients who had called Legal Help between April–May 2012. In 2010–11 the client survey was conducted across family, criminal and civil law services, and in future years it will focus on different services. For more information see www.legalaid.vic.gov.au

OUR SERVICES ACROSS VICTORIA

We prioritise assistance for people who are poor and cannot afford to access the protection of the law. Often they are people who face detention or face having decisions made for them by the State, are exposed to risk of violence or harm, or are marginalised or vulnerable to exploitation or unfair treatment. We also provide free information and some legal help to *all* Victorians, with offices located across Victoria (p.105).

Preventative services

These are services that can help a person understand their legal options. If a person better understands and acts on their legal rights, they can help prevent a legal situation from escalating, and avoid costly litigation at court.

Information

We provide free information and advice to all Victorians. Our Legal Help telephone service staff respond to enquiries about legal problems weekdays from 8.45 am to 5.15 pm. Our website also provides information that can help people understand their legal problems, the options available to them, and where to go if they need further assistance. This year 43.6 per cent more visits were made to our website (p.27).

Referrals

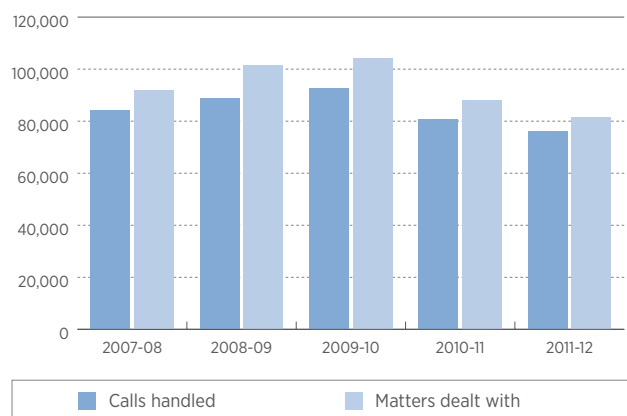
We make referrals on behalf of a person to external services if we cannot provide the most appropriate help needed, or if they would benefit from other additional help. We made 40,829 referrals to external agencies in 2011–12.

Publications and community legal education

We provide free publications and community legal education sessions to help people understand their legal rights and responsibilities, and where they can get help. Our community legal education sessions are tailored to the needs of particular groups. We distributed 688,813 publications in 2011–12 (up by 27.4%).



Calls to Legal Help and matters dealt with by Legal Help



Factors that influenced this **5.7 per cent decrease** in calls include:

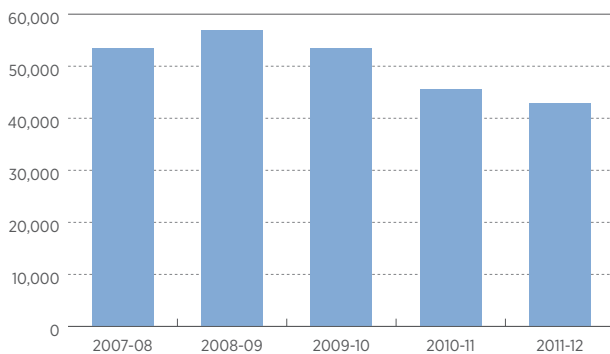
- an increase in average call duration. This occurred as we redesigned our Legal Help service and trained staff to undertake more thorough assessments of callers' needs, reduce the 'referral roundabout' by providing information and advice and 'warm referrals' in a single call, and provide legal advice to priority callers in a range of matters traditionally provided by our in-house lawyers (p.24 and p.25)
- a significant increase in the number of calls made to Legal Help (up by 33%) which, with current resources, impacted our ability to answer all calls made to the service
- our answering a record number of over 90,000 calls in 2009–10, following the Victorian bushfires.



Early intervention services

These are services that help a person with their legal problem at an early stage. They can involve legal advice and sometimes further minor work, such as a lawyer looking over documents, undertaking research and providing written advice. In some cases it may also involve making telephone calls, negotiating on a person’s behalf or making a simple appearance before a court or tribunal.

Early intervention: Legal advice and minor work over five years



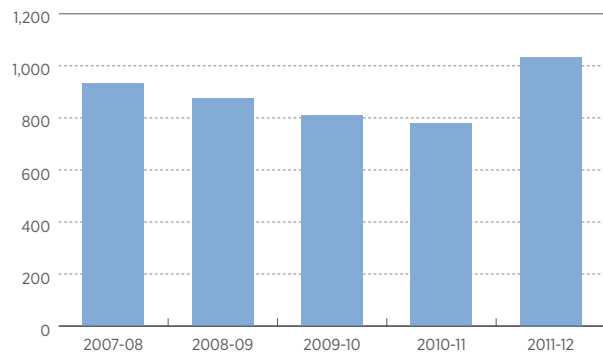
Factors that influenced this **5.5 per cent decrease** include:

- changes to legislation and court practices in criminal law, which have seen more matters dealt with by a duty lawyer at court and on the day, rather than through minor work undertaken over a period of time. This has avoided clients having to return to court unnecessarily because the matter was not dealt with at the first appearance (p.37)
- improvements in proficiency as a result of our supporting in-house lawyers to do their own in-court advocacy, which has enabled them to resolve a client’s legal problem on the day, rather than opening a minor work file (p.37)
- a reduction in the issues we dealt with in previous years, following the Victorian bushfires in February 2009. Services had significantly increased in previous years as people impacted by the fires dealt with issues such as deceased estates, insurance claims and mortgage disputes.

Family dispute resolution services

We provide dispute resolution services through Roundtable Dispute Management (RDM) at an early stage in family law matters, avoiding the need to go to court. This involves helping parents who are going through a separation or divorce to resolve disputes about parenting or child support issues. We also provide RDM during court proceedings to help settle the dispute before a final hearing in appropriate matters.

Family dispute resolution services over five years

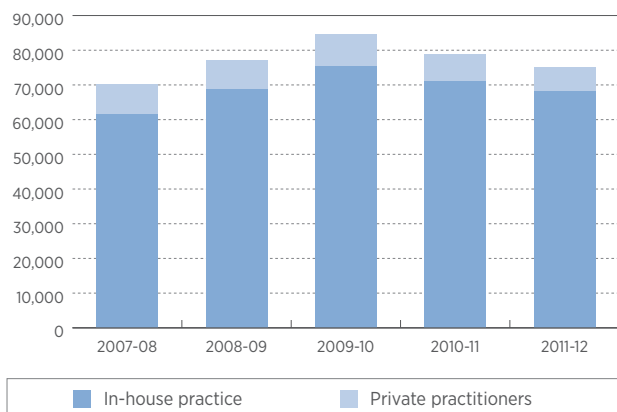


The main factors that influenced this **32.9 per cent increase** are our having prioritised funding for RDM services under changes to our family law eligibility guidelines (p.42). The changes mean that, where appropriate, people are at the first instance assisted through RDM.

Duty lawyer services

We provide free duty lawyers in various courts and tribunals across Victoria to help people who do not have their own lawyer on the day of their hearing. We prioritise serious cases through this service, including for people in custody or people at risk of going into custody and people who need intensive support.

Duty lawyer services over five years



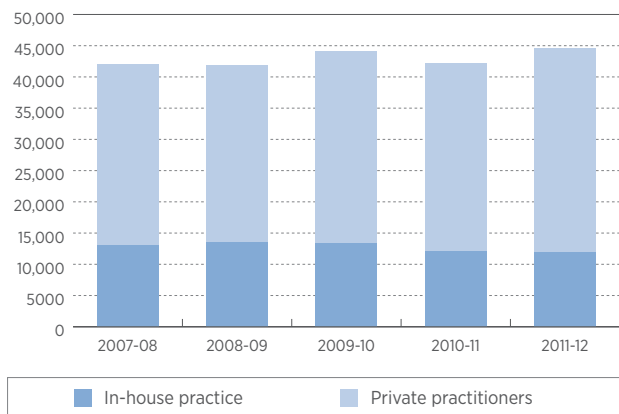
Factors that influenced this **4.8 per cent decrease** include:

- changes to legislation and court practices in the Magistrates' Court of Victoria for adult summary crime. For example, the early disclosure of information now enables duty lawyers to deal with a client's legal problem on the day rather than adjourning it (p.37).
A steady number of unique clients seen by our lawyers was accompanied by a 4.0 per cent decrease in the occasions of service provided by our in-house practice compared to 2010–11, indicating improvements in proficiency in helping each client. Overall, criminal law duty lawyer services were down by 7.3 per cent.
- changing the way we record some services, which has contributed to decreases in some areas of civil law: mental health and disability advocacy (down by 22.4%) and social inclusion (down by 8.1%).

Grants of legal assistance

We receive applications for grants of legal assistance and determine whether the applicant is eligible. Generally, only people with income and assets below a certain level can receive a grant of legal assistance. If eligible, a client's case is assigned to an in-house or private practitioner. The grant enables a lawyer to give legal advice, help reach agreement, prepare legal documents and/or represent a person in court.

Grants of legal assistance over five years



Factors that influenced this **6.0 per cent increase** include:

- continued strong demand for assistance with infringement notice matters (p.30). Overall, the highest increase in grants of legal assistance was for civil law matters (up by 35.5%).
- demand for assistance with child protection matters and for family violence intervention orders, which has also seen an increase in the number of interim orders dealt with by the Magistrates' Court of Victoria (p.43). Grants of legal assistance overall in family law increased by 11.5 per cent.

Specialist services

Our areas of specialisation are reflected in the sub-programs that operate through our Civil Justice, Criminal Law and Family, Youth and Children's Law programs. These include a range of specialised client services staffed by expert lawyers, and include:

- Assessment and Referral Court List co-ordination team, dealing with criminal matters at the Melbourne Magistrates' Court for people with a mental illness, intellectual disability, acquired brain injury or other mental impairment
- Drug Court of Victoria duty lawyer service, providing support at the Dandenong Magistrates' Court to people on a Drug Treatment Order
- Inpatient psychiatric visiting service, providing advice and duty lawyer assistance for Mental Health Review Board matters at all metropolitan and some regional psychiatric hospitals
- Neighbourhood Justice Centre, providing duty lawyer, legal advice and representation services for Magistrates' Court, Children's Court, Victims of Crime Assistance Tribunal and Victorian Civil and Administrative Tribunal matters
- Prison advice service, providing prisoners with better access to legal information and advice
- Public Defenders Unit and civil and family in-house advocates, providing advocacy in the Magistrates', County, Supreme and High courts and the Victorian Civil and Administrative Tribunal.

Some definitions of terms used in this section are contained in the Glossary, pp.103–104.

A MESSAGE FROM THE CHAIRPERSON AND THE MANAGING DIRECTOR



This report marks the first year of reporting against our *Strategic Plan 2011–14* and the priority themes that guide our work: access and inclusion, relationships and collaboration, and organisational responsiveness.

An important anniversary also approaches. In the spirit of ‘cooperative federalism’ the Victorian *Legal Aid Act 1978* was enacted some 35 years ago, when the Commonwealth and State governments came together to design and fund the new statutory scheme of legal aid, seen as groundbreaking at that time.

In a year in which we helped more than 91,000 clients, the Act’s objectives remain as relevant as ever and this report sets out how Victoria Legal Aid continues to achieve them.

Providing legal assistance in the most effective, economic and efficient manner

Our first priority remains to serve the community by providing high quality legal help to those who truly need it. We also continue to work to reduce court delays and maximise the use of time for lawyers, clients and courts.

Most significantly, we revised our adult summary crime duty lawyer service to ensure that people facing the most serious charges in the Magistrates’ Court and those with complex needs are prioritised. Changes to legislation and court practices in criminal law have also seen more matters dealt with by a duty lawyer at court and on the day, with fewer court events.

Our block briefing pilot in the Latrobe Valley County Court commenced in response to our aim to reduce delay while providing quality representation in circuit courts.

As always, we provided free legal information, advice and education to intervene early and stop legal problems from escalating. Our Legal Help phone service took over 76,000 calls, visits to our website increased by 43.6 per cent and we distributed nearly 700,000 publications.

Community access on an equitable basis

Guided by the *National Partnership Agreement on Legal Assistance Services*, we remain committed to helping more regional Victorians with civil law issues. We helped 4.2 per cent more clients with civil law issues relating to fines, debt and tenancy this year, among them nearly 4,000 regional Victorians. We also continued to fund the Goulburn Valley Community Legal Centre to ensure this region has greater access to free legal services.

The significant contribution of private practitioners, who this year conducted 72.4 per cent of all legal representation on grants of legal assistance, enabled us to provide access to justice across the state. To ensure that fees continue to recognise the value of legal aid services, we increased private practitioner fees by 2.5 per cent in summary crime, and then by 10 per cent for all fee scales and disbursements. We also provided legal education opportunities to private practitioners including intensive support to those undertaking Law Institute of Victoria’s accredited specialisation programs.

Improved access to justice and legal remedies

Through our important and enduring partnerships with community legal centres, private practitioners and other service providers, including via the Victorian Legal Assistance Forum (VLAF), we continue to address barriers to legal access and improve referrals for clients.

In-house, our Improved Client Access and Triage (iCAT) project started, which will make accessing legal aid services easier. As part of this, we have expanded our Legal Help phone team of lawyers and paralegals. As the first point of contact for most of our clients, Legal Help is now positioned to become a centre of excellence for triage, legal assistance, intake and referrals.

We provided greater access to justice for children and helped keep more families out of court through the implementation of new family law guidelines. A measure of their success, the new guidelines saw a marked increase of 32.9 per cent more family dispute resolution services provided. Demand increased for help with family violence and child protection matters in particular. We continue to refine our family law services to ensure that we can respond effectively to the broad range of issues that clients come to us with.

Our focus on achieving broader access to justice and law reform improvements also continued. Ensuring procedural fairness and humane and just outcomes for poor and uneducated Indonesian boat crew accused of people smuggling was the focus of some of our contributions to government and parliamentary inquiries and public debate this year.

Innovation to minimise the need for individual legal services in the community

We assisted clients to resolve over 6,000 infringement matters this year and helped clarify the operation of the infringements system through important test cases while working with others to reform it. Individuals should have some recourse when facing disproportionately harsh jail terms for minor breaches of the law. We were also proud to be involved in the National Bulk Debt project, which resulted in over 800 debts of people crippled by long-term financial hardship being waived, written off or permanently closed on the creditor's file.

A major Legal Services Board grant allowed us to initiate a new 'Settled and Safe' project to help prevent family violence through the provision of information and training to people working with newly arrived and emerging communities. The Commonwealth Attorney-General, Nicola Roxon, also launched the national education kit *What's the Law?*, which addresses some of the most common legal issues new arrivals may encounter.

The year ahead

Difficult economic times lead to hardship, particularly for already vulnerable Victorians, that manifests in legal problems. Ensuring that we are efficient, targeted and effective is an acute challenge in this environment. We see this as an opportunity to focus on helping people most in need, addressing legal problems at the source, and achieving a high standard of service quality while ensuring we achieve a sustainable financial future.

In the year ahead we will build on the pleasing results of our second client satisfaction survey, which showed that – depending on the service used – between 76 to 86 per cent of clients surveyed felt that the assistance they received helped them to sort out their legal problem.

Thank you

Legal aid and the benefit it contributes to the community continue to be supported by current Attorneys General the Hon Robert Clark MP, Attorney-General of Victoria and the Hon Nicola Roxon MP Attorney-General of Australia, whom we acknowledge for their leadership and commitment. Our thanks also go to former Commonwealth Attorney-General Robert McClelland MP for his support.

This year we farewelled Board members John Howie (former Chairperson), Sue Walpole and Mary Anne Noone who together gave over 25 years of service, for which we thank them. We welcomed Catherine McGovern, Virginia Rogers and new Chairperson, Andrew Guy, whose expertise we are fortunate to have on the Board.

Thanks also go to the dedicated staff of VLA who continue to make a significant contribution to helping some of the most disadvantaged people in our community. This report is testament to their efforts.



Andrew Guy
Chairperson



Bevan Warner
Managing Director

FINANCIAL YEAR OVERVIEW

We finished the year with an overall deficit of \$3.1 million, following two years of surpluses. While the deficit result is an important indicator of financial health, it is not the only indicator. As noted in previous years, the variable nature of demand for the large number of different services we provide means that we must take a medium-term view in managing financial and service delivery risks.

Our final cash and balance sheet position for 2011–12 has reduced due to increasing demand for our services, while funding levels have not increased at the same rate. This is unsustainable and a number of savings strategies will be introduced in 2012–13 to ensure that cash reserves are maintained at \$10 million or six per cent of operating expenditure.

The 2011–12 Financial Statements record:

- State Government income of \$72.8 million
- Commonwealth Government income of \$43.6 million
- public purpose funding of \$25.7 million
- \$79.6 million spent on case related private practitioner payments
- \$19.9 million funding provided to community legal centres
- an operating deficit of \$6.2 million
- a comprehensive deficit of \$3.1 million
- Commonwealth surplus of \$1 million and State deficit of \$4.1 million

See pp.55–90 for the financial year in review and Financial Statements, including the Auditor-General's Report.

OUR ORGANISATION

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Information and records management	20
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GOVERNING LEGISLATION

Victoria Legal Aid is a statutory authority established under the *Legal Aid Act 1978* (the Act). We are funded by Commonwealth and State governments but are independent of government.

Our responsibilities are set out in the Act, which gives us authority to provide legal aid in accordance with this legislation, and to control and administer the Legal Aid Fund (p.1).

We are also required to perform functions according to any specific written direction given by the Attorney-General. No ministerial directions were given during 2011–12.

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 (pp.55–90).

GOVERNANCE

The Board

The Board of Directors is responsible for ensuring we meet our statutory objectives. The Board has five directors nominated by the Victorian Attorney-General and appointed by the Governor-in-Council. At least one Board 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. The Board met 10 times in 2011–12.



Andrew Guy
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 a number of boards listed on the ASX and Anglicare Victoria. Andrew was appointed to the Board on 1 October 2011.



Bevan Warner
Managing Director

Bevan Warner was appointed Managing Director 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 in Western Australia and is the current chair of National Legal Aid.



Jennifer Shaw

Jennifer Shaw is director of HR&M Business Solutions and has expertise in strategic planning, policy, corporate governance and financial management, with a background in the health and justice sectors. Jennifer was appointed to the Board on 1 March 2010.



Virginia Rogers

Virginia Rogers has extensive legal experience, both in private practice and with major corporations. She has more than 20 years of management experience with a diverse range of organisations within the government and not for profit sector. She is a former Chairperson of Save the Children Australia and the Equal Opportunity Commission of Victoria. Her current appointments include *mecwacare*, chairperson of the Prahran Market and Marriott Support Services and a trustee of the RMIT Foundation. Virginia was appointed to the Board on 1 May 2012.

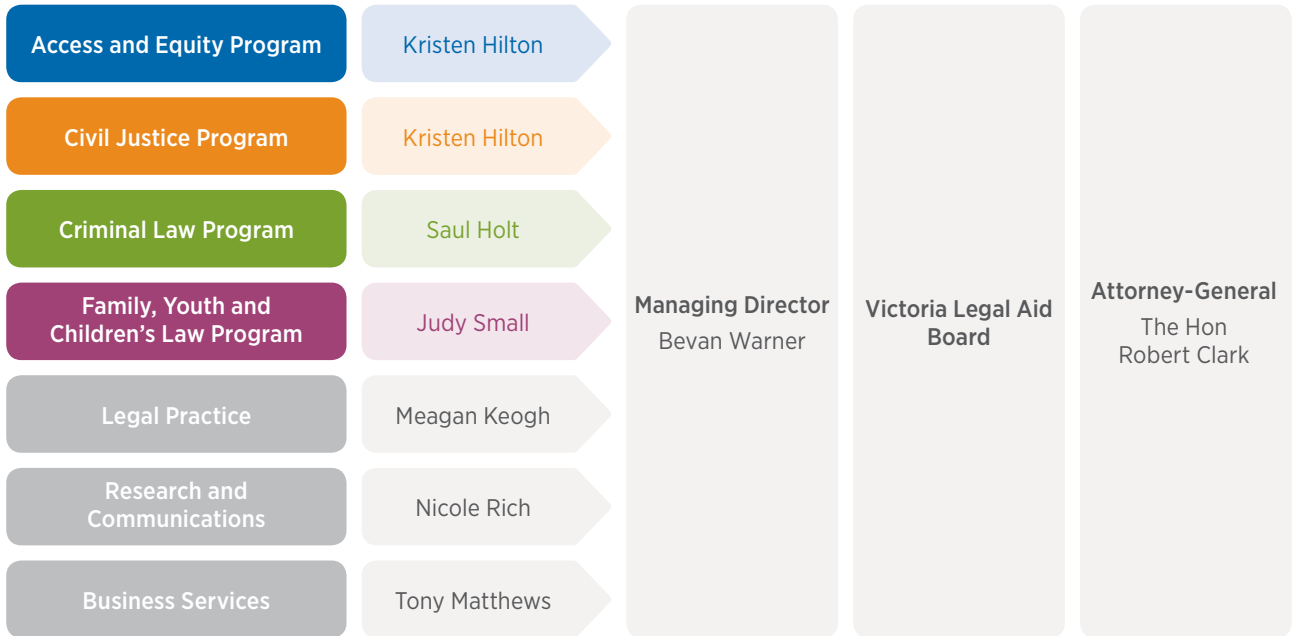


Catherine McGovern

Catherine McGovern has extensive experience in government relations, public affairs and policy development, with a strong background in the health sector and previously as adviser to then Minister of Industry Science and Resources, Senator the Hon Nick Minchin. Catherine holds a Bachelor of Economics (Honours Economic History) from Monash University. She is also a board member of Melbourne Citymission. Catherine was appointed to the Board on 27 September 2011.

We farewelled three Board members during the year: John Howie, former Chairperson, and Mary Anne Noone and Sue Walpole. We acknowledge and thank John, Mary Anne and Sue for their valuable contribution to the organisation over many years.

Organisational structure



Senior executive team

The senior executive team includes the Managing Director and meets regularly to plan, discuss and review operational performance.



Kristen Hilton
 Director, Civil Justice,
 Access and Equity
 BA, LLB (Hons)

Kristen Hilton 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 a number of community legal centres, and is currently completing a Master of Laws at the University of Melbourne. Kristen commenced as director on 23 November 2009.



Saul Holt
 Director, Criminal Law
 Accredited Criminal Law
 Specialist
 BA, LLB, LLM (Hons)

Saul Holt has specialisation in appellate law and practice, and was previously a Crown Prosecutor in New Zealand for nine years. Saul is committed to advancing the interests of legally assisted clients and helping us build on our strengths as the largest provider of criminal law services in Victoria. Saul commenced as director on 7 September 2009 and was appointed part-time member of the Victorian Law Reform Commission on 18 April 2012. From 1 July 2012, he will lead our team of in-house civil, criminal and family advocates as Chief Counsel.



Judy Small

Director, Family, Youth and Children's Law

Accredited Family Law Specialist

MA, LLB

Judy Small has extensive knowledge of family law, having worked as a family lawyer for many years in private practice and, from 2004 to 2010, as the managing lawyer of the family law service at our Melbourne office. Judy also has a rich background in psychology, social welfare and the arts. She is committed to finding better outcomes for families and children at risk. Judy commenced as director on 19 March 2010.



Nicole Rich

Director, Research and Communications

BA, LLB (Hons)

Nicole Rich is experienced in developing legal research and policy, including as the former Director, Policy and Campaigns at the Consumer Action Law Centre. Nicole has practised in the private profession and community legal centres and is a current board member of CHOICE (the Australian Consumers' Association) and the Telecommunications Universal Service Management Agency. Nicole commenced as director on 16 May 2011.



Meagan Keogh

Director, Legal Practice

Accredited Criminal Law Specialist

BA (Hons), LLB

Meagan Keogh oversees the career development and recruitment of lawyers and implementation of quality practice standards for both staff and private practitioner lawyers throughout Victoria. Meagan has practised as a lawyer with the Commonwealth Department of Public Prosecutions and in private practice, as well as undertaking salaried and volunteer roles within the community legal centre sector. Meagan is a member of the Legal Practices Committee of the Legal Services Board and currently sits on the Law Institute of Victoria's Accredited Specialisation Board. Meagan commenced as director on 25 October 2010.



Tony Matthews

Director, Business Services

B Bus, CPA, MBA

Tony Matthews has wide-ranging corporate and financial management expertise in diverse public sector and municipal environments and has managed large organisational projects. Tony is responsible for the overall management of a multi-disciplinary business services unit and is passionate about his team delivering organisational value. Tony commenced as director 5 March 2001 and will depart VLA on 14 September 2012 after 14 years combined service.

Audit Committee

The Audit Committee assists the Board to fulfil its governance responsibilities. It provides oversight of financial performance including the annual Financial Statements (pp.55–90), assurance on the operation and implementation of the risk management framework, and overview of the scope, quality and outcome of internal and external audits. It is also responsible for 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.

The Audit Committee meets on a quarterly basis and its membership comprises:

Ms Jennifer Shaw

Chair of Audit Committee

Mr Andrew Guy

Non-executive Audit Committee member

Ms Catherine McGovern

Non-executive Audit Committee member

Ms Virginia Rogers

Non-executive Audit Committee member

The Managing Director, Director Business Services, Director Legal Practice and Chief Financial Officer attend all meetings at the invitation of the Audit Committee.

The external auditor has an open invitation to attend all meetings, and receives a copy of the meeting papers and minutes. Our external auditor, UHY Haines Norton, is appointed by the Victorian Auditor-General's Office.

KPMG provide our internal audit services. Our internal auditing procedures assist the Audit Committee and look at control and risk management practices, and if these are effective, efficient and economical in assisting us to achieve our objectives. Where necessary, improvements in procedures and systems are recommended. A report is presented at each Audit Committee meeting on audit activities undertaken, advisory services provided and audit support carried out.

Reports and advice during the year included:

- *Financial Management Act 1994* (Vic) compliance
- project management processes
- payroll
- complaints handling (pp.53–54).

The Audit Committee also reviewed and approved our 2012–13 Internal Audit Plan and Risk Management Plan, Whistleblower Protection Policy and procedures, and the Audit Committee Charter.

Community Consultative Committee

A Community Consultative Committee was reconstituted in June 2011. Under the Act, the committee is empowered to make recommendations to the Board about matters the Board refers to it.

Committee members help us to create a fuller picture of the health, social and legal support context in which we operate, the often complex needs of disadvantaged and vulnerable members of our community, and the services available to them.

This year the committee met three times and discussed:

- our youth crime work and strategies to assist children and young people in criminal matters
- our mental health and disability advocacy work and how we can more appropriately address the needs of people experiencing mental health issues and disabilities
- our migration work and how we can better promote access to justice and social inclusion of newly arrived communities.

The committee is made up of representatives from a wide range of organisations we work with, or that are impacted by our work. See Appendix 2, p.94 for a list of committee members.

IDENTIFYING AND MANAGING RISK

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 10 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. We provide reports against the risk profile to the Audit Committee on a quarterly basis.

Risks identified during the year included:

- retention of funding
- quality of legally aided services
- management of major projects
- achievement of stated organisational goals
- staff recruitment and retention
- business and financial planning.

Overall, we were effective in mitigating our strategic risks. We are addressing those relating to quality of legal services through quality projects (p.21), and of the remaining:

- 21 management actions were completed
- six are ongoing and are now part of day-to-day operations
- 10 will be carried over to our new risk profile.

Attestation of compliance with the Australian/New Zealand Risk Management Standard

I, Andrew Guy, certify that Victoria Legal Aid has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (or equivalent designated standard) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Audit Committee verifies this assurance and that the risk profile of Victoria Legal Aid has been critically reviewed within the last 12 months.



Andrew Guy
Chairperson
on behalf of the Board of Victoria Legal Aid

29 August 2012

INDEPENDENT REVIEW

Independent reviewers can review a decision of 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 one of our practitioner panels.

When reviewing a matter, the independent reviewer must have regard to the Act and any decisions made by the Board. They can confirm or change our decision.

Independent review of decisions

	2011-12	2010-11
Review of a decision relating to a grant of legal assistance:		
Decision confirmed (i.e. independent reviewer agreed with our decision)	112	109
Decision varied (i.e. independent reviewer disagreed with our decision)	21	28
Review to determine matters relating to proposed removal or exclusion of a lawyer from one of our practitioner panels:		
Decision confirmed	1	0
Decision varied	0	0
Total	134	137

We acknowledge the valuable contribution of the independent reviewers appointed under the Act, Mr Martin Ravech QC (Chairperson), Mr Brook Hely and Ms Carmel Morfuni.

INFORMATION SYSTEMS AND ONLINE SERVICES

We develop, maintain and protect information technology assets to ensure our systems are reliable, effective and responsive to organisational and client service needs. We anticipate that the rapid pace of change in the way people use technology may impact on how we deliver services, as more clients use mobile technology and social media to engage with government service providers.

This year we:

- planned and consulted with stakeholders to inform the redevelopment of our website which, along with its adaptation for mobile devices, will be launched in 2013
- developed our Information and Communication Technology (ICT) strategy to guide our ICT direction for the next three years
- began deploying mobile tablet devices to lawyers to enhance service delivery to clients.

INFORMATION AND RECORDS MANAGEMENT

We have obligations and responsibilities under the relevant legislation that require us to make and keep full and accurate records of our business practices. We focused on achieving compliance with the new and revised Public Record Office Victoria standards and specifications under section 12 of the *Public Records Act 1973 (Vic)*.

This year we:

- enhanced the integration of TRIM, our electronic document and records management system, with our online grants management system ATLAS+
- planned the implementation of TRIM for corporate and administrative records
- reviewed our disposal authority for archived records
- reviewed our secondary storage services to identify cost savings in the transfer, storage, retrieval and destruction of archived records
- reduced record retrieval times by training staff in a new method of electronic registration of archived records.

OUR RELATIONSHIPS

Our connections with local communities, private practitioners, educational institutions and state and national partners increase our capacity and influence to solve and avoid problems.

National Legal Aid

As a member of National Legal Aid, we participate alongside seven legal aid commissions in consultations of national importance, share resources and systems, and enhance best practice in ways that provide value for money in the delivery of legal aid. Managing Director, Bevan Warner, is the current chair of National Legal Aid.

More information: www.nationallegalaid.org

This year we:

- contributed to 12 joint submissions to government on systemic legal issues and options for reform (see Appendix 3, pp.94–96)
- jointly produced and launched *What's the law?*, a free education kit for use nationally in English language classes and in the community (p.24)
- contributed to organising and presented at National Legal Aid's Best Practice Conference on Legal Aid, Health and Wellbeing.

Legal Assistance Forums

The Australian Legal Assistance Forum brings together National Legal Aid, the Law Council of Australia, Aboriginal and Torres Strait Islander Legal Services, and representatives from the National Association of Community Legal Centres. The forum allows these organisations to address legal assistance issues in Australia in a co-operative way.

More information: www.nationallegalaid.org

The Victorian Legal Assistance Forum (VLAFF) brings together the Aboriginal Family Violence Prevention and Legal Service (Vic), Federation of Community Legal Centres, Law Institute of Victoria, Public Interest Law Clearing House, the Victorian Bar, Victoria Law Foundation, VLA 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.

More information: www.vlaf.org.au

This year we:

- hosted forums on early intervention in culturally and linguistically diverse (CALD) communities, strategic campaigning, building culturally competent organisations, and employment law
- launched the VLAFF Spotlight Speaker Series showcasing learning outcomes from new innovative projects
- supported working groups to address legal access barriers and improve legal referrals and policy for people with disabilities and CALD communities

- made a submission to a House of Representatives inquiry on the operation of the insurance industry during disasters (p.95), and finalised the Victorian Legal Profession's Disaster Legal Help Plan
- continued a dialogue with the Commonwealth and State governments through the Victorian Jurisdictional Forum
- participated in the Strengthening Disability Advocacy Conference.

Private practitioners

The significant contribution of private 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.

This year we:

- commenced a project to review how our section 29A and section 30 practitioner panels operate. The project is driven by our commitment to ensuring that quality legal aid services continue to be delivered to clients. It will focus on panel entry requirements, practice standards and processes for firms and practitioners undertaking legal aid work
- increased fees in summary crime by 2.5 per cent in July 2011, and in October 2011 increased all fee scales and disbursements by 10 per cent (p.56).
- invited private practitioners to attend our professional legal education activities, including a sentencing appeals workshop, an independent children's lawyers seminar, a symposium on people smuggling prosecutions, and our criminal law and legal practice conference
- supported private practitioners to undertake specialist accreditation in migration, criminal and children's law in 2012 (p.51)
- placed Junior Counsel in 37 trials to acquire trial skills through the Trial Counsel Development Program (TCDP). Trials can be nominated to the program by our in-house practice or by private practitioners. Private practitioner firms (18 in total) contributed nearly half of these trials. Supported by the Victorian Bar, the TCDP aims to develop a skilled and steady pool of quality advocates at the Junior Bar, and to help reduce delay in indictable trials.

See Appendix 4, p.96 for expenditure across private practitioner firms that received the 20 highest aggregate payments for legally aided cases.

Community legal centres

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

More information: www.communitylaw.org.au

We administer funding for 40 centres and the Federation of Community Legal Centres through the CLC Funding Program, ensuring that centres meet their service agreements. We are increasingly focusing on how we can support the professional development of the sector through joint training initiatives.

This year we:

- introduced a Strategic and Small Grants Program to support innovative projects. These included supporting tenants rights, young people taking action regarding police abuse of powers, and informing women how to gather evidence about family violence
- provided the Goulburn Valley Community Legal Centre with \$96,000 (p.24)
- worked with the Federation of Community Legal Centres, the Department of Justice and the Commonwealth Attorney-General's Department to prepare for the implementation and impact of the Social and Community Services (SACS) Award Equal Remuneration decision for increases to salary levels
- withdrew funding to Community Connections, which was operating the South West Community Legal Centre, after unsuccessful attempts to resolve serious concerns regarding its management. In 2012–13, we will provide additional legal assistance from our Warrnambool office to meet the legal needs of the community in South West Victoria.

See p.27 for CLC performance outputs and Appendix 5, pp.97–98 for grants administered through the CLC Funding Program.

Educational institutions

We have established relationships with many educational institutions to enhance our knowledge and skills and provide work experience to law students. RMIT University provides accreditation for our administrative staff. We also offer practical legal experience to students of Leo Cussen Centre of Law, Deakin University, University of Melbourne and La Trobe University (p.51).

This year we:

- supported 280 students from the Leo Cussen Centre of Law Clinical Experience Program
- provided practical experience to 36 La Trobe students and 48 Deakin students
- provided practical experience to two Indigenous law students through our Indigenous Clerkship Program.

OUR PROGRAMS

ACCESS AND EQUITY PROGRAM

What we aim to do

Assist people to deal with legal issues by ensuring that services are accessible and appropriate to need. Work to achieve a fair and efficient justice system through collaborative law reform.

Legal Help and Client Access sub-program

Ensure that callers receive a timely and comprehensive assessment of their legal issue, understand their legal options at the earliest opportunity and are referred to the most appropriate forms of legal and non legal assistance.

Community Legal Education sub-program

Increase knowledge of legal rights and responsibilities and mitigate against the escalation of legal disputes by providing effective and targeted community legal education.

Community Legal Centres sub-program

Support community legal centres to provide excellent services to disadvantaged members of the community through the effective administration of funding, good governance and support of sector innovation.

Justice and Law Reform sub-program

Promote a more responsive justice system and influence systemic change for the benefit of the community, through strategic advocacy, policy change and law reform

Changes to our program structure in 2011–12 included renaming the Referrals, Access and Equity sub-program the Legal Help and Client Access sub-program, and amending its objective to better articulate what is provided.



JUSTICE AND LAW REFORM SUBMISSIONS

See Appendix 3, pp.94–96 for a list of major justice and law reform submissions. Those relating to our program achievements are identified throughout this report by the icon above.

“A GREAT RESOURCE.”

Janet Shaw, Adult Migrant English Program Teacher, NMIT Epping Campus

Many of the legal problems faced by newly arrived migrants are preventable and arise from simple misunderstandings about Australia's legal and social system.

Janet, an experienced teacher of newly arrived migrants, sees it as vital that people understand their rights and responsibilities at a critical time of their settlement in Australia. Activities that many of us take for granted, like beginning to drive, signing contracts with utility companies and renting a home, can be confusing to her students.

The *What's the law?* kit takes a storytelling approach to common legal topics explained through real-life digital stories.

At the heart of this resource is a desire to make settlement in this country as safe and as trouble free as possible.



**WE HELPED DEVELOP A RESOURCE
TO MAKE SETTLEMENT IN
AUSTRALIA AS SAFE AS POSSIBLE**

How we do it

Improved client access

We started the Improved Client Access and Triage project (iCAT) to plan and deliver a range of initiatives that will help make accessing our services easier. It has led us to redesign our free Legal Help telephone service, the first point of contact for most clients. We began an expansion of our Legal Help team of lawyers and paralegals to become a centre of excellence for triage, legal assistance, intake and clear referral pathways.

Consistent with our obligations under the *National Partnership Agreement on Legal Assistance Services*, we also continued to reduce the 'referral roundabout' by providing information and advice in appropriate matters in a single call. In addition, we expanded our Legal Help lines to include Vietnamese and will soon include Urdu and Hindi.



📄 Numbering: Calls to freephone and local rate numbers, the way forward consultation paper, p.95.

Australian law for new arrivals

The Commonwealth Attorney-General Nicola Roxon launched a nationally available education kit *What's the law?* in June this year, which we developed in collaboration with legal aid commissions across Australia. The kit addresses some of the most common legal issues new arrivals may encounter, including driving, tenancy, child protection, contracts and family violence.

Endorsement from the Department of Immigration and Citizenship means that the kit, now in use in the Adult Migrant English Program, has the potential to reach over 50,000 new arrivals, helping them to identify and address some of the most common legal issues before they escalate.



Legal need in the Goulburn Valley

The Goulburn Valley Community Legal Centre has helped more than 400 people with problems such as debt, problems with Centrelink, migration law and family violence since 2009. The centre works with other service providers, including our Shepparton office. We provided \$96,000 to ensure its operation could continue.

In July 2011, the Board and Managing Director met with lawyers and community sector workers in Shepparton to build our understanding of the unique circumstances country communities face which can make access to legal assistance difficult. They also looked at what services are working well and where the gaps are. In June this year, we agreed to provide \$400,000 over the next two years to expand and consolidate the service, including with a permanent office.




Improved access for people with a disability

Guided by our Disability Action Plan (p.52), we produced our first suite of Easy English resources and delivered tailored community legal education sessions to students at Warringa Park School, a special school in the western suburbs. Our free publications are more accessible with *Take control*, a kit for making powers of attorney and guardianship, now in audio format.

In April this year we also signed on as a supporter of a National Disability Insurance Scheme, which we see as helping to address the disadvantage that people with a disability experience in accessing essential care and support services.



 Consultation on the Draft National Standards for Disability Services, p.96.

Partnering with the Muslim Legal Network

We worked with the Muslim Legal Network and the Islamic Council of Victoria to address legal education needs among diverse Muslim communities experiencing varying levels of discrimination. In partnership with the Victorian Equal Opportunity and Human Rights Commission and the Human Rights Law Centre, we delivered information sessions on discrimination, racial vilification and human rights law at three mosques. The success of this project has led to it being extended, with the assistance of a volunteer from the Afghani community who will focus on capacity building to widen its reach.



Challenges

Implementing change

Implementing major changes this year to our Legal Help service while maintaining good access for people who call us was a complex task, which periodically affected our ability to provide a timely service. It led to a temporary increase in call times as staff were trained and began to employ new processes to triage and assess caller needs, but will ultimately result in a much improved service. It will be complemented by the redesign of our website, to be launched in 2012–13 (p.20).



Commonwealth Attorney-General Nicola Roxon with English as a Second Language students at the launch of *What's the Law?*

Silver Keogh of Uniting Care – Cutting Edge with John Howie, former Chairperson VLA Board

Anna Brown, Human Rights Law Centre; Fatima Dennaoui, President, Muslim Legal Network; Rob Daly, VLA; Kenton Millar, Victorian Equal Opportunity and Human Rights Commission, Arabic interpreter, and Jazeer Nijamudeen, Muslim Legal Network.

2012-13 future challenges

- Building more effective client pathways through our iCAT project.
- Keeping abreast of demographic change and population growth in planning service delivery.
- Building an evidence base for unmet legal needs to underpin community legal centre investment and localised decisions.
- Responding to the Fair Work Australia decision to provide median salary increases to community and disability sector workers, which include community legal centre workers.
- Consolidating, reviewing and adjusting the Legal Help service to deliver the best possible service to people who call us.
- Improving how we respond to client perspectives in our service design and evaluation.

AT A GLANCE

Operating expenditure

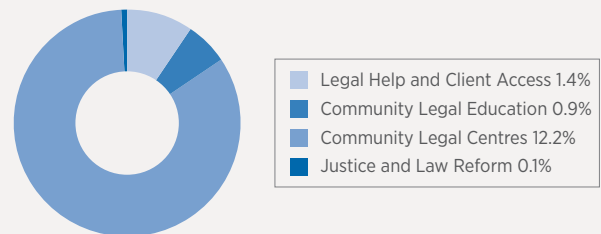
\$23.9 million

Commonwealth funding \$11.6 million

State funding \$12.3 million

- Legal Help and Client Access \$2.4 million
- Community Legal Education \$1.4 million
- Community Legal Centres \$19.9 million*
- Justice and Law Reform \$0.2 million

Percentage of VLA operating expenditure (all programs)



Core services

- Provide callers with free telephone legal information and referrals to legal and non-legal services.
- Deliver targeted community legal education to prevent problems from occurring and from escalating.
- Administer funds and monitor and support community legal centre efforts to enhance justice.
- Improve the way laws operate and impact on the community through contributions to parliamentary inquiries and consultations and provision of advice to government.
- Ensure that our services are accessible and equitable for individuals and groups who are experiencing multiple disadvantage.

Facts and figures

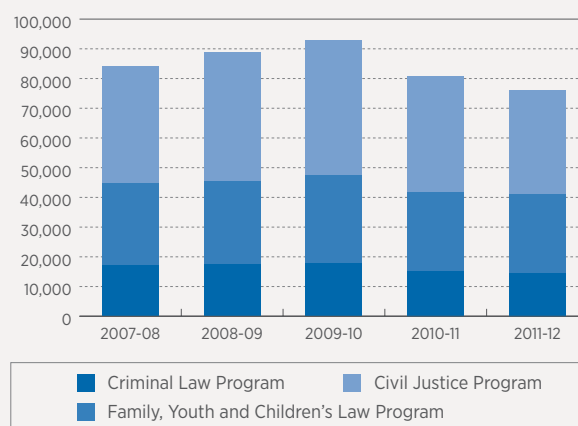
- **NPA** 40,829 external referrals made across all programs
- **NPA** 81,708 matters dealt with by Legal Help (down by 7.2%)
- Top five matters in calls to Legal Help:

7,311	spending time with children
4,808	property settlement
4,452	family violence intervention orders
2,421	other contract**
2,277	infringements
- 76,129 calls to Legal Help (down by 5.7%)
- 8 mins 9 sec average Legal Help call duration (7 mins 6 sec average in 10–11)
- Top five non-English languages to Legal Help: Arabic, Mandarin, Serbian, Polish, Greek
- **NPA** 688,813 publications distributed (up by 27.4%)
- **NPA** 295 community legal education sessions

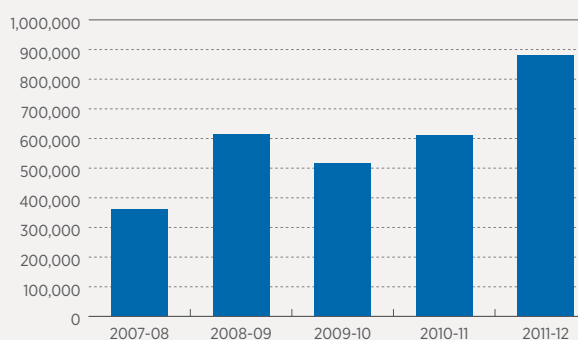
Community legal centre performance outputs***

Activity	2011-12	2010-11	% change
Information	56,590	58,845	↓ 3.8
Advice	47,848	47,194	↑ 1.4
Face-to-face	34,221	33,838	↑ 1.1
Phone calls	12,876	12,850	↑ 0.2
Other (e.g. email and TTY)	751	506	↑ 32.6
Cases opened****	23,233	23,391	↓ 0.7
Cases closed****	23,576	22,783	↑ 3.4
Community legal education projects delivered	907	814	↑ 10.3
Law reform/legal policy submissions	233	359	↓ 35.1

Calls to Legal Help over five years



Visits to www.legalaid.vic.gov.au over five years



Percentage changes are based on comparison with 2010–11.

NPA = National Partnership Agreement output.

* This amount includes total funding paid to community legal centres (see Appendix 5, pp.97-98), project income provided by the Commonwealth and State governments for special projects, and costs associated with our management of the program and organisational corporate support.

** Other contract includes matters that may involve wills, building disputes, commercial disputes, employment contracts, insurance and loans or consumer disputes.

*** Figures are from a database used by 37 of 41 community legal centres (CLCs) funded through the CLC Funding Program. Figures not included from funded CLCs are for: Aboriginal Family Violence Prevention and Legal Service (Vic), Homeless Persons Legal Clinic, PILCH, Job Watch, and Refugee and Immigration Legal Centre. Figures do not include advice provided by the Tenants Union of Victoria.

**** CLC 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.

CIVIL JUSTICE PROGRAM

What we aim to do

Contribute to a fairer, more inclusive and rights-respecting community by providing civil and administrative advice and legal representation to vulnerable people.

Contribute to a more efficient and equitable justice system by seeking to change the law and legal processes where they impact disproportionately on disadvantaged people.

Mental Health and Disability Advocacy sub-program

Ensure that people with mental health issues and disabilities are afforded fair and humane treatment under the law by providing timely information and representation and by protecting the right of people to participate in decisions that affect them.

Social Inclusion and Equality sub-program

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.

Promote substantive equality by addressing individual and systemic discrimination through case work, legal education and law and policy reform.

Migration sub-program

Ensure that new migrant citizens are assisted to understand the law and asylum seekers and other vulnerable non-citizens are provided with appropriate legal assistance and other forms of advocacy to obtain just outcomes.

Commonwealth Entitlements sub-program

Assist eligible persons and veterans to access income support and entitlements and challenge unfair administrative decisions by Centrelink and Veterans Affairs by providing quality legal advice and representation and by encouraging agencies to administer systems that treat clients fairly and respectfully.

Assist defendants to social security prosecutions to navigate the social security prosecution system, and influence the system to be efficient, fair and respectful to accused people.

Changes to our program structure in 2011–12 included refining the objectives of the Social Inclusion and Equality, and Commonwealth Entitlements sub-programs.

“IT WAS A PUNCH-THE-AIR MOMENT WHEN DAVID WAS RELEASED.”

Lawyer from Sunshine

David*, who has a mental illness, had already spent 11 days in custody for unpaid fines when his Victoria Legal Aid lawyer secured his release.

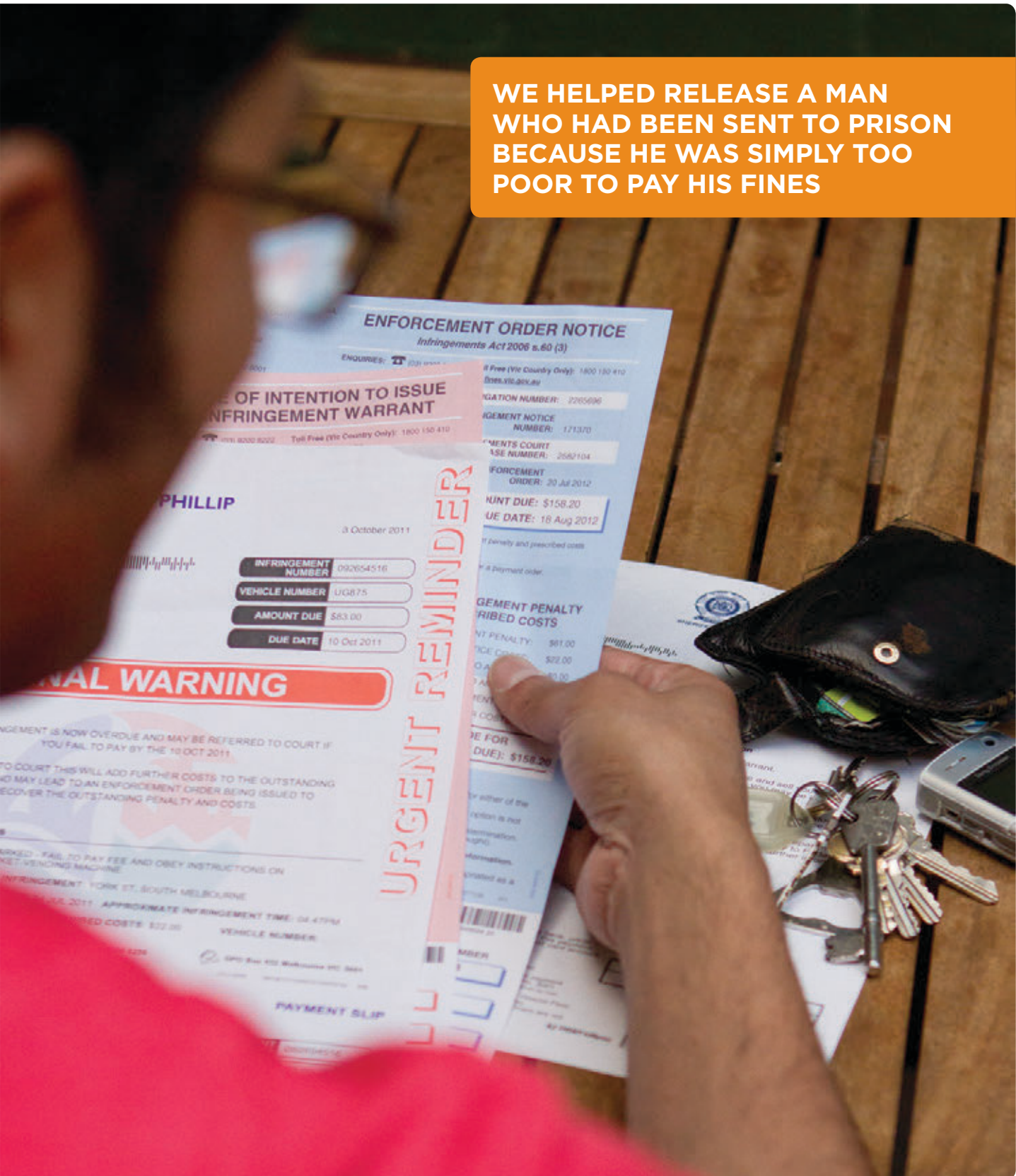
He got into trouble meeting his payment plan instalments, which were based on incorrect information about his income at the initial hearing and had been set unrealistically high for his circumstances. He defaulted on his payments and was then sent to jail.

Under the current infringements system there is no right of appeal or rehearing when new information comes to light. This is unlike any other law in Victoria where someone is facing jail.

David's lawyer successfully argued that the magistrate had the power to consider the new information about the mistake in the payment plan calculations. He was released and his payment plan reduced by three quarters.

* Name has been changed to protect the privacy of the person involved.

WE HELPED RELEASE A MAN WHO HAD BEEN SENT TO PRISON BECAUSE HE WAS SIMPLY TOO POOR TO PAY HIS FINES



How we do it

Changing the legal landscape

We continued to make law reform submissions and to act on systemic issues. This included a major submission to the Commonwealth Government about the reform and harmonisation of anti-discrimination laws.

We also made a submission to the Parliamentary Inquiry into Access to the Justice System for Persons with a Disability. Twenty-five per cent of legally aided clients we surveyed this year indicated that they have a disability (p.8). Our insight into the impact of the law on these clients saw many of our recommendations to the Victorian Law Reform Commission's Inquiry into Guardianship and Administration Law endorsed in their report released in April 2012.



i Consolidation of Commonwealth Anti-Discrimination Laws Discussion Paper, p.95; Parliamentary Inquiry into access to and interaction with the justice system by people with an intellectual disability, p.95.

Infringements system reform

Having an infringements system can be an efficient way for the community to deal with a range of minor offences, but it should not result in unjust outcomes. Fines have a disproportionately harsh impact on poor and vulnerable people who may face serious penalties, including jail terms, for what are minor breaches of the law.

The number of infringement notices issued and the number of people subject to orders for imprisonment in lieu of payment of infringements has increased dramatically in recent years, and people who are poor can be jailed if they cannot afford to pay.

We helped to clarify the operation of the system in a number of important test cases, notably *Taha v Broadmeadows Magistrates' Court & Ors*, and *Brookes v Magistrates' Court of Victoria & Anor* [2011] VSC 642. In the Taha case we successfully challenged the law around appeal rights, arguing that a magistrate has a particular duty to inquire whether someone who comes before them with unpaid fines has special circumstances. At the same time we worked with government, the courts and community groups about potential reform to the system.



i Parliamentary Inquiry into access to and interaction with the justice system by people with an intellectual disability, p.95.

Migration judicial review

We helped more than 100 people who had been refused refugee status to have their claim re-assessed in the Federal Magistrates Court. In the last year there has been a dramatic increase in migration applications because of changes in the law relating to visa application processing. Our work assisted the Court to respond efficiently to this increase, and importantly helped vulnerable people access the full protection of the law in the assessment of their claims.

We also ran important test cases to clarify migration law. In *Shahi v Minister for Immigration and Citizenship* [2011] HCA 52, we clarified the operation of the 'split family' provisions which allow young people recognised as refugees to bring their family to Australia. In addition, we ran important test cases about the immigration detention of children, and the right of applicants in judicial review proceedings to attend their own Court hearings by videolink.




i Judicial Review in Australia consultation paper, p.94; Inquiry into Australia's Immigration Detention Network, p.94.



Expanding equality law work

In December 2011, the Victorian Government agreed to provide \$1.45 million over three years to establish the Equal Opportunity Legal Service. This has enabled us to significantly expand our work in equality law. The service will develop strong referral arrangements with community legal centres to ensure people have access to legal advice and representation when dealing with complaints of discrimination, vilification and sexual harassment. The service will also use the existing pro bono networks of the Public Interest Law Clearing House (PILCH). The funding has allowed us to increase our presence at the Victorian Civil and Administrative Tribunal where we provide targeted assistance to unrepresented applicants in the Anti-Discrimination List.



 Consolidation of Commonwealth Anti-Discrimination Laws Discussion Paper, p.95; Inquiry into age barriers to the workforce, p.96.

Early intervention through education

We provided education sessions to help members of vulnerable groups, and the workers who support them, understand the law. This included information sessions run through Victorian Advocacy League for Individuals with Disability Inc (VALID); a series run at mosques on discrimination and vilification issues (p.25); and victims of crime roundtable forums with non-legal service providers, aimed at helping victims of family violence.

We also ran a 'Next Steps Forum for Families' to help parents of children with disabilities navigate guardianship and administration law. Working with the Victorian Civil and Administrative Tribunal, we also provided practical information about the legal system to people in extremely stressful personal circumstances.



Challenges


Expanding services across Victoria

Improving access to legal services, and particularly to civil law services, for rural and regional Victorians continues to be a challenge for us. In 2012–13, we will build the capacity of regional offices to provide more access to civil law services through the employment of new civil outreach lawyers.

Responding to consumer debt

We saw more clients with debt-related issues than ever before (1,040 in 2011–12). These included consumer debts, substantial debts as a result of incurring infringements, and debts to government agencies, notably Centrelink. Responding to this growing demand has required greater collaboration and creativity in the way we work with external stakeholders.

This has included our work with the National Bulk Debt project which, by negotiating with selected creditors to waive debts incurred, helps people in long-term financial hardship who are struggling. Of the 1,100 debts referred to the project in July and August 2011, over 800 totalling more than \$3.5 million were waived, written off or permanently closed on the creditor's file. The project also aims to bring about long-lasting changes in market behaviour and in regulators' approaches to long-term financial hardship.

 Proposed Consumer Credit Legislation, p.94; Inquiry into *Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011*, p.95.

New Frankston civil law service launched with Elissa Scott, Managing Lawyer; Karina Okotel, Civil Law Advocate; Kristen Hilton, Director, Civil Justice, Access and Equity.

Melanie Schleiger, Program Manager Equal Opportunity Service; Kristen Hilton, Director Civil Justice, Access and Equity Program; Victorian Attorney-General, the Hon Robert Clark, MP.

Newly arrived migrants, refugees and other low income people in financial trouble benefited from our VLA Ringwood 'Bring your bills day', which helped people learn more about their consumer rights and sort out their finances.

Changes to the law

Regular changes to the law significantly impact the work we do. Major changes this year included new 'impairment tables' for the assessment of disability for social security purposes, the commencement of a new *Equal Opportunity Act 2010* (Vic), and changes to the processing of asylum seekers.

2012-13 future challenges

- Expanding regional civil law services to meet demand.
- Meeting increased demand for assistance with problems of debt and long-term financial hardship.
- Changes to the migration system affecting demand for legal help from applicants for student visas, protection visas and skilled migration visas.
- Addressing legal issues arising out of the introduction of 'income management' in the greater Shepparton area, as part of changes to social security law.
- Providing services that are better positioned to respond to a broader range of issues that clients come to us with.
- Responding to proposed changes to the mental health system, particularly those relating to the Mental Health Review Board and guardianship and administration.

AT A GLANCE

Operating expenditure

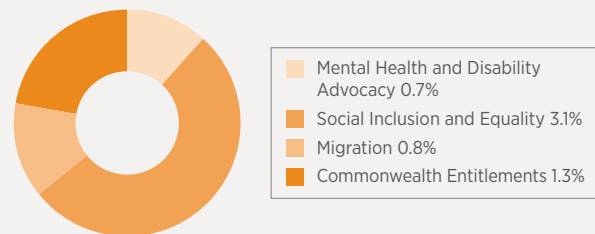
\$9.4 million

Commonwealth funding \$4.8 million

State funding \$4.6 million

- Mental Health and Disability Advocacy \$1.3 million
- Social Inclusion and Equality \$4.6 million
- Migration \$1.4 million
- Commonwealth Entitlements \$2.1 million

Percentage of VLA operating expenditure (all programs)



Core services

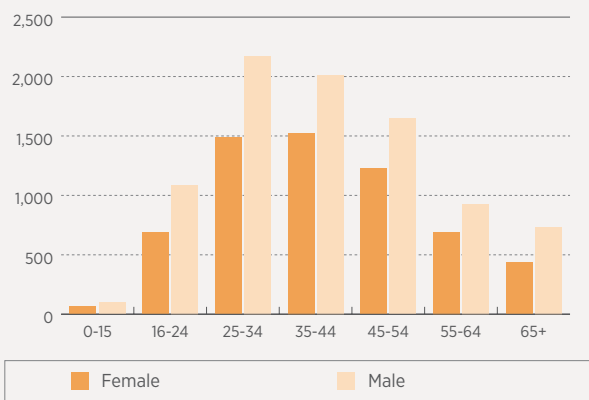
- Deliver services that help people deal with their legal issues at the earliest opportunity.
- Negotiate and mediate to achieve fair outcomes for clients without going to court.
- Advocate for clients' rights through representation in the courts, tribunals and review boards.

Facts and figures

Clients

- 14,804 unique clients (up by 4.2%)
- 15% presented with two civil law problems and 10% with 3 to 5
- 4,207 or 28.4% born in non-English speaking countries
- 218 or 1.5% from Aboriginal or Torres Strait Islander backgrounds

Gender and age profile



Services

- **NPA** 1,313 grants of legal assistance (up by 35.5%)
- **NPA** 896 in-house grants of legal assistance (up by 38.5%)
- **NPA** 68 community legal centre grants of legal assistance (up by 44.7%)
- **NPA** 5,224 in-house duty lawyer services (down by 10.0%)
- **NPA** 14,312 legal advice, minor work and advocacy services (up by 6.9%)
- Top five matters for above services:

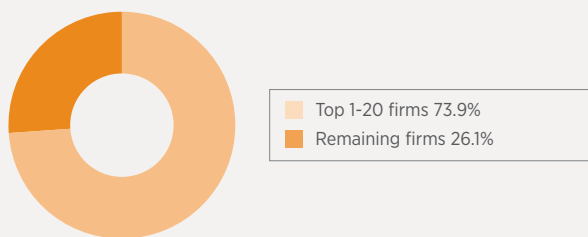
6,382	infringements
2,344	advice/ miscellaneous*
1,955	tenancy
1,806	Mental Health Review Board hearings
768	guardianship and administration

- **NPA** 36,565 matters dealt with by Legal Help (down by 10.3%)
- 35,186 calls to Legal Help (down by 9.7%)
- **NPA** 22,032 referrals made to external agencies
- Top five external referral agencies: generalist CLCs, specialist CLCs, Law Institute of Victoria, private practitioners, Consumer Affairs Victoria

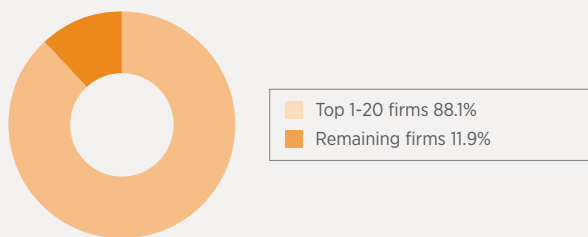
Private practitioners

- **NPA** 349 grants of legal assistance (up by 8.4%)
- Top 20 firms accounted for 73.9% of assigned cases
- The remaining 47 firms undertook 26.1% or 91 cases
- In comparison, the top 20 firms based on fees received 88.1% of total expenditure on assigned cases

Percentage market share of private practitioner firms based on number of legally aided files



Percentage market share of private practitioner firms based on fees (excl. GST)



Total expenditure = \$1.0 million (excl. GST)

See Appendix 4, p.96 for expenditure across private practitioner firms that received the 20 highest aggregate payments for legally aided cases.

Percentage changes are based on comparison with 2010–11.

NPA = National Partnership Agreement output.

* Advice/miscellaneous includes, for example, civil litigation at Magistrates' Courts, consumer matters, civil claims at the Victorian Civil and Administrative Tribunal, Working with Children Checks and Freedom of Information requests.

CRIMINAL LAW PROGRAM

What we aim to do

Provide access to quality advice and representation for people charged with offences who cannot otherwise afford it, with a focus on those who are disadvantaged or at risk of social exclusion. 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 guided appropriately through the criminal justice system. Improve community understanding of criminal justice and behavioural issues.

Summary Crime sub-program

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 system to be efficient, fair and respectful to accused people

Indictable Crime sub-program

Achieve timely and appropriate outcomes for people facing serious criminal charges by providing high quality expert advice and representation and by influencing the system to be efficient, fair and respectful to accused people.

Appellate Crime sub-program

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.

Youth Crime sub-program

Ensure that children charged with crimes are treated fairly and that outcomes have a therapeutic focus by providing expert advice and representation in a way that reflects the unique status and vulnerability of children.

“I KEEP ASKING WHY WOULD THEY DO THIS TO ME? IS THERE NO JUSTICE HERE?”

*Ari**

Children and young people are harmed by their detention, particularly when held in adult facilities.

At 15 and from a poor Indonesian fishing village, Dion supported his family by working as a cook on fishing boats in the Timor Sea. Ari was 17 and worked as a fisherman.

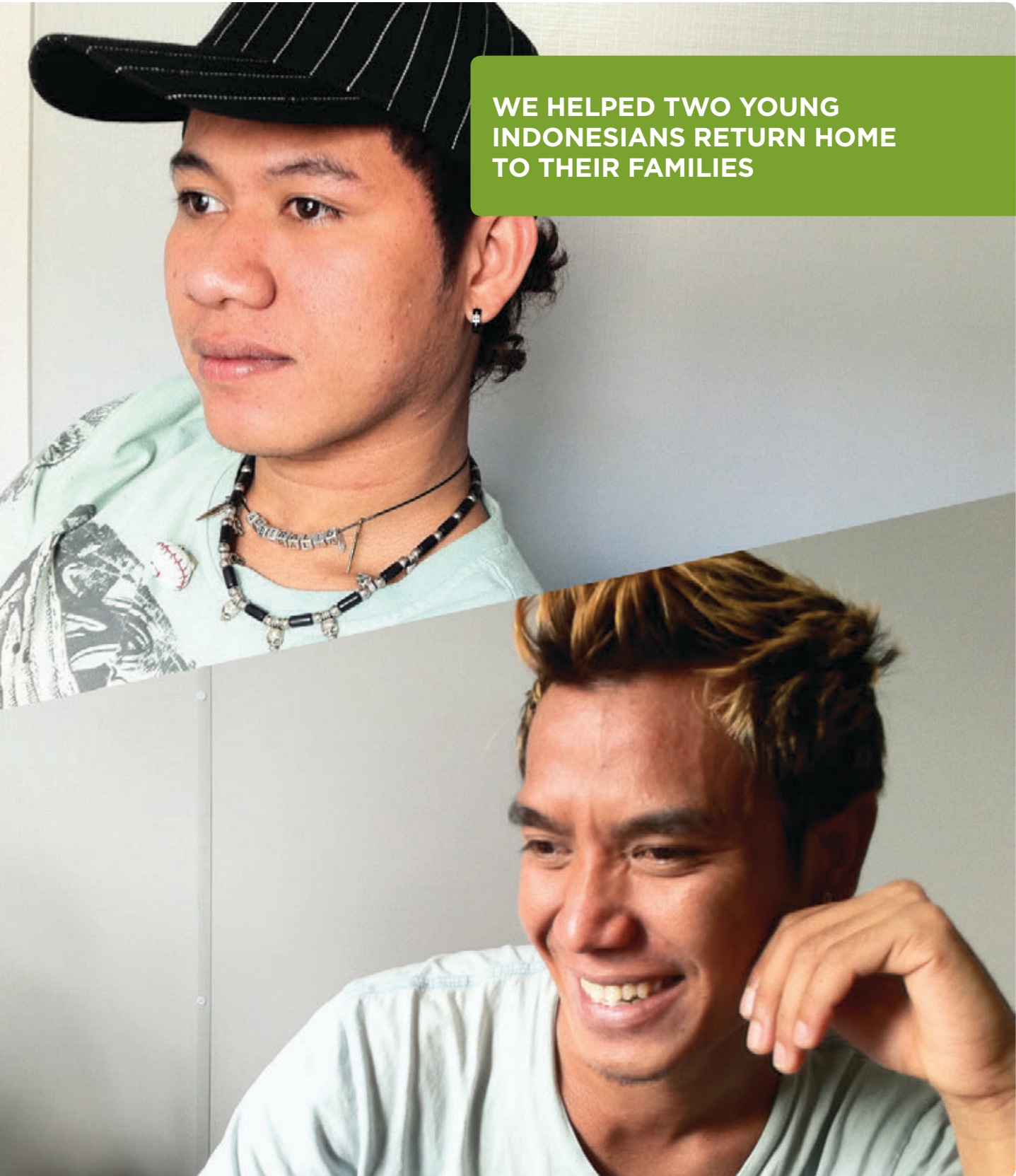
In pursuing aggravated people smuggling charges against Dion and Ari, the Commonwealth Director of Public Prosecutions relied on widely discredited wrist x-rays to argue they were at least 19 years old.

Victoria Legal Aid lawyers travelled to Rote Island in Indonesia and were able to obtain evidence about the boys' ages, which directly contributed to them being returned to their families.

After spending eight months in detention, Dion's charges were dropped. In Ari's disputed age determination hearing, the magistrate ruled that he was a minor. Ari had spent 16 months in detention, including two months in a maximum security adult prison.

The overwhelming majority of people charged in Australia with aggravated people smuggling are, like Dion and Ari, not the organisers of people smuggling operations but poor boat crew.

* Acknowledgement: ABC 7.30 Vic 'The costs to Victoria of people smuggling' broadcast 9 December 2011.



**WE HELPED TWO YOUNG
INDONESIANS RETURN HOME
TO THEIR FAMILIES**

How we do it


Representation of Indonesian boat crew

This year the Commonwealth Government provided special funding for us to arrange representation for 66 Indonesian boat crew charged in Victoria with aggravated people smuggling. Two of our lawyers travelled to a remote part of Indonesia in October 2011 to gather evidence in cases where boat crew claimed to be minors. A total of four prosecutions were discontinued in 2011–12 after the prosecution accepted that the accused were minors. These boys had spent an average of around one year in custody before returning home.

The cases also formed part of a catalyst for the Australian Human Rights Commission's inquiry into the treatment of Indonesian boat crew in Australia who claim to be minors, to which we made a submission. We also made submissions to four parliamentary inquiries into people smuggling and gave evidence before two Senate inquiries.

Our lawyers worked with ABC 7.30 Vic on a story which was described by the Victoria Law Foundation as "a game-changer for understanding how the real people smugglers may be duping young Indonesians into signing on as crew members." It won the 2012 Legal Reporting Awards current affairs television category.



 Inquiry into *Detering People Smuggling Bill 2011*, p.95; Inquiry into *Crimes Amendment (Fairness for Minors) Bill 2011*, p.95; Inquiry into the treatment of individuals suspected of people smuggling offences who say that they are children, p.95; Inquiry into the *Migration Amendment (Removal Of Mandatory Minimum Penalties) Bill 2012*, p.95; Inquiry into the detention of Indonesian minors in Australia, p.96.

Review of duty lawyer services

Appearing for everyone who has a court matter listed on a given day is not the most effective use of time for lawyers, clients or the court, especially where charges are straightforward and penalties are basically set. We revised our adult summary crime duty lawyer service after extensive consultation with the Magistrates' Court of Victoria, the Law Institute of Victoria and Victoria Police this year. The new guidelines, effective 1 July 2012, ensure that people in the Magistrates' Court who face the most serious charges and those with complex needs are prioritised, while other forms of help are provided to people who do not need intensive support.



Quality and timely justice in circuit courts

We developed a pilot project aimed at helping people with quality and timely access to justice in circuit courts. Commencing in the Latrobe Valley County Court in June 2012, it involves briefing an individual defence barrister at a daily rate to undertake all legally aided matters in each applicable circuit. The pilot project is designed to help reduce the backlog of circuit trials, improve pre-trial preparation and support judicial case-management while providing quality representation to clients. We will evaluate the project after its completion in June 2013, with a view to implementing it in other Victorian circuit courts.



Client satisfaction with our services

This year's client satisfaction survey indicates that most criminal law clients found the service they used helped them to sort out their problem (p.8). Most who had received a grant of legal assistance felt confident in their lawyer's ability (87%), and 84 per cent said they would use the same lawyer again. Almost all clients who had been supported through our duty lawyer services in the Magistrates' Court of Victoria would recommend the service to others (94%).



Preventative efforts in youth justice detention facilities

Access to legal information, advice and representation provides an important safety net for young people in helping them to break the cycle of re-offending. We are collaborating with Monash Oakleigh Legal Service to deliver legal education to young people in remand, focusing on issues that might lead to young people re-offending upon release. We are also working with Parkville Youth Residential Centre to identify young people on remand who can benefit from intensive bail support services.



Early and better disclosure practices

Our lawyers are members of the Summary Procedure Steering Group, along with representatives from the Magistrates' Court, Victoria Police, the Law Institute of Victoria and others. Over the past three and half years the group has been looking at ways to address court delays. A primary focus has been on reducing the number of adjournments to obtain the brief of evidence.

This work resulted in the passage of amendments to the *Criminal Procedure Act 2009* in early 2012. Police informants are now required to make a copy of the brief of evidence available to the accused, or their legal representative, at the first mention. This means that our clients can have their matters heard earlier and with fewer court attendances (p.10 and p.11). By reducing the time spent obtaining briefs we are also able to provide a more efficient service to clients.



Challenges

Supporting work across Victoria

We focused this year on growing our expertise and advocacy to meet the challenge of delivering high quality services to a diverse range of clients in metropolitan, regional and rural Victoria. This enabled our lawyers to conduct more advocacy in-house, conclude more matters at court without delay, and move towards more complex but lower volume legal work, which contributed to a decrease of 6.9 per cent in in-house grants of legal assistance.

We have also enhanced our capacity to represent regional and rural Victorians. We delivered training programs for advocates across the state and in March 2012 appointed four public defenders as part of our regional advocacy pilot program.

Increasing complexity of sexual offence cases

There have been significant changes to the prosecution and post sentence supervision of offenders in response to a growing recognition, over the past two decades, of the impact of sexual assault on individuals, families and communities. Sexual offence cases have come to dominate the landscape in indictable crime, comprising 50 per cent of trial work in the County Court of Victoria, while more than tripling in the Magistrates' Court between 2007 and 2010.

We have seen a 31 per cent increase in funded sexual offence prosecutions and appeals over the last five years. This year we experienced an 83 per cent increase in applications for post sentence supervision and detention orders compared with 2010–11, and the prosecution of subsequent breaches increased by 207 per cent. The challenge for our specialist sexual offences team has been to respond effectively to these increases while operating within more complex legislative structures.

 Sex offenders registration review, p.94.



Attorney-General, The Hon Robert Clark MP visited our Bendigo office in March, now staffed by a public defender as part of our regional advocacy pilot program. Members of a steering group aimed at achieving early and better disclosure practices in the Magistrates' Court: Superintendent Spiros Kalliakmanis, Divisional Commander of the Prosecutions Division, Victoria Police and Vincenzo Caltabiano, Summary Crime sub-program manager.

An in-house working group led by Summary Crime sub-program manager, Vincenzo Caltabiano, helped develop and implement our new duty lawyer service.

Representation of Indonesian boat crew

Our representation of poor and uneducated Indonesian boat crew who have been charged with aggravated people smuggling and face a five year mandatory prison term has been a major logistical and policy challenge for us, both in volume and intensity. At 30 June 2012, there were 53 Indonesians awaiting trial in the County Court of Victoria, of whom 31 are represented by our in-house practice. Some have spent more than two years in detention before trial. We have collaborated with practitioners in Victoria and in other states, and on 14 April 2012 hosted a symposium to ensure lawyers are well-equipped to conduct these trials.

2012-13 future challenges

- Effectively contributing to a reduction in court delays in the face of increasing court activity and corresponding demand for legal help.
- Improving intake, referrals and education strategies to prevent people's contact with the criminal justice system.
- Providing services that are better positioned to respond to a broader range of issues that clients come to us with.
- Increasing access to quality service delivery for clients across the state.

AT A GLANCE

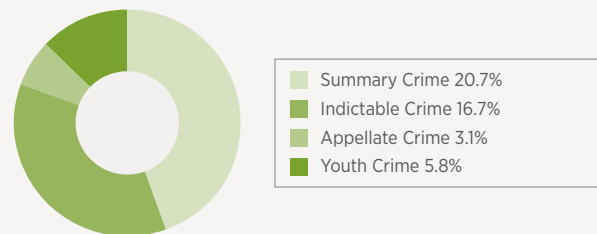
Operating expenditure

\$75.7 million

Commonwealth funding \$10.6 million
State funding \$65.1 million

- Summary Crime \$33.8 million
- Indictable Crime \$27.3 million
- Appellate Crime \$5.1 million
- Youth Crime \$9.5 million

Percentage of VLA operating expenditure (all programs)



Core services

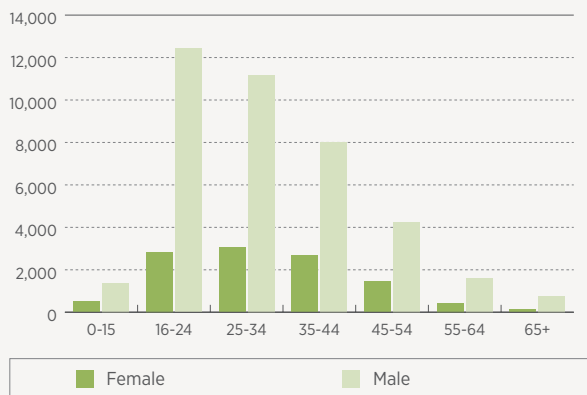
- Provide duty lawyers at courts, advice in the community, advice in prisons, education and legal representation for summary and indictable crime matters.
- Provide legal representation on appeals in the County Court, the Court of Appeal and the High Court.
- Provide duty lawyers at courts, advice in the community, advice in youth justice facilities, education and legal representation in youth crime matters.

Facts and figures

Clients

- 50,736 unique clients (down by 0.5%)
- 20% presented with two criminal law problems and 21% with 3 to 5
- 10,544 or 20.8% born in non-English speaking countries
- 1,635 or 3.2% from Aboriginal or Torres Strait Islander backgrounds

Gender and age profile



Services

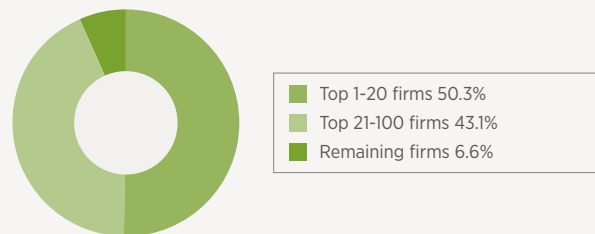
- **NPA** 26,574 grants of legal assistance (up by 1.8%)
- **NPA** 8,231 in-house grants of legal assistance (down by 6.9%)
- **NPA** 241 community legal centre grants of legal assistance (down by 2.8%)
- **NPA** 53,585 duty lawyer services (down by 7.3%)
- **NPA** 48,228 in-house duty lawyer services (down by 6.3%)
- **NPA** 15,407 legal advice, minor work and advocacy services (down by 14.6%)
- Top five matters for above services:

10,417	theft
8,265	common assault*
7,108	driving while licence suspended
5,173	recklessly causing injury
5,152	miscellaneous**
- **NPA** 15,648 matters dealt with by Legal Help (down by 6.5%)
- 14,597 calls to Legal Help (down by 3.7%)
- **NPA** 6,991 referrals made to external agencies
- Top five external referral groups: generalist CLCs, private practitioners, courts, police and other law enforcement agencies, Law Institute of Victoria

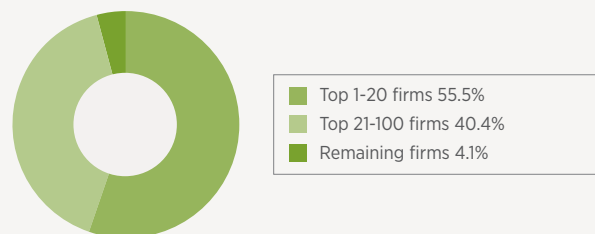
Private practitioners

- **NPA** 18,102 grants of legal assistance (up by 4.8%)
- **NPA** 5,357 duty lawyer services (down by 15.1%)
- Top 20 firms accounted for 50.3% of assigned cases
- Top 100 firms accounted for 93.4% of assigned cases
- The remaining 185 firms undertook 6.6% or 1,195 cases
- In comparison, the top 20 firms based on fees received 55.5% of total expenditure on assigned cases

Percentage market share of private practitioner firms based on number of legally aided files



Percentage market share of private practitioner firms based on fees (excl. GST)



Total expenditure = \$34.6 million (excl. GST)

See Appendix 4, p.96 for expenditure across private practitioner firms that received the 20 highest aggregate payments for legally aided cases.

Percentage changes are based on comparison with 2010–11.

NPA = National Partnership Agreement output.

* Common assault does not include assault with weapons, assault with intent to rape, intentionally or recklessly causing serious injury, recklessly causing injury or assault with intent to rob.

** Miscellaneous includes, for example, defamation and libel, offences against privacy, public health and safety offences, and illicit drug offences.

FAMILY, YOUTH AND CHILDREN'S LAW PROGRAM

What we aim to do

Assist people to resolve their family disputes to achieve safe, workable and enduring care arrangements for children. Assist parents to build their capacity to resolve future disputes without legal assistance.

Independent Children's Lawyers sub-program

Ensure as far as possible that arrangements made by the Court are in the children's best interests by ensuring that children at risk are assisted in Family Law Court proceedings.

Parenting Disputes sub-program

Achieve safe, workable and sustainable care arrangements for children whose parents have separated by assisting high conflict families who have been unable to resolve children's issues through family dispute resolution services to access the Family Law Courts.

Family Law Financial Support sub-program

Ensure children of separated parents are financially supported in accordance with the law; a separated parent is supported financially by the other parent in cases where they are unable to adequately support themselves and the other parent has capacity to pay; and the assets and liabilities of separated parents are distributed fairly, by providing access to independent legal advice and representation where appropriate.

Child Protection sub-program

Assist children removed, or at risk of being removed, from their families by the state, and their parents, to reach safe, workable and sustainable care arrangements. Protect families' rights, by the informed participation of children and parents in decision-making before, during and after child protection proceedings in the Children's Court.

Family Violence sub-program

Contribute to the safety of adults and children impacted by family violence, and assist in reducing the incidence of family violence, by providing legal services to those adults and children and by actively contributing to public debate about the policies and practices of courts and governments.

Appropriate Dispute Resolution sub-program

Deliver timely and respectful access to fair and appropriate dispute resolution processes to disadvantaged and vulnerable Victorians through the family dispute resolution program at Roundtable Dispute Management (RDM) and expanding delivery of appropriate dispute resolution processes to other areas of law.

“SHE IS STILL VERY ANXIOUS ABOUT THE POSSIBILITY OF HER EX-PARTNER LOCATING HER, BUT IS VERY GRATEFUL FOR MY EFFORTS, AND HAS SAID THAT SHE FEELS A LOT SAFER.”

Lawyer

Rosy* and her two children had tried many times to leave a violent relationship characterised by control, alienation from members of her family, and rape. The abuse was unrelenting.

Police had obtained intervention orders on a number of occasions, but each time Rosy's ex-partner would breach the conditions by tracking her down.

Time after time, he'd convince her to reunite with him and to relocate to another town, where the violence would resume.

Having moved interstate four times, Rosy made one more attempt to break the relationship off. She now lives safely in a new community with her children. A family violence intervention order, which had been made interstate and registered in Victoria when she moved here, was about to expire.

So that information about where Rosy is living was not disclosed, we applied for an extension to the order – typically made in the relevant local court – in the Melbourne Magistrates' Court, and conducted the matter via video link from the local Victoria Legal Aid office.

* Name has been changed to protect the privacy of the family involved.



**WE HELPED ENSURE THE
SAFETY OF A WOMAN SUBJECTED
TO FAMILY VIOLENCE FOR
MANY YEARS**

Changes to our program structure in 2011–12 included:

- renaming the Family Law Advice and Litigation sub-program the Parenting Disputes sub-program
- renaming the Child Support sub-program the Family Law Financial Support sub-program, and amending its objective to better articulate what is provided.

How we do it

New family law guidelines

New eligibility guidelines for legal assistance in family law matters came into effect on 1 November 2011, following a review and consultation process. The guidelines allow us to prioritise children and adults who face serious issues that affect their children, and to focus on keeping families out of court.

They have seen us expand the use of appropriate dispute resolution through our Roundtable Dispute Management (RDM) service. This includes providing funding for matters that involve both property and parenting disputes, where they are related and need to be resolved together. It also means that our services are now more targeted and align with our commitments under the *National Partnership Agreement on Legal Assistance Services* (NPA).



‘Settled and Safe’ from family violence

We secured a major grant from the Legal Services Board in November 2011 to deliver the ‘Settled and Safe’ project, which aims to help prevent family violence in newly emerging and culturally and linguistically diverse (CALD) communities. We will employ community liaison and education workers to provide information and training about family violence and the Australian legal system to organisations working with these communities. Through ‘Settled and Safe’ we will build partnerships with community organisations in targeted areas to more effectively coordinate referrals, and encourage access to our services.



- Family violence and Commonwealth laws discussion paper, p.95; Indigenous and Culturally and Linguistically Diverse (CALD) Clients in the Family Law System, p.95; Action Plan Consultation Framework – Addressing Violence Against Women and their Children, p.95.

Protecting children

Key themes in the submissions we made to the Protecting Victoria’s Vulnerable Children Inquiry in July and August 2011 were reflected in the *Final Report of the Inquiry*, which was tabled in the Parliament of Victoria on 27 February 2012. These include the Inquiry’s support for maintaining judicial oversight of the statutory child protection system; recognising the value of fair, effective and specifically legally assisted pre-court appropriate dispute resolution; ensuring that children have a voice in decision-making processes, particularly legal proceedings; and improving access to early intervention and family services to at-risk families.



- Protecting Victoria’s Vulnerable Children, p.94; Improving the interface between the State and Territory Child Protection systems and the Federal Family Law system options paper, p.95.



Value of Kids Talk confirmed

Evaluation of the Kids Talk program confirmed its value in helping family members in dispute to see how the family situation affects their children. Through Kids Talk, children of parents participating in the Roundtable Dispute Management process can express their views and concerns when important decisions are being made about their lives. Its focus is on the experience of children, helping separated adults to make decisions that take the views, developmental needs and overall wellbeing of their children into account.

The overwhelming majority of parents could see the benefits in better understanding their children's views and needs, and reported that their communication had improved. Recommendations included improving our procedures to ensure that we offer a more timely service, increasing awareness and use of the program, and expanding its access to people from culturally and linguistically diverse (CALD) backgrounds and Aboriginal and Torres Strait Islander backgrounds.



Lawyers benefit vulnerable clients in dispute resolution

Lawyers at Roundtable Dispute Management (RDM) support and represent participating family members to come to agreement and resolve their family dispute out of court. In response to a recent internal study of RDM operations, clients experiencing difficulties such as financial hardship, the effects of family violence, mental health issues and substance abuse reported that lawyers not only provided valuable advice, advocacy, and reality-checking throughout this process, but also kept the focus on the children who were at the heart of the dispute.

We intend to implement key recommendations of the study, including promoting a model of legal representation that encourages clients to participate as fully as possible.



Holistic approach to client services

We began a review and realignment of resources to ensure that we are better able to respond to a broader range of issues that clients come to us with. This work will continue next year. It will allow us to improve the quality of our work, focus on children at risk, develop multi-specialist case conference teams, and provide opportunities for staff to undertake multi-jurisdictional practice. The realignment will be informed by a review of our services across Victoria.



Challenges

Responding to family violence

Targeted government strategies, an increase in police focused on family violence, and the emergence of preventative media campaigns have heightened demand for assistance in this area. There has been a 47 per cent increase in the number of family violence intervention order applications made in the Magistrates' Courts across Victoria in the past five years.

In turn, the challenge for us has been to respond effectively to an increasing number of clients who need help with safety plans and violence restraining orders and, through a grant of legal assistance, help to resolve how their children will be supported and cared for in the long-term and in the immediate aftermath of a relationship breakdown. This year our duty lawyers helped people with family violence matters more than any other family or children's law matter, representing 71.7 per cent of duty lawyer services in this program (up by 10.8% on 2010–11 and by 53% on 2007–08).

Two studies of our Roundtable Dispute Management service were undertaken. We held a forum for domestic violence agencies in June to encourage better referral pathways and the delivery of legal assistance and education to victims of domestic violence (p.31).

Back (L–R): Walter Ibbs, Appropriate Dispute Resolution; Alla Epelboym, Parenting Disputes; Louise Akenson, Child Protection. Front (L–R): Jayne Ford, Family Law Financial Support; Freia Carlton, RDM; Brigid Jenkins, Independent Children's Lawyers.

Increasing child protection service provision

The Department of Human Services plays a vital role in protecting vulnerable children, and it is just as critical that we provide quality legal advice and assistance when concerns for the welfare of children have brought families before the court.

In 2011–12 the Family Division of the Children’s Court reported a marked increase of around 13 per cent in child protection applications, and we saw a similar increase in the number of grants of legal assistance we approved (up by 12.5%). While we have helped many more children and parents at a very difficult time in their lives, this increase has presented some resourcing challenges for us, which we aim to address as part of our realignment of services to be implemented in 2012–13.

Resolving more family disputes

We also responded this year to an increase in demand for our Roundtable Dispute Management (RDM) services. Driven in part by the new family law guidelines, the number of conferences we held increased by 32.9 per cent. We have reviewed how we will resource RDM to meet increased demand and provide a timely service as part of our realignment of services.

2012–13 future challenges

- Responding to an expected continuing increase in family violence matters and changes to the Commonwealth’s definition of family violence.
- Providing additional appropriate dispute resolution services recommended through the *Report of the Protecting Victoria’s Vulnerable Children Inquiry*, specifically child safety conferences.
- Reconfiguring the way services are provided to deliver child protection services in a more complex environment, including delivering more mediation through new model conferencing.
- Providing services that are better positioned to respond to a broader range of issues that clients come to us with.

AT A GLANCE

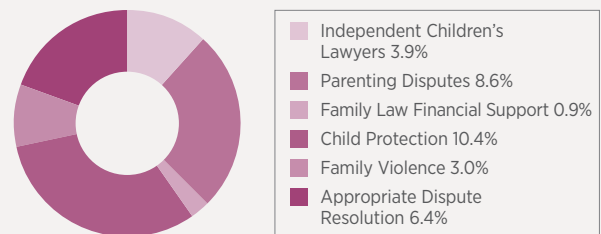
Operating expenditure

\$54.3 million

Commonwealth funding \$30.4 million
State funding \$23.9 million

- Independent Children’s Lawyers \$6.4 million
- Parenting Disputes \$14.2 million
- Family Law Financial Support \$1.5 million
- Appropriate Dispute Resolution \$10.4 million
- Family Violence \$4.8 million
- Child protection \$17.0 million

Percentage of VLA operating expenditure (all programs)



Core services

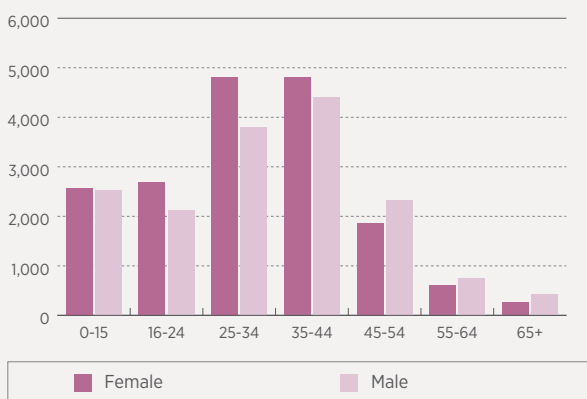
- Provide duty lawyer, advice, representation and information services at the Commonwealth Family Law Courts, including in family law financial matters, parenting disputes, and family violence matters.
- Provide lawyer-assisted and child-inclusive family dispute resolution to help settle disputes without going to court.
- Promote the interests of children at risk and provide independent children’s lawyers to help judicial officers make good decisions.
- Provide duty lawyer, advice, representation and information services to children and parents in the Children’s and Magistrates’ Courts of Victoria including in child protection and family violence matters.

Facts and figures

Clients

- 33,992 unique clients (up by 7.3%)
- 21% presented with two family law problems and 15% with 3 to 5
- 5,655 or 16.6% born in non-English speaking countries
- 1,132 or 3.3% from Aboriginal or Torres Strait Islander backgrounds

Gender and age profile



Services

- **NPA** 16,754 grants of legal assistance (up by 11.5%)
- **NPA** 2,713 in-house grants of legal assistance (up by 2.5%)
- **NPA** 191 community legal centre grants of legal assistance (down by 5.5%)
- **NPA** 16,361 duty lawyer services (up by 6.4%)
- **NPA** 14,595 in-house duty lawyer services (up by 7.1%)
- **NPA** 13,394 legal advice, minor work and advocacy services (down by 5.8%)
- Top five matters for above services:

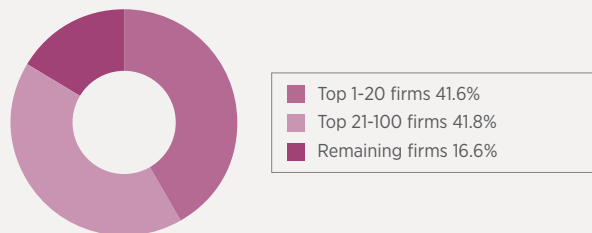
15,685	family violence intervention orders
10,024	child protection
8,511	spending time with children
5,043	who children live with
2,734	parenting plans
- **NPA** 29,495 matters dealt with by Legal Help (down by 3.5%)
- 26,346 calls to Legal Help (down by 1.1%)

- **NPA** 11,806 referrals made to external agencies
- Top five external referral groups: private practitioners, generalist CLCs, Law Institute of Victoria, courts, family relationship services

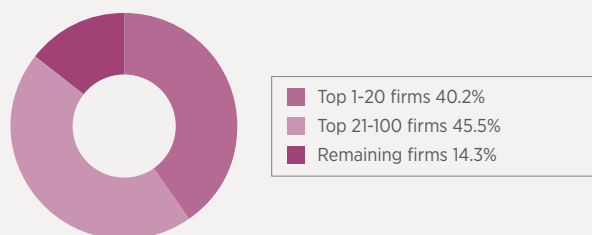
Private practitioners

- **NPA** 13,850 grants of legal assistance (up by 11.9%)
- **NPA** 1,766 duty lawyer services (up by 0.7%)
- Top 20 firms accounted for 41.6% of assigned cases
- Top 100 firms accounted for 83.5% of assigned cases
- The remaining 268 firms undertook 16.5% or 2,290 cases
- In comparison, the top 20 firms based on fees received 40.2% of total expenditure on assigned cases

Percentage market share of private practitioner firms based on number of legally aided files



Percentage market share of private practitioner firms based on fees (excl. GST)



Total expenditure = \$31.8 million (excl. GST)

See Appendix 4, p.96 for expenditure across private practitioner firms that received the 20 highest aggregate payments for legally aided cases.

Percentage changes are based on comparison with 2010–11.

NPA = National Partnership Agreement output.

OUR PEOPLE

INSIDE THIS SECTION

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Victoria Legal Aid is committed to fostering workplace diversity, professionalism and practice expertise. 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.

HUMAN RESOURCE MANAGEMENT

Staff wellbeing

Regular de-briefing and wellbeing checks are extremely important in maintaining the psychological health of staff exposed to disturbing case-related material. All staff have access to a Wellbeing Program and can also access monthly onsite counselling services offered through the Employee Assistance Program.

Employment and conduct principles

We apply merit and equity principles when recruiting and appointing staff. Our selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of key selection criteria and other accountabilities, without discrimination. Upon appointment, all employees are bound by our Code of Conduct.

Our Code is aligned with the Code of Conduct for the Victorian Public Sector which builds on the employment and conduct principles in the *Public Administration Act 2004* (Vic). We also have a suite of employment policies that are implemented across the organisation, including policies about grievance resolution, recruitment, redeployment, equal opportunity, and managing under-performance.

We are in the process of negotiating a new Certified Agreement, and are committed to an agreement that is both fair to staff and financially sustainable.

Performance management

'Me & My Job' is a developmental role conversation style of performance management between a manager and staff, which has been in place for over two years. A review is underway to enhance accountability for performance, improve the quality and outcomes of the conversation, and better align the process with our vision and objectives.

Grievances

Following our review of human resource management policies and procedures this year, we will propose changes to our grievance processes so that they align with the Public Administration (Review of Actions) Regulations 2005. Our current grievance process emphasises informal and timely resolution of issues. There were four grievances lodged in 2011–12, which were addressed and resolved in accordance with VLA policy.

Flexible work arrangements

Employees have access to flexible work arrangements through our Certified Agreement, including flexible working hours and access to flexi time. People Matter Survey results confirm that 90 per cent of respondents feel supported to positively manage the balance between work and family commitments⁵. Survey results also confirm our commitment to workplace diversity, with 90 to 95 per cent of respondents agreeing that age, gender, disability or cultural background are no barrier to working at VLA.

Female employees comprise approximately 75 per cent of our workforce, including significant representation at Board, executive and senior management levels. The Certified Agreement parental leave provisions facilitate support and retention of female staff through 104 weeks of leave, of which 14 weeks is paid. Part-time employment is available generally, and on return to work after maternity leave. In total, part-time employment made up 25 per cent of our workforce.

⁵ The People Matter Survey is conducted by the State Services Authority every two years, with the most recent survey conducted in April 2012. Our response rate of 647 employees invited to participate was 35 per cent

COMPARATIVE WORKFORCE DATA

	2012	2011	2010	2009	2008
Lawyers	284	284	266	240	235
Paralegal	5	6	5	11	9
Other client service staff, administration staff and others	358	354	351	330	310
Total	647	644	622	581	554

Full time equivalents (FTE) staffing trends from 2008 to 2012

2012	2011	2010	2009	2008
596.5	583	554	522	506

Summary of employment levels in June of 2011 and 2012

	Ongoing employees ⁽ⁱ⁾			Fixed term and casual employees	
	Employees (headcount)	Full time (headcount)	Part time (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾
June 2012	523	395	128	487.5	109
June 2011	524	406	118	472.2	110.7

Notes:

(i) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(ii) FTE means full-time staff equivalent.

(iii) All figures reflect employment levels during the last full pay period in June of each year.

Details of employment levels in June of 2011 and 2012

	2011-12			2010-11		
	Ongoing ⁽ⁱ⁾		Fixed term and casual employees	Ongoing ⁽ⁱ⁾		Fixed term and casual employees
	Employees (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾	Employees (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾
Gender						
Male	125	121.8	30	123	119.7	32.0
Female	398	365.7	79	401	352.5	78.7
Total	523	487.5	109.0	524	472.2	110.7
Age						
Under 25	10	9.1	3.9	15	14.3	11.4
25-34	164	157.9	64.8	165	152.4	66.4
35-44	146	135.5	23.2	157	136.0	14.1
45-54	121	108.4	9.2	113	103.5	11.2
55-64	69	64	6.5	65	58.4	5.0
Over 64	13	12.6	1.4	9	7.6	2.6
Total	523	487.5	109.0	524	472.2	110.7
Classification						
VLA 1	1	1	2	1	1.0	2.0
VLA 2	126	110.3	25.9	147	124.4	29.5
VLA 3	179	171	59.4	188	173.6	60.9
VLA 4	140	129.3	12.1	128	116.8	9.2
VLA 5	60	59.1	5.6	48	44.6	3.6
VLA 6	10	10	0	5	5.0	1.0
Contract	0	0	4.0	0	0.0	4.5
Executive	7	6.8	0	7	6.8	0.0
Other	0	0	0	0	0.0	0.0
Total	523	487.5	109.0	524	472.2	110.7

Notes:

(i) Ongoing employees includes people engaged on an open ended contract of employment and executives engaged on a standard executive contract who were active in the last full pay period of June.

(ii) FTE means full-time staff equivalent.

(iii) All figures reflect employment levels during the last full pay period in June of each year.

Executive officers

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.

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, and 'special projects' executives are employed for a specific project, generally for a fixed period of time on a specific priority project.

Number of executive officers classified into 'ongoing' and 'special projects'

Class	All		Ongoing		Special projects	
	No.	Variation	No.	Variation	No.	Variation
EO-1	0	0	0	0	0	0
EO-2	2	0	2	0	0	0
EO-3	5	1	5	1	0	0
Total	7	1	7	1	0	0

Breakdown of executive officers into gender for 'ongoing' and 'special projects'

Class	Ongoing					Special projects				
	Male		Female		Vacancies	Male		Female		Vacancies
No.	Variation	No.	Variation	No.	No.	Variation	No.	Variation	No.	
EO-1	0	0	0	0	0	0	0	0	0	0
EO-2	2	0	0	0	0	0	0	0	0	0
EO-3	1	0	4	1	0	0	0	0	0	0
Total	3	0	4	1	0	0	0	0	0	0

Reconciliation of executive numbers

		2012	2011
	Executives with remuneration over \$100,000 (Financial Statement Note 14)	6	4
Add	Vacancies	0	0
	Executives employed with total remuneration below \$100,000	1	3
	Accountable Officer (Managing Director)	1	1
Less	Separations	1	0
	Total executive numbers at 30 June	7	8

OCCUPATIONAL HEALTH AND SAFETY

There were 40 occupational health and safety (OHS) incidents reported during the year. Thirty-two were for personal injury, resulting in two minor claims for compensation. Any injury is regrettable, and their investigation resulted in our modifying practice to minimise the risk of a similar injury happening again.

Performance against OHS measures

Measure	Performance indicator	2011-12	2010-11	2009-10
Incidents	No. of incidents	40	39	43
	Rate per 100 FTE	6.25	6.69	7.97
Claims	Total WorkCover claims	2	8	8
	No. of standard claims ⁽ⁱ⁾	0	4	2
	Rate per 100 FTE	0.00	0.69	0.37
	No of lost time claims ⁽ⁱ⁾	0	4	2
	Rate per 100 FTE	0.00	0.69	0.37
	No of claims exceeding 13 weeks ⁽ⁱ⁾	0	1	1
	Rate per 100 FTE	0.00	0.17	0.19
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim ⁽ⁱ⁾	N/A	\$6,252.48	\$6,503.50
Return to work	Percentage of claims with RTW plan <30 days	N/A	100%	100%

Notes:

(i) Data sourced from the Victorian WorkCover Authority.

In May 2012 we appointed an OHS Manager, and our OHS Committee continued to monitor our work environment and met periodically throughout the year. Dedicated in-house human resource consultants provided prevention advice to managers and staff. They presented sessions at induction on OHS and equal employment opportunity issues, emphasising self-care and personal wellbeing. They also supported managers and staff in the successful case management of those returning to work from injury and illness.

We continued our work with external organisations to improve safety in locations where our staff routinely work, and continued to implement scheduled inspections of all worksites. An organisational risk register was developed to prioritise key workplace hazards. Of People Matter Survey respondents, 88 per cent agreed that VLA encourages employees to report health and safety incidents and injuries.

SUPPORTING QUALITY SERVICES

Supporting specialist accreditation

We provided valuable support and encouragement to 14 of our lawyers and seven section 29A practitioners to undertake accredited specialisation in criminal law. This included study groups led by our senior public defenders, crime focused legal education sessions, study notes and resources, and running practice exams.

For the first time, the Law Institute of Victoria is offering children's law specialist accreditation. We have provided study group support to 15 of our lawyers, four Department of Human Services (Child Protection) lawyers, 18 private practitioners and one community legal centre lawyer to undertake this accreditation. Extensive materials, professional legal education sessions and practice exams were also provided for everyone practising in the area in preparation for the written and oral exams.

We are also supporting one of our lawyers to undertake migration specialisation.

New Lawyers Program

The New Lawyers Program provides first and second year lawyers with comprehensive training and development within VLA. Many of our inaugural new lawyers, now appropriately trained and highly skilled, have been successfully placed in roles with us and in justice sector partner organisations.

The 2011 new lawyers participated in placements across our programs and in offices including Ballarat and Morwell. We worked closely with the Federation of Community Legal Centres to place one new lawyer on a six month secondment at the Public Interest Law Clearing House. Another will start with the Flemington and Kensington Community Legal Centre in September 2012.

We look forward to welcoming our third intake of new lawyers in August 2012, which will include two designated family lawyers.

Student opportunities and training placements

We provided 280 students from the Leo Cussen Centre of Law, Clinical Experience Program with the opportunity to observe and participate in advice clinics and attend duty lawyer services. Twelve students completed their three-week professional placement at our offices. As part of their clinical legal education subjects, we also provided practical experience to 36 La Trobe University students and 48 Deakin University students at our Preston, Ringwood, Dandenong and Geelong offices.

Two Indigenous law students gained work experience, developed practical legal skills, and formed mentor relationships through our Indigenous Clerkship Program which ran for three weeks over the university winter break.

A Student and Volunteer Management Policy has been developed to set consistent standards and procedures for intake and orientation, and impose obligations on student and volunteer supervisors.

Fundamental skills

The VLA Essentials program was designed to enhance relevant core skills. Its emphasis this year was on communication skills specific to different work groups, and also included training modules on managing performance. Future needs and understanding about how the learning has been grounded and used in work roles will be identified through evaluation.

We also offer all new employees a comprehensive induction program. Over 90 new staff attended one of nine Discovering VLA induction sessions this year.

Administration Legal Services Program

Over 13 staff completed the Diploma of Legal Services through RMIT University in mid-2011 as part of our program of building the capacity of legal administration staff. This program helps administration staff deal proactively and meaningfully with more complex issues, while reducing the administrative workload of lawyers. A further benefit of the program is its connection to and the joint learning opportunities created with community legal centres. A Certificate IV in Legal Services was also undertaken by in-house and community legal centre staff.

STATUTORY INFORMATION

This report has been prepared in accordance with all relevant legislation. See Appendix 1, pp.92–93 for the disclosure index that identifies our compliance with statutory disclosure requirements.

Information privacy

We are committed to protecting the personal privacy of our clients and the people we help. We will 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 *Information Privacy Act 2000* (Vic) and our policies and processes for dealing with personal information are developed to comply with the privacy principles available on our website www.legalaid.vic.gov.au. We received five privacy complaints this year:

- three involved alleged privacy breaches on our part. One resolved with no breach found; one resolved with an apology to the complainant; and one resulted in proceedings in VCAT which upheld our position that no breach had occurred
- two involved alleged privacy breaches by private practitioners. No breach was found in one case, and an apology was offered to the complainant in the other

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. Information on how to make a request is available at www.legalaid.vic.gov.au

We received 23 applications this year. Documents were released in full in relation to five applications. Seven were released in part, two were refused and five were satisfied outside of the freedom of information process. In two applications we requested that the applicant narrow the scope of the request and the applicant did not respond. In two cases we did not possess any of the documents sought.

Making a request

Access to documents may be obtained through written request, as detailed in section 17 of the *Freedom of Information Act 1982* (Vic). In summary, the requirements for making a request are that:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should 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 and a decision on access is made (for example, photocopying and search and retrieval charges).

Requests for documents in our possession should be addressed to:

Freedom of Information Officer
Victoria Legal Aid
350 Queen Street
Melbourne Vic 3000

The Freedom of Information Officer can also be contacted on foi@vla.vic.gov.au. Further information about freedom of information can be found at www.foi.vic.gov.au

Compliance with the *Disability Act 2006*

We reviewed our Disability Action Plan this year in compliance with the *Disability Act 2006* (Vic) and are currently developing a new plan that recognises that people with a disability, and especially people with an intellectual, cognitive or psychiatric disability, represent a significant proportion of our clients. The plan acknowledges the over-representation of people with a disability in the criminal justice system and their vulnerability to domestic violence and child protection issues.

This year we:

- developed new information on legal rights for people with disabilities, including materials on involuntary treatment orders and administration orders. We ran workshops for people with disabilities, their families, carers, advocates and workers on the law and legal issues (p.31)
- strengthened our specialist Mental Health and Disability Advocacy team which provides legal services to psychiatric facilities across the state
- provided training to lawyers on working with people with a disability or mental illness in areas of law such as Mental Health Review Board and Guardianship hearings.

Consultancies

In 2011–12, we engaged six consultancies where the total fees payable to the consultants were greater than \$10,000. The total amount paid in relation to these consultancies was \$165,150.

Contracts

There were no contracts entered into during the financial year that require specific disclosure as they were all less than \$10 million in value.

Compliance with the *Building Act 1993*

We are exempt from notifying our compliance with the building and maintenance provisions of the *Building Act 1993* (Vic) because we do not own any buildings. We continued our office refurbishment schedule and all new building works were undertaken according to relevant standards.

Environmental sustainability

Our Environmental Sustainability Policy and action plan sets targets for reducing our environmental impact. We are currently reviewing our policy in order to further reduce our carbon footprint, including raising staff awareness of environmental issues and ways to actively reduce our carbon footprint. See Appendix 6, p.98–102.

This year we:

- increased our use of renewable energy
- reduced waste going to landfill
- increased recycling of paper and other recyclable materials
- increased the number of hybrid cars in our fleet
- upgraded and rolled out new printers to provide uniformity and achieve greater efficiency, including less power and paper usage
- where appropriate, reused fixtures and furnishings when refurbishing
- upgraded facilities to reduce water usage
- made requests of our Melbourne property managing agent and building manager to improve environmental efficiencies.

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.

Whistleblowers protection

Established procedures under Part 6 of the *Whistleblowers Protection Act 2001* (Vic) based on the Ombudsman's guidelines are available at www.legalaid.vic.gov.au. There was one anonymous disclosure in 2011–12 which was investigated and dismissed due to lack of detail.

Client complaints

Our Client Services Charter explains what clients can expect from us and what we expect from them when they use our services. It also advises clients of their rights for review and how to make a complaint. We aim to resolve complaints quickly, fairly and without prejudice.

We received 532 complaints in 2011–12, compared with 467 in 2010–11.

About grants of legal assistance

We received 143 complaints about a grant of legal assistance being provided to a person who the complainant believed should not be funded (up by 15.9%).

In most cases, further action was not required because the person in question was not in receipt of a current grant of assistance, or the complaint had been previously investigated, or the applicant had already disclosed the information to us. In 16 cases the complaint resulted in aid being refused or terminated. A further four complaints saw us vary or impose conditions on the grants provided.

About services provided by private practitioners

We received 158 complaints about the services provided by private practitioners, including services relating to a grant of legal assistance (up by 54.9%). In most cases these complaints were resolved or dismissed. One practitioner was removed from one of our practitioner panels following investigation of a complaint.

About our services

We received 38 complaints about our service (down by 33.0%). While this category encapsulates all aspects of our service, these complaints more typically relate to concerns about financial limitations or eligibility to receive funding, or dissatisfaction with our debt policy or process.

About our staff

We received 52 complaints about our legal and non-legal staff (up by 8.3%). Of these 22 were dismissed. We provided an apology in response to two. Most of these complaints were resolved by providing further information or explanation and in some instances, no further action was warranted.

Referred to another organisation

We referred 12 complainants to the Legal Services Commissioner as the responsible authority for investigating issues of conduct by private practitioners.

Miscellaneous

There were 44 miscellaneous complaints in 2011–12 (down by 26.7%).

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, information relating to the 2011–12 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) a statement that declarations of pecuniary interests have been duly completed by all relevant officers of VLA
- (b) details of shares held by senior officers as nominee or held beneficially in a statutory authority or subsidiary
- (c) details of publications produced by VLA about our activities and where they can be obtained

- (d) details of changes in prices, fees, charges, rates and levies charged by VLA for its services, including services that are administered
- (e) details of any major external reviews carried out in respect of the operation of VLA
- (f) details of any other research and development activities undertaken by VLA that are not otherwise covered either in the report of operations or in a document which contains the financial statement and report of operations
- (g) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit
- (h) details of major promotional, public relations and marketing activities undertaken by VLA to develop community awareness of the services provided by it
- (i) details of assessments and measures undertaken to improve the occupational health and safety of employees, not otherwise detailed in the report of operations
- (j) a general statement on industrial relations within VLA and details of time lost through industrial accidents and disputes, which are not otherwise detailed in the report of operations
- (k) a list of major committees sponsored by VLA, the purposes of each committee and the extent to which the purposes have been achieved.

FINANCIAL STATEMENTS

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FINANCIAL YEAR IN REVIEW

This does not form part of the audited Financial Statements.

The way we manage our finances is critical to achieving our vision of being a leading and responsible force for access to the legal system, for social justice and to meeting our statutory objectives. It involves our careful management of resources so that legal aid is available at a reasonable cost, and is provided in effective and efficient ways.

We finished the year with an overall deficit of \$3.1 million, following two years of surpluses. While the deficit result is an important indicator of financial health, it is not the only indicator. As we noted in previous years, the variable nature of demand for the large number of different services we provide means that we must take a medium-term view in managing financial and service delivery risks, and make appropriate and prudent use of cash reserves in managing these fluctuations.

Our final cash and balance sheet position for 2011–12 has reduced due to increasing demand for our services while funding levels have not increased at the same rate. This year's operating deficit was funded by reducing cash reserves. This will be an ongoing challenge as we trend down to our \$10 million minimum cash balance level during 2012–13.

Overview

The 2011–12 Financial Statements record:

- State Government income of \$72.8 million
- Commonwealth Government income of \$43.6 million
- public purpose funding of \$25.7 million
- \$79.6 million spent on case related private practitioner payments
- \$19.9 million funding provided to community legal centres
- an operating deficit of \$6.2 million
- a comprehensive deficit of \$3.1 million
- Commonwealth surplus of \$1 million and State deficit of \$4.1 million.

Five-year financial summary

	(\$ thousand)				
	2012	2011	2010	2009	2008
Income from government and the Public Purpose Fund	144,872	142,093	131,197	121,541	109,940
Total income from transactions	153,831	149,204	137,455	127,403	119,542
Total expenses from transactions	(159,991)	(140,748)	(131,678)	(128,924)	(137,987)
Net result from transactions	(6,160)	8,456	5,777	(1,521)	(18,445)
Net result for the period	(3,095)	2,124	6,150	(2,537)	(20,305)
Net cash flow from operating activities	(3,660)	9,788	5,367	388	(8,738)
Cash at 30 June	14,560	19,913	12,508	10,850	13,902
Total assets	52,411	55,987	51,116	47,561	51,652
Total liabilities	28,638	29,119	26,372	28,967	30,521
Total equity	23,773	26,868	24,744	18,594	21,131

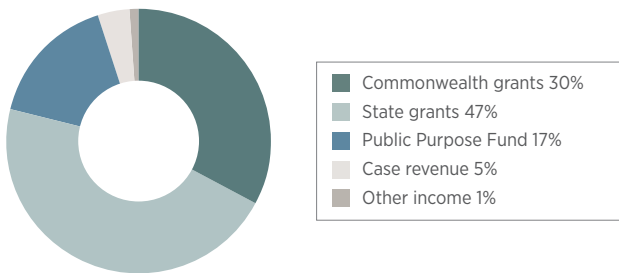
Our income

Most of our income comes from the State and Commonwealth governments, the Public Purpose Fund and case revenue which includes contributions from legally aided clients.

In 2011–12 the State Government provided \$72.8 million (\$69.1 million in 2010–11), the Public Purpose Fund \$25.7 million (\$25.8 million in 2010–11), and the Commonwealth Government through the *National Partnership Agreement on Legal Assistance Services* \$43.6 million (\$42.4 million in 2010–11).

The Commonwealth Government also provided supplementary funding of \$2.6 million for expensive criminal cases (\$4.8 million in 2010–11).

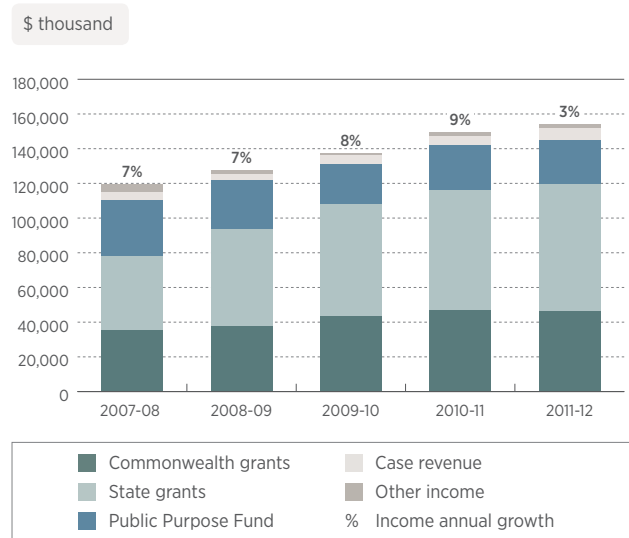
Income sources 2011-12



Of the funds provided by the State Government, \$12.4 million (\$11.5 million in 2010–11) was allocated directly to the Community Legal Centre Funding Program (see Appendix 5, pp.97–98).

The five year trend of increasing funding needs to be considered in the context of the operating results. Even though we have seen revenue grow on average by 7 per cent, the growth in demand for services has placed pressure on our capacity to deliver services, and this is projected to continue. In 2007–08 the operating deficit was \$20.3 million, requiring a review of services and substantial investment to ensure ongoing service delivery.

Income five-years



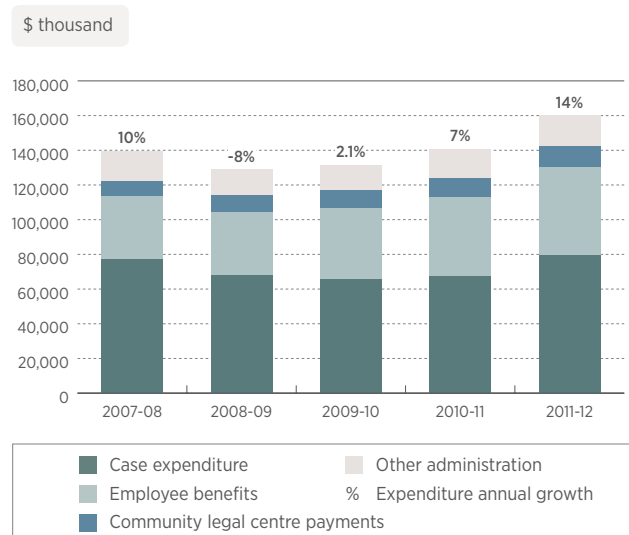
Our expenditure

Our total operating expenditure this year was \$160 million, an increase of 13.7 per cent.

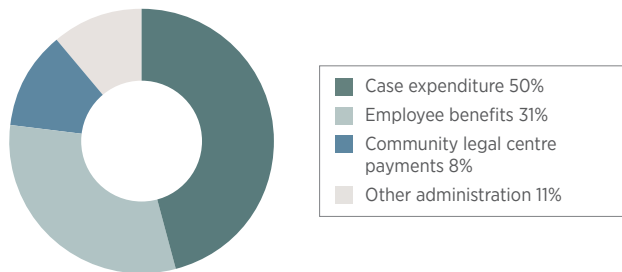
Case expenditure totalled \$79.6 million, an increase of 18.7 per cent. These funds are paid to private practitioners, barristers, medical experts and interpreters, as well as to third parties for services rendered on in-house cases. On 1 July 2011 we increased fees by 2.5 per cent for summary crime, and on 1 October 2011 by 10 per cent for all private practitioner fees and disbursements. These fee increases equated to \$7.2 million in additional expenditure during the year.

The other major expense was staffing related costs totalling \$50.3 million, accounting for 31.4 per cent of total expenditure.

Expenditure five-years



Expenditure 2011-12



Our operations

The net result from transactions was an operating deficit of \$6.2 million, reducing to a comprehensive deficit of \$3.1 million for the period. This deficit is largely the result of:

- accelerated payments to external parties as a result of the implementation of ATLAS+, our online grants management and private practitioner payment system
- increased case volume, particularly through the Family, Youth and Children's Law Program (pp.40–45)
- the 2.5 per cent increase in private practitioner fees for summary crime and then 10 per cent increase introduced in October 2011 for all private practitioner fees of which, due to the length of cases, we are now experiencing the full effect.

Our financial position

The comprehensive deficit takes into account year end adjustments of \$3.1 million in amounts owed and outstanding. The adjustments impact three expenses:

- a decrease of \$4.3 million in the amounts we owe to private practitioners for work undertaken, with less outstanding payments remaining now that payments are processed faster than in previous years
- an expense of \$0.7 million for the amounts owed by clients
- an expense of \$0.5 million recognising an increase in employee provisions.

The cash position is \$14.6 million after the net cash decreased during the year by \$5.4 million. This balance reflects the previous year of positive cash flows from operating activities. The minimum cash balance we have targeted to meet fluctuations in payments to creditors is assessed at \$10 million, equivalent to 6 per cent of our annual expenditure.

Future planning

The key drivers of demand in the future remain predominantly the same as in the past:

- the number of police officers
- the number of child protection workers
- the incidence and severity of family breakdown
- the widening gap between the working poor and those able to fend for themselves
- policies of government departments and prosecutorial agencies
- population growth, particularly in areas of disadvantage (see back inner cover).

We have developed strategies in our 2012–13 business plan to prioritise clients and services while containing salaries and other costs to ensure income and expenditure are aligned. However, we anticipate that future budgets will continue to be crafted in difficult economic times and present many challenges, most obviously because we continue to experience a real reduction in income set against increasing demand.

Difficult economic times lead to increased hardship, particularly for already vulnerable Victorians, and a rise in legal issues. Ensuring that we are efficient, targeted and effective will remain an acute challenge in this environment.

Elizabeth Jennings

Chief Finance and Accounting Officer

UNDERSTANDING THE FINANCIAL STATEMENTS

The Financial Statements detail our financial performance and overall financial position for the year ended 30 June 2012. 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 (VLA) 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 revenue 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 VLA for the financial year. A surplus indicates that the revenue 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 2012 and details what we own (assets) and owe (liabilities). The assets and liabilities are separated into current and noncurrent. '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 VLA at 30 June 2012.

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.

Cash flow statement

The Cash flow statement summarises our cash receipts and cash payments for the financial year ended 30 June 2012. 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 three main areas:

1) Cash flows from operating activities

Receipts include all cash received into VLA's bank account from those who owed money to VLA. Receipts also include the interest received from VLA's cash investments but do not include the costs associated with the sale of assets. Payments include all cash paid by VLA 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 VLA pool cars.

3) Cash flows from financing activities

This is where the receipt and repayment of borrowed funds are recorded, and includes any movement in trust funds from State Government monies held by VLA.

The bottom line of the Cash flow statement is the cash balance at 30 June 2012. This shows the capacity of VLA to meet its current cash obligations and other liabilities.

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.

VICTORIA LEGAL AID FINANCIAL STATEMENTS – 30 JUNE 2012

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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 2012

	Notes	2012 \$'000	2011 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Government			
Commonwealth grants - Direct		2,701	4,828
Commonwealth grants - Indirect		43,644	42,400
	1(e), 2	<u>46,345</u>	<u>47,228</u>
State grant	1(e), 2	72,864	69,096
Public purpose fund	1(e), 2	25,663	25,769
		<u>144,872</u>	<u>142,093</u>
Operating			
Client contributions	1(e), 2	5,913	4,042
Costs recovered and appeal cost fund	1(e), 2	1,254	1,043
Interest	1(e), 2	1,495	1,558
Other income		297	468
		<u>8,959</u>	<u>7,111</u>
Total income from transactions		<u>153,831</u>	<u>149,204</u>
Expenses from transactions			
Case related professional payments	1(f)	(79,639)	(67,103)
Employee benefits	3	(50,305)	(45,546)
Grants and other payments	2(b)	(12,367)	(11,527)
Depreciation and amortisation	1(f), 3	(2,737)	(2,403)
Other expenditure	3	(14,943)	(14,169)
Total expenses from transactions		<u>(159,991)</u>	<u>(140,748)</u>
Net result from transactions (net operating balance)		<u>(6,160)</u>	<u>8,456</u>
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	1(h), 4(a)	(6)	(2,592)
Net gain / (loss) on financial instruments and statutory receivables/payables			
Net actuarial gains / (losses) on receivable amounts	1(h), 1(l), 4(b)	(746)	(2,802)
Net actuarial gains / (losses) on amounts payable	1(h), 4(c)	4,310	(922)
Net gain / (loss) arising from other economic flows	1(h), 4(d)	(493)	(16)
Total other economic flows included in net result		<u>3,065</u>	<u>(6,332)</u>
Net result from continuing operations		<u>(3,095)</u>	<u>2,124</u>
Comprehensive result	2	<u>(3,095)</u>	<u>2,124</u>

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

Balance sheet
As at 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Financial assets			
Cash and cash equivalents	1(i), 6, 17	14,560	19,913
Accrued Income	17	73	189
Receivables	1(j), 7, 17	22,494	20,027
Prepayments		1,056	1,134
Total financial assets		<u>38,183</u>	<u>41,263</u>
Non Financial assets			
Property, plant and equipment	1(l), 8	7,674	8,098
Intangible assets	1(l), 9	6,554	6,626
Total non financial assets		<u>14,228</u>	<u>14,724</u>
Total assets		<u>52,411</u>	<u>55,987</u>
Liabilities			
Payables	1(n), 10, 17	16,897	18,618
Provisions	1(o), 11	11,741	10,501
Total liabilities		<u>28,638</u>	<u>29,119</u>
Net assets		<u>23,773</u>	<u>26,868</u>
Equity			
Contributed capital	1(k), 12(a)	42,194	42,194
Accumulated deficit	12(b)	(18,421)	(15,326)
Total equity		<u>23,773</u>	<u>26,868</u>
Contingent Liabilities	1(u), 20		
Commitments for expenditure	1(v), 18		

Statement of changes in equity
For the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
Equity at start of financial year			
Contributed capital		42,194	42,194
Accumulated deficit		(15,326)	(17,450)
Total equity at start of financial year		<u>26,868</u>	<u>24,744</u>
Comprehensive result for the year		(3,095)	2,124
Total recognised income and expenses for the year		<u>(3,095)</u>	<u>2,124</u>
Total equity at end of financial year		<u>23,773</u>	<u>26,868</u>

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

Cash flow statement

For the financial year ended 30 June 2012

	Notes	2012 \$'000	2011 \$'000
		Inflow/ (Outflow)	Inflow/ (Outflow)
Cash flows from operating activities			
<i>Receipts from government</i>			
Commonwealth grants - Direct		2,899	4,567
Commonwealth grants - Indirect		43,644	42,400
		<u>46,543</u>	<u>46,967</u>
State		73,007	69,203
Public purpose fund		25,662	25,769
		<u>98,669</u>	<u>94,972</u>
<i>Receipts from operating activities</i>			
Client contributions		2,499	2,751
Costs recovered and appeal cost fund		1,380	1,188
Interest received		1,601	1,398
Goods and services tax recovered from the ATO		11,513	10,646
Other		668	820
		<u>17,661</u>	<u>16,803</u>
		<u>162,873</u>	<u>158,742</u>
<i>Payments to suppliers and employees</i>			
Private practitioners		(88,057)	(74,440)
Salaries and related costs		(49,452)	(44,558)
Community legal centres		(13,171)	(12,680)
Administration costs		(15,337)	(16,390)
Other		(516)	(886)
		<u>(166,533)</u>	<u>(148,954)</u>
Net cash from / (used in) operating activities	16	<u>(3,660)</u>	<u>9,788</u>
Cash flows from investing activities			
Payments for non financial assets		(2,240)	(2,946)
Proceeds from sale of non financial assets		117	133
		<u>(2,123)</u>	<u>(2,813)</u>
Net cash from / (used in) investing activities		<u>(2,123)</u>	<u>(2,813)</u>
Cash flows from financing activities			
Receipts from State government for monies held in trust		489	479
Payments on behalf of State government for monies held in trust		(59)	(49)
		<u>430</u>	<u>430</u>
Net cash from / (used in) financing activities		<u>430</u>	<u>430</u>
Net increase/(decrease) in cash and cash equivalents held		(5,353)	7,405
Cash and cash equivalents at the beginning of the financial year		19,913	12,508
Cash and cash equivalents at the end of the financial year	1(i), 6	<u>14,560</u>	<u>19,913</u>

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

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 which has been prepared on an accrual basis in accordance with the *Financial Management Act 1994*, applicable Australian Accounting Standards (AASs), which includes the Australian accounting standards issued by the Australian Accounting Standards Board (AASB), AAS 29 Financial Reporting by Government Departments, Interpretations and other mandatory professional requirements.

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 E Jennings (Chief Finance and Accounting Officer – Victoria Legal Aid) on 29 August 2012.

(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 historical experience and various other factors that are believed to be reasonable under the circumstance, 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.

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 the Commission is the Australian dollar, which has also been identified as the presentation currency of the Commissions. 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 2012 and the comparative information presented for the year ended 30 June 2011.

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

(c) 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 GFS terminology, but retain measurement and disclosure rules under existing accounting standards applicable to the Commission; and
- current versus non-current assets and liabilities are disclosed in the notes where relevant.

Note 1. Summary of significant accounting policies (continued)

(d) Objectives

The objectives of the Commission 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.

(e) Revenue recognition

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

(i) Government grants

Grants payable by Government are recognised as revenue when the Commission gains control of the underlying assets. Where grants are reciprocal, revenue is recognised as performance occurs under the grant. Non-reciprocal grants are recognised as revenue when the grant is received or receivable. 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*. The Public Purpose Fund comprises interest and investment earnings on clients' funds held in solicitor's 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 and where the services would normally be purchased.

(iv) Sale of goods and disposal of assets

Revenue from the sale of goods and disposal of other assets is recognised when the Commission 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 the Commission gains control of the revenue or the right to receive revenue.

(f) Expenses from transactions

(i) Grants payments and other payments

Grants and other payments to third parties are recognised as expenses in the reporting period in which they are paid or payable. They include grants made to community legal centres (Note 2b).

(ii) Supplies and services

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

Note 1. Summary of significant accounting policies (continued)

(f) Expenses from transactions (continued)

(iii) 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 estimate 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:

Furniture, fixture and fittings	10%
IT equipment	33%
Leasehold improvements	10%
Motor vehicles	20%
Office machines & 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.

(g) Maintenance and repairs

Assets of the Commission 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 result from transactions.

(i) Net gain / (loss) on non-financial assets

Net gain / (loss) 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 gain / (loss) 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.

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

(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 the Commission 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 the Commission'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.

Actuarial assessment of client debtors and assumptions are reviewed on an ongoing basis for impairment. 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.

(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 at cost less accumulated depreciation and impairment.

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 the Commission. 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 the Commission intends to preserve because of their unique cultural and historical attributes are valued at fair value.

Note 1. Summary of significant accounting policies (continued)

(l) Non-current assets (continued)

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; and
- (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 follows:

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 3.55% (2011: 5.40%) 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 lower than that for secured, and therefore a higher discount rate of 3.85% was used for 2012 (2011: 4.9%).

(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 the Commission 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.

Legal creditors

Legal creditors represent amounts owing to the organisation's practitioner 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; and
- (ii) amounts incurred not yet invoiced at balance date.

Note 1. Summary of significant accounting policies (continued)

(n) Payables (continued)

An actuarial assessment was undertaken by Finity Consulting Pty Limited to identify amounts owing to legal creditors for work performed prior to the 30 June 2012 but not yet invoiced. The actuarial assessment includes a prudential margin of 10% of outstanding estimates which is reassessed each year.

No interest charge is applicable.

(o) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave expected to be 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.

(ii) Long service leave

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

- Current liability – unconditional LSL (representing 7 or more years of continuous service) is disclosed as a current liability even where the Commission 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 the Commission does not expect to settle within 12 months; and
- Nominal value – component that the Commission expects to settle within 12 months.

- Non-current liability – conditional LSL (representing less than 7 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 an other 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. The Commission 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 13).

(vi) Defined benefit superannuation funds

The amount charged to the operating statement in respect of defined benefit superannuation represents the contribution made by the Commission to the superannuation fund in respect to the current services of current staff of the Commission. 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.

Note 1. Summary of significant accounting policies (continued)

(p) Provisions

Provisions are recognised when the Commission 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) Leased non-current assets

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 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) 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 the Commission 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 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.

(t) 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 18).

(u) 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 20).

Note 1. Summary of significant accounting policies (continued)

(v) Critical accounting estimates and judgements

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

(i) *Critical accounting estimates and assumptions*

Measurement of client receivables

Client receivables are based on an actuarial assessment which makes reference to annual modelling and historical data on debt recovery.

Measurement of case related professional creditors

The recognition of private practitioner costs is intrinsically linked to the recovery of client fees. In this respect the recognition of private practitioner related payables is recognised on a similar basis and, therefore, is reliant on an actuarial assessment. The actuarial assessment makes reference to historical data.

(w) Going concern

The financial report has been prepared on a going concern basis. The nature of our business equates to long term debtors and short term creditors, thus creating fluctuations in working capital (\$1.25 million working capital surplus in 2012 compared to a 2011 \$1.44 million working capital surplus).

(x) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 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 2012, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2012. The Commission has not, and does not intend to adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	Beginning 1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.

Note 1. Summary of significant accounting policies (continued)

(x) New accounting standards and interpretations

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	Beginning 1 January 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 and 1038 and Interpretations 10 and 12]	This Standard gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting
AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	These consequential amendments are in relation to the introduction of AASB 9.	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2010-8 Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	This amendment provides a practical approach for measuring deferred tax assets and deferred tax liabilities when measuring investment property by using the fair value model in AASB 140 Investment Property.	Beginning 1 January 2013	This amendment provides additional clarification through practical guidance.
AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	The amendments ultimately affect AASB 1 First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	Beginning 1 January 2013	No significant impact is expected on entity reporting.

Note 1. Summary of significant accounting policies (continued)

(x) New accounting standards and interpretations

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 2011-3 Amendments to Australian Accounting Standards – Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments [AASB 1049]	This amends AASB 1049 to clarify the definition of the ABS GFS Manual, and to facilitate the adoption of changes to the ABS GFS Manual and related disclosures.	Beginning 1 January 2013	This amendment provides clarification to users preparing the whole of government and general government sector financial reports on the version of the GFS Manual to be used and what to disclose if the latest GFS Manual is not used. No impact on departmental or entity reporting.
AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	This Standard amends AASB 124 Related Party Disclosures by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]	This Standard outlines consequential changes arising from the issuance of the five 'new Standards' to other Standards. For example, references to AASB 127 Consolidated and Separate Financial Statements are amended to AASB 10 Consolidated Financial Statements or AASB 127 Separate Financial Statements, and references to AASB 131 Interests in Joint Ventures are deleted as that Standard has been superseded by AASB 11 and AASB 128 (August 2011).	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	Beginning 1 January 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.

Note 1. Summary of significant accounting policies (continued)

(x) New accounting standards and interpretations

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049]	The main change resulting from this Standard is a requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). These amendments do not remove the option to present profit or loss and other comprehensive income in two statements, nor change the option to present items of OCI either before tax or net of tax.	Beginning 1 January 2012	This amending Standard could change the current presentation of 'Other economic flows- other movements in equity' that will be grouped on the basis of whether they are potentially reclassifiable to profit or loss subsequently. No other significant impact will be expected.
Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 Employee Benefits.	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011-12 Amendments to Australian Accounting Standards arising from Interpretation 20 [AASB 1]	This Standard makes amendments to AASB 1 First-time Adoption of Australian Accounting Standards, as a consequence of the issuance of IFRIC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine. This Standard allows the first-time adopters to apply the transitional provisions contained in Interpretation 20.	Beginning 1 January 2013	There may be an impact for new agencies that adopt Australian Accounting Standards for the first time. No implication is expected for existing entities in the Victorian public sector.
2011-13 Amendments to Australian Accounting Standard – Improvements to AASB 1049	This Standard aims to improve the AASB 1049 Whole of Government and General Government Sector Financial Reporting at the operational level. The main amendments clarify a number of requirements in AASB 1049, including the amendment to allow disclosure of other measures of key fiscal aggregates as long as they are clearly distinguished from the key fiscal aggregates and do not detract from the information required by AASB 1049. Furthermore, this Standard provides additional guidance and examples on the classification between 'transactions' and 'other economic flows' for GAAP items without GFS equivalents.	Beginning 1 January 2012	No significant impact is expected from these consequential amendments on entity reporting.

Note 1. Summary of significant accounting policies (continued)

(x) New accounting standards and interpretations

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on public sector entity financial statements
2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	Beginning 1 January 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012-1 will not affect the financial reporting for Victorian whole of government and GG sector.
AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine	This Interpretation clarifies when production stripping costs should lead to the recognition of an asset and how that asset should be initially and subsequently measured.	Beginning 1 January 2013	No significant impact is expected on entity reporting.

Note 2. Funding

(a) The organisation

On the 1st July 2010 the Commonwealth and the Victorian State Government entered into a National Partnership Agreement for legal assistance services. The agreement specified arrangements for the delivery of Commonwealth funded services by the State. Funding flows through the Victorian State Government to Victoria Legal Aid and is reported as an indirect funding source of \$43.6 million. Victoria Legal Aid continues to be reimbursed for expensive Commonwealth cases directly, 2012 \$2.59 million (2011: \$4.46 million).

(b) Community legal centres

Each year the Commission allocates a portion of its funding and provides certain administration assistance to community legal centres in Victoria. For the year ended 30 June 2012 the Commission allocated \$12.4 million of direct funds (2011: \$11.5m). 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. The total amount received from the Commonwealth for community legal centres to 30 June 2012 was \$7.0m million (2011: \$6.6m).

Grants made by the organisation to community legal centres are reported in the body of the financial statements.

Note 3. Result for the reporting period

	2012 \$'000	2011 \$'000
(a) Expenses from ordinary activities		
Employee benefits		
Salaries and overtime	38,657	34,659
- excluding Intangible Project costs capitalised	-	(126)
Salaries and overtime – not including Intangible Project items	<u>38,657</u>	<u>34,533</u>
Annual leave and long service leave expense	4,983	4,838
- excluding Intangible Project costs capitalised	-	(23)
Annual leave and long service leave expense – not including Intangible Project items	<u>4,983</u>	<u>4,815</u>
Superannuation	3,791	3,532
- excluding Intangible Project costs capitalised	-	(56)
Superannuation – not including Intangible Project items	<u>3,791</u>	<u>3,476</u>
Staff development	358	415
Workcover	174	136
Temporary employment cover	1,429	1,265
Other	913	906
Total employee benefits	<u>50,305</u>	<u>45,546</u>
Depreciation of property, plant and equipment		
Furniture, fixture & fittings	71	67
Information technology equipment	253	337
Leasehold improvements	1,378	1,305
Leasehold decommissioning	0	0
Motor vehicles	119	118
Office machines & equipment	151	167
Total depreciation	<u>1,972</u>	<u>1,994</u>
Amortisation of intangible assets		
Software	765	409
Total amortisation	<u>765</u>	<u>409</u>
Total depreciation and amortisation	<u>2,737</u>	<u>2,403</u>
Other expenditure from ordinary activities		
Supplies and services		
Debt recovery costs	12	41
Insurance	177	188
Legal fees	134	257
Subscriptions and periodicals	530	508
Motor vehicle and travelling expenses	73	86
Operating leases	244	267
Postage and telephones	977	950
Printing and stationery	695	929
Sundry expenses	726	560
Travel and accommodation	478	469
Contractors	584	977
Consultants	1,121	920
Total supplies and services	<u>5,751</u>	<u>6,152</u>
Premises – minimum lease payments	4,879	3,675
Premises – other	2,648	2,566
Information management systems	1,727	1,623
Decommissioning expenses	(62)	153
Other	0	0
Total other expenditure from ordinary activities	<u>14,943</u>	<u>14,169</u>

Note 4. Other economic flows included in net result

	2012 \$'000	2011 \$'000
(a) Net gain / (loss) on non-financial assets:		
Net gain / (loss) on disposal Property, plant and equipment	(6)	(2,592)
(b) Net actuarial gains / (losses) on receivable amounts:		
Net actuarial gains / (losses) on legal debtors net present value	1,634	(440)
Net actuarial gains / (losses) on impairment of legal unsecured debtors	(2,219)	(2,368)
Net actuarial gains / (losses) on recognition of outstanding legal debtors	(161)	6
Total Net actuarial gains / (losses) on recoverable amounts	<u>(746)</u>	<u>(2,802)</u>
(c) Net actuarial gains / (losses) on amounts payable:		
Net actuarial gains / (losses) on movement in legal creditors	4,310	(922)
(d) Net gain / (loss) arising from other economic flows:		
Net gain / (loss) arising from revaluation of long service leave liability due to changes in discount bond rates	(493)	(16)
Total other economic flows included in net result	<u>3,065</u>	<u>(6,332)</u>

Note 5. Remuneration of auditors

Remuneration of auditors comprises:

Audit of financial reports: Victorian Auditor General's Office	54	51
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Note 6. Cash and cash equivalents

Cash at bank and on hand	759	819
Monies held in trust	1,331	894
Term deposits	12,470	18,200
	<u>14,560</u>	<u>19,913</u>

The above figures are reconciled to cash at the end of the financial year as shown in the Cash flow statement as follows:

Balance as above	14,560	19,913
Balance as per statement of cash flows	<u>14,560</u>	<u>19,913</u>

Note 7. Receivables

	2012 \$'000	2011 \$'000
(a) Receivables		
Client Contributions		
Secured client contributions receivable	17,904	18,444
Adjustment for impairment of secured client contributions receivable	(5,490)	(7,124)
Secured client contributions receivable at net present value	<u>12,414</u>	<u>11,320</u>
Unsecured client contributions receivable	8,719	5,915
Adjustment for impairment of unsecured client contributions receivable (b)	(5,039)	(2,814)
Unsecured client contributions receivable at net present value	<u>3,680</u>	<u>3,101</u>
Secured client contributions receivable on unfinalised matters	2,673	1,398
Costs recoverable	-	59
	<u>18,767</u>	<u>15,878</u>
Sundry receivables		
Australian Taxation Office	3,716	3,832
Other	11	317
	<u>3,727</u>	<u>4,149</u>
Total receivables	<u>22,494</u>	<u>20,027</u>
This is represented by:		
Current		
Due within one year	5,798	7,028
Non-current		
Due beyond one year	16,696	12,999
	<u>22,494</u>	<u>20,027</u>
(b) Movement in provision for secured client contributions		
Opening balance	7,124	6,684
Movements in net present value adjustment	(1,634)	440
Closing balance	<u>5,490</u>	<u>7,124</u>
(c) Movement in provision for unsecured client contributions		
Opening Balance	2,814	-
Movements during the year:	-	-
Re-assessments and bad debts written-off	35	-
Increase/(decrease) in provision for re-assessments and bad debt write-downs	(160)	(54)
Actuarial assessment of unsecured client contributions receivable (Note 1(j))	2,350	2,868
Closing balance	<u>5,039</u>	<u>2,814</u>
Total movement in provision for client contributions	<u>10,529</u>	<u>9,938</u>

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 debtors receivable after adjustments and the discount to net present value.

A provision for impairment has been made for unsecured client contributions receivable, also determined by actuarial assessment of recoverable amount. 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.

Note 8. Property, plant and equipment

	2012 \$'000	2011 \$'000
Information technology at cost	3,219	3,199
Less: Accumulated depreciation	(2,703)	(2,745)
	<u>516</u>	<u>454</u>
Furniture, fixtures and fittings at cost	790	753
Less: Accumulated depreciation	(435)	(363)
	<u>355</u>	<u>390</u>
Leasehold improvements at cost	19,634	18,556
Less: Accumulated depreciation	(13,626)	(12,248)
	<u>6,008</u>	<u>6,308</u>
Leasehold Decommissioning	-	-
Less: Accumulated depreciation	-	-
	<u>-</u>	<u>-</u>
Motor vehicles at cost	557	586
Less: Accumulated depreciation	(168)	(155)
	<u>389</u>	<u>431</u>
Office machines and equipment at cost	1,597	1,555
Less: Accumulated depreciation	(1,292)	(1,141)
	<u>305</u>	<u>414</u>
Cultural assets at valuation	101	101
	<u>101</u>	<u>101</u>
Total property, plant and equipment	25,898	24,750
Less: Total Accumulated depreciation	(18,224)	(16,652)
Total written down value	<u>7,674</u>	<u>8,098</u>

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.

	Information technology \$'000	Furniture, fixtures & fittings \$'000	Leasehold improvements \$'000	Motor vehicles \$'000	Office machines & equipment \$'000	Cultural assets \$'000	Total \$'000
2012							
Carrying amount at start of year	454	390	6,308	431	414	101	8,098
Additions	315	37	1,078	190	42	-	1,662
Revaluations	-	-	-	-	-	-	-
Disposals	-	-	-	(114)	-	-	(114)
Depreciation/amortisation expense	(253)	(72)	(1,378)	(118)	(151)	-	(1,972)
Carrying amount at end of year	<u>516</u>	<u>355</u>	<u>6,008</u>	<u>389</u>	<u>305</u>	<u>101</u>	<u>7,674</u>
2011							
Carrying amount at start of year	425	417	7,486	364	557	176	9,425
Additions	369	40	127	310	25	6	877
Revaluations	-	-	-	-	-	(81)	(81)
Disposals	(3)	-	-	(125)	(1)	-	(129)
Depreciation/amortisation expense	(337)	(67)	(1,305)	(118)	(167)	-	(1,994)
Carrying amount at end of year	<u>454</u>	<u>390</u>	<u>6,308</u>	<u>431</u>	<u>414</u>	<u>101</u>	<u>8,098</u>

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. Intangible assets

	2012 \$'000	2011 \$'000
Software at cost	7,786	7,093
Less: Accumulated amortisation	(1,232)	(467)
	<u>6,554</u>	<u>6,626</u>

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.

	Software \$	Total \$
2012		
Carrying amount at beginning of year	6,625	6,625
Additions	694	694
Disposals (a)	-	-
Amortisation	(765)	(765)
Carrying amount at end of year	<u>6,554</u>	<u>6,554</u>
2011		
Carrying amount at beginning of year	7,481	7,481
Additions	1,519	1,519
Disposals (a)	(1,965)	(1,965)
Amortisation	(409)	(409)
Carrying amount at end of year	<u>6,626</u>	<u>6,626</u>

(a) During the period, an intangible software item under development was assessed as having no further benefit or value to the Commission and was disposed of accordingly.

Note 10. Payables

	2012 \$'000	2011 \$'000
Current		
<i>Unsecured</i>		
Case related professional creditors	10,647	14,669
Monies held in trust	1,331	894
Trade creditors	4,919	3,055
	<u>16,897</u>	<u>18,618</u>

The average credit period for creditors is 30 days. No interest is charged.

Note 11. Provisions

	2012 \$'000	2011 \$'000
(a) Provisions		
Current		
Employee benefits:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	3,473	3,236
- Long service leave	445	369
- Sick leave	-	-
- Executive officer bonus	92	109
- Unconditional and expected to be settled after 12 months:		
- Long service leave	4,091	3,815
Employee benefit on-costs:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	322	297
- Long service leave	41	32
- Unconditional and expected to be settled after 12 months:		
- Long service leave	380	349
	<u>8,844</u>	<u>8,207</u>
Non-current		
Employee benefits:		
- Long service leave (conditional)	1,730	1,188
Employee benefit on costs:		
- Long service leave (conditional)	161	110
Decommissioning	1,006	996
	<u>2,897</u>	<u>2,294</u>
Aggregate carrying amount of provisions		
Current	8,844	8,207
Non-current	2,897	2,294
	<u>11,741</u>	<u>10,501</u>
(b) Employee Benefits & related on-costs		
Current employee benefits		
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	3,565	3,345
Current employee benefits for unconditional long service leave entitlements	4,536	4,184
	<u>8,101</u>	<u>7,529</u>
Non-current employee benefits		
Conditional long service leave entitlements	1,730	1,188
Total employee benefits	<u>9,831</u>	<u>8,717</u>
Current on-costs	743	678
Non-current on-costs	161	110
Total on-costs	<u>904</u>	<u>788</u>
Total employee benefits & on-costs	<u>10,735</u>	<u>9,505</u>
(c) Movement in Provisions		
Decommissioning		
Balance at 1 July 2011	996	897
Additional provisions recognised	-	-
Reductions arising from payments	0	0
Additions / (reductions) resulting from re-measurement or settlement without cost	(39)	69
Unwind of discount and effect of changes in the discount rate	49	30
Balance at 30 June 2012	<u>1,006</u>	<u>996</u>

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 1 month to 9 years.

Note 12. Equity and movements in equity

	2012 \$'000	2011 \$'000
(a) Contributed Capital		
Balance at the beginning of the year	42,194	42,194
Movement during the year	-	-
Balance at the end of the year	<u>42,194</u>	<u>42,194</u>
(b) Accumulated surplus		
Balance at the beginning of the year	(15,326)	(17,450)
Net result for the year	(3,095)	2,124
Balance at the end of the year	<u>(18,421)</u>	<u>(15,326)</u>

Note 13. 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 statement of financial position for the Commission'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.

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.

Paid employer contributions for the year:

	2012 \$'000	2011 \$'000
State Superannuation Fund – new scheme	188	190
State Superannuation Fund – revised scheme	20	21
VicSuper Pty Ltd	2,863	2,789
Various other	706	532
	<u>3,777</u>	<u>3,532</u>

The employer contribution rate varies between 9% and 17% depending on the particular scheme to which the employee subscribes. The employer contribution rate is 9% for new employees.

Employees under State Superannuation Fund schemes (both new and revised) are entitled to defined lump sum benefits on retirement, disability or death. These benefits are based on years of service and final average salary.

Funds participating during the period ending 30 June 2012:

Superannuation Fund Schemes	Employee Nos.
State Superannuation Fund – new scheme	32
State Superannuation Fund – revised scheme	1
VicSuper Pty Ltd	600
Various other	171

(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 the Commission's share of the State's unfunded superannuation liability. There were no loans made between any of the superannuation funds and the Commission during the financial year.

Note 14. Ministers and Accountable Officers

In accordance with the Directions of 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 above positions in the Commission are as follows:

Responsible Ministers

Victorian Attorney General	The Hon. Robert W Clark MLA	1 July 2011 to 30 June 2012
Commonwealth Attorney General	The Hon. Robert McClelland MP	1 July 2011 to 13 December 2011
Commonwealth Attorney General	The Hon. Nicola Roxon MP	14 December 2011 to 30 June 2012

Responsible Directors

Chairperson	Mr John Anthony Howie	1 July 2011 to 30 September 2011
Chairperson	Mr Andrew Guy	1 October 2011 to 30 June 2012
Managing Director & Accountable Officer	Mr Bevan Andrew Warner	1 July 2011 to 30 June 2012
Managing Director & Accountable Officer	Mr Saul Holt (Acting)	17 October 2011 to 22 October 2011
Managing Director & Accountable Officer	Ms Judy Small (Acting)	22 December 2011 to 8 January 2012
Managing Director & Accountable Officer	Ms Nicole Rich (Acting)	10 January 2012 to 14 January 2012
Managing Director & Accountable Officer	Mr Saul Holt (Acting)	3 March 2012 to 9 April 2012
Director	Ms Mary Anne Noone	1 July 2011 to 18 February 2012
Director	Ms Sue Walpole	1 July 2011 to 28 August 2011
Director	Ms Jennifer Shaw	1 July 2011 to 30 June 2012
Director	Ms Catherine McGovern	27 September 2011 to 30 June 2012
Director	Ms Virginia Rogers	1 May 2012 to 30 June 2012

REMUNERATION OF DIRECTORS

Remuneration received or receivable by the Directors in connection with the management of the Commission during the reporting period was in the range:

Income Band	Total Remuneration		Base Remuneration	
	2012 No.	2011 No.	2012 No.	2011 No.
\$0 – \$9,999	2	0	2	0
\$10,000 – \$19,999	4	2	4	2
\$20,000 – \$29,999	0	1	0	1
\$30,000 – \$39,999	1	0	1	0
\$40,000 – \$49,999	0	1	0	1
\$160,000 – \$169,999	0	0	0	0
\$170,000 – \$179,999	0	0	0	0
\$180,000 – \$189,999	0	0	0	0
\$190,000 – \$199,999	0	0	0	0
\$200,000 – \$209,999	0	0	0	1
\$210,000 – \$219,999	0	0	0	0
\$220,000 – \$229,999	0	1	1	0
\$230,000 – \$239,999	0	0	0	0
\$240,000 – \$249,999	0	0	0	0
\$250,000 – \$259,999	0	0	0	0
\$260,000 – \$269,999	1	0	0	0
Total number	8	5	8	5
Total amount \$000's	363	326	317	301

OTHER TRANSACTIONS

Other related transactions and loans requiring disclosure under the Directions of the Minister for Finance have been considered and there are no matters to report other than the Trust Account as per Note 21.

Note 15. Remuneration of executives

The numbers of executive officers, other than Ministers and Directors, and their total remuneration during the reporting periods are shown in the first two columns in the table below in their relevant income bands. The base remuneration of executive officers is shown in the third and fourth columns. Base remuneration is exclusive of bonus payments and long-service leave payments. Total remuneration includes long-service leave payments for executive departures.

Income Band	Total Remuneration		Base Remuneration	
	2012 No.	2011 No.	2012 No.	2011 No.
\$ 70,000 – 79,999	0	0	0	0
\$ 80,000 – 89,999	0	0	0	0
\$100,000 – 109,999	0	0	0	0
\$110,000 – 119,999	1	0	1	0
\$120,000 – 129,999	0	1	0	1
\$130,000 – 139,999	0	1	0	1
\$140,000 – 149,999	0	0	0	0
\$150,000 – 159,999	0	1	1	1
\$160,000 – 169,999	1	0	2	0
\$170,000 – 179,999	1	0	0	1
\$180,000 – 189,999	1	0	0	0
\$190,000 – 199,999	0	1	1	0
\$200,000 – 209,999	1	0	0	0
\$210,000 – 219,999	0	0	0	0
\$220,000 – 229,999	0	0	1	1
\$230,000 – 239,999	1	0	0	0
\$240,000 – 249,999	0	1	0	0
\$260,000– 269,999	0	0	0	0
Total number	6	5	6	5
Total amount \$'000's	1,071	860	982	827

Note 16. Reconciliation of net results from continuing operations to net cash inflow from operating activities

	2012 \$'000	2011 \$'000
Net result from continuing operations	(3,095)	2,124
Depreciation and amortisation	2,737	2,403
Doubtful debts re-assessments and write downs	0	0
Net loss on disposal of non-current assets	6	2,592
Movement in adjustment for recoverable amount	2,350	2,808
Movement in equity for change in annual leave policy	0	0
Change in operating assets and liabilities		
(Increase) decrease in accrued income	116	(169)
Decrease (increase) in receivables	(5,296)	(2,479)
Decrease (increase) in prepayments	79	190
Increase (decrease) in trade creditors	1,858	444
Increase (decrease) in legal creditors	(3,656)	922
Increase (decrease) in provisions	1,241	953
Net cash inflow/(outflow) from operating activities	(3,660)	9,788

Note 17. Financial instruments

(a) Financial risk management, objectives and policies

The Commission's activities do not expose it to any significant financial risks other than interest rates held on deposit. The Commission does not enter into derivative financial instruments to manage its exposure to interest rate risk.

The Commission does not enter into or trade financial instruments, including derivative financial instruments, for speculative or any other purposes. As the Commission does not enter into financial derivatives no formal policy have been formally adopted.

(b) Recognised financial instruments

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

Recognised financial instruments	Balance Sheet Notes	Accounting policies	Terms and conditions
(i) Financial assets			
Cash at bank and on hand	6	Cash at bank and on hand are stated at their principal amount. Interest is recognised in the 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 Operating Statement, but is offset by related expenditure when incurred.	Monies held in trust is held at normal commercial interest rates.
Accrued income		Accrued income is recognised in the 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	7	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 will often take security against costs incurred on their behalf.
Term deposits	6	Term deposits are stated at their principal amount. Interest is recognised in the Operating Statement when earned.	Term deposits are invested as funds permit at normal commercial rates available at the time of investment.
(ii) Financial liabilities			
Case related professional creditors	10	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	10	Monies held in trust is not recognised in the Operating Statement, but is offset by related expenditure when incurred.	Monies held in trust does not incur penalty interest rates.
Trade creditors	10	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.

Note 17. Financial instruments (continued)

(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 mature profile of financial assets and liabilities held by the Commission are detailed below.

2012	Notes	Weighted Average interest rate %	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets						
Cash at bank and at hand	6	3.45%	759			759
Monies held in trust	6	3.57%	1,331			1,331
Accrued income		0%	73			73
Receivables	7	0%			22,494	22,494
Term deposits	6	3.92%		12,470		12,470
			2,163	12,470	22,494	37,127
Financial liabilities						
Legal payables	10	0%			10,647	10,647
Monies held in trust	10	0%			1,331	1,331
Sundry payables	10	0%			4,919	4,919
			-	-	16,897	16,897
Net financial assets (liabilities)			2,163	12,470	5,597	20,230
2011						
	Notes	Weighted Average interest rate %	Floating interest rate \$'000	Fixed interest maturing in 1 year or less \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets						
Cash at bank and at hand	6	4.70%	819			819
Monies held in trust	6	4.70%	894			894
Accrued income		0%	189			189
Receivables	7	0%			20,027	20,027
Term deposits	6	4.92%		18,200		18,200
			1,902	18,200	20,027	40,129
Financial liabilities						
Legal payables	10	0%			14,669	14,669
Monies held in trust	10	0%			894	894
Sundry payables	10	0%			3,055	3,055
			-	-	18,618	18,618
Net financial assets (liabilities)			1,902	18,200	1,409	21,511

Note 17. 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 the Commission. The Commission has adopted a policy of obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Commission measures credit risk on a fair value basis.

The Commission 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 the Commission's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Financial assets	Financial Institutions (triple-A rating) (\$'000)	Government Agencies (triple-A rating) (\$'000)	Government Agencies (triple-B rating) (\$'000)	Other (min triple-B credit rating) (\$'000)	Other (not rated) (\$'000)	Total (\$'000)
2012						
Cash at bank and at hand	1,331	759				2,090
Receivables	73				22,494	22,567
Investment and other financial assets		12,470				12,470
Total contractual financial assets		14,633	-	-	22,494	37,127
2011						
Cash at bank and at hand	894	819				1,713
Receivables	189				20,027	20,216
Investment and other financial assets		18,200				18,200
Total contractual financial assets		20,102	-	-	20,027	40,129

(e) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of the Commissions short, medium and long term funding and liquidity. This framework takes into consideration that the Commission is prohibited by the *Legal Aid Act 1978* from incurring borrowing costs and, consequent, borrowing funds. The Commission 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.

(f) Sensitivity analysis

The table below details the commission's sensitivity to shifts in interest rate. The 2011/2012 financial exposures are based on management's best estimates.

Annual risk by risk type	Minimum		Average		Maximum	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
Interest rate	31	46	78	114	125	182

Interest rate analysis is based upon financial assets not exceeding 1 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 17. Financial instruments (continued)

(g) Net fair value of financial assets and liabilities

(i) On-balance sheet

The Directors consider the net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Commission 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.

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:

	2012			2011		
	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
On-balance sheet financial instruments						
Financial assets						
Cash and deposits	759	759	-	819	819	-
Monies held in trust	1,331	1,331	-	894	894	-
Term deposits	12,470	12,470	-	18,200	18,200	-
Receivables	22,567	6,473	16,094	20,216	5,795	14,421
	<u>37,127</u>	<u>21,033</u>	<u>16,094</u>	<u>40,129</u>	<u>25,708</u>	<u>14,421</u>
Financial liabilities						
Legal payables	10,647	-	10,647	14,669	-	14,669
Monies held in trust	1,331	1,331	-	894	894	-
Other payables	4,919	4,919	-	3,055	3,055	-
	<u>16,897</u>	<u>6,250</u>	<u>10,647</u>	<u>18,618</u>	<u>3,949</u>	<u>14,669</u>

(ii) Off-balance sheet

The Commission has potential financial liabilities which may arise from certain commitments and contingencies disclosed in note 18 and 20. 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 the Commission as consideration for the assumption of those considerations by another party.

Note 18. Commitments for expenditure

	2012 \$'000	2011 \$'000
Capital commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	150	185
	<u>150</u>	<u>185</u>
Intangible assets commitments		
Commitments for the acquisition of intangible assets contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	0	0
	<u>0</u>	<u>0</u>
Lease commitments		
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	5,108	4,948
Later than one year but not later than 5 years	17,804	16,978
Later than five years	146	7,844
	<u>23,058</u>	<u>29,770</u>
Other expenditure commitments		
Commitments for the acquisition of other operation and maintenance contracted for at the reporting date but not recognised as liabilities, payable:		
Within one year	169	-
	<u>169</u>	<u>-</u>
Outsourcing commitments		
Commitments under outsourcing contracts for legal services and maintenance at the reporting date but not recognised as liabilities, payable:		
Within one year	15,692	18,247
Later than one year but not later than 5 years	2,430	18,933
	<u>18,122</u>	<u>37,180</u>
Total commitments for expenditure (inclusive of GST)	41,498	67,135
Less GST Recoverable from the Australian Taxation Office	3,772	6,103
Total commitments for expenditure (exclusive of GST)	<u><u>37,726</u></u>	<u><u>61,032</u></u>

Note 19. Ex-gratia payments

The Commission made total ex-gratia payments of \$53,239 during the period to five former employees upon termination of employment (2011: \$101,232 to six former employees).

Note 20. 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 (2011: Nil).

Note 21. Trust account

	2012 \$'000	2011 \$'000
<i>Victoria Legal Aid</i>		
<i>Trust account statement of receipts and payments</i>		
<i>For the year ended 30 June 2012</i>		
Receipts		
Balance at beginning of year	318	268
Amounts received on behalf of clients	229	404
	547	672
Less Payments		
Amounts paid on behalf of clients	262	354
Balance at end of year	285	318
This amount is represented by:		
Cash at bank	65	98
Deposits with the Legal Practice Board	220	220
	285	318

Victoria Legal Aid as a corporate entity under the *Legal Practice Act 1996* maintains a trust account in accordance with that Act. 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.

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*, applicable Financial Reporting Directions, Australian Accounting Standards 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 2012 and financial position of Victoria Legal Aid as at 30 June 2012.

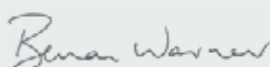
We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Andrew Guy

Chairperson

29 August 2012



Bevan Warner
Managing Director
Victoria Legal Aid

Accountable Officer

29 August 2012



Elizabeth Jennings

Chief Finance & Accounting Officer

29 August 2012

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT To the Board Members, Victoria Legal Aid

The Financial Report

The accompanying financial report for the year ended 30 June 2012 of the 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 has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of the Victoria Legal Aid are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determines is necessary to enable the preparation 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, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Victoria Legal Aid as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Victoria Legal Aid for the year ended 30 June 2012 included both in the Victoria Legal Aid's annual report and on the website. The Board Members of the Victoria Legal Aid are responsible for the integrity of the Victoria Legal Aid's website. I have not been engaged to report on the integrity of the Victoria Legal Aid's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE
30 August 2012


D D R Pearson
Auditor-General

Auditing in the Public Interest

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.

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APPENDIX 2

Community Consultative Committee

Members of the Community Consultative Committee (p.18) in 2011–12 were:

- Professor Marie Connolly, Chair and Head of Social Work, Melbourne School of Health Sciences, University of Melbourne
- Nicky Friedman, National Coordinator, Pro bono and Community Programs, Allens Arthur Robinson
- Dr Stefan Gruenert, Chief Executive Officer, Odyssey House Victoria
- Denis Nelthorpe AM, Special projects lawyer, West Heidelberg Community Legal Centre, Tenants Union of Victoria and Footscray Legal Service (nominated by the Federation of Community Legal Centres (Vic) Inc)
- Peter Norden AO, Vice Chancellor's Fellow, University of Melbourne; Adjunct Professor, RMIT University; Director, Norden Directions
- Alan Wu, currently employed at the Commonwealth Attorney-General's Department and on the board of Oxfam Australia
- Vicky Kordouli, senior family law duty lawyer in our Family, Youth and Children's Law Program (member to 21 March 2012)
- Cath Smith, former CEO Victorian Council of Social Service (member to 30 March 2012)
- Stephen Nash, former CEO Homeground Services (member to 22 June 2012).

APPENDIX 3

Justice and law reform submissions

We work to improve the justice system by addressing problems or issues identified through our practice that are closely linked to our priorities and the needs of our clients. We also aim to deliver a wider benefit to the community by making submissions to reviews and inquiries, and responding to requests for comments. See www.legalaid.vic.gov.au for our submissions.

Submission name	Authority	Date	Related work
Introduction of a statutory minimum penalty for the offences of intentionally causing serious injury and recklessly causing serious injury involving gross violence	Sentencing Advisory Council	4 July 2011	
Judicial Review in Australia consultation paper	Administrative Review Council	7 July 2011	30
Diversion discussion paper	Department of Justice	11 July 2011	
Protecting Victoria's Vulnerable Children	Protecting Victoria's vulnerable children inquiry panel	19 July 2011 and 12 August 2011	42
Proposed Consumer Credit Legislation <i>NLA submission</i>	Minister for Financial Services and Superannuation	3 August 2011	31
Sex offenders registration review	Victorian Law Reform Commission	5 August 2011	37
Mediation Assessment Guidelines	Department of Justice	8 August 2011	
Inquiry into International Child Abduction to and from Australia <i>NLA submission</i>	Senate Legal and Constitutional Committees	16 August 2011	
Review of recent changes to court fees <i>NLA submission</i>	Commonwealth Attorney General's Department	19 August 2011	
Inquiry into Australia's Immigration Detention Network <i>NLA submission</i>	Joint Select Committee on Australia's Immigration Detention Network	19 August 2011	30

Submission name	Authority	Date	Related work
Natural Disaster Insurance Review <i>NLA submission</i>	Natural Disaster Insurance Review Panel	22 August 2011	
Inquiry into the operation of the insurance industry during disaster events <i>Victorian Legal Assistance Forum submission</i>	House of Representative Standing Committee on Social Policy and Legal Affairs	31 August 2011	21
Adult Parole Review	Sentencing Advisory Council	9 September 2011	
Failure to protect offences discussion paper	Department of Justice	11 September 2011	
Inquiry into <i>Consumer Credit and Corporations Legislation Amendment (Enhancements) Bill 2011</i> <i>NLA submission</i>	Parliamentary Joint Committee on Corporations and Financial Services	14 October 2011	31
Family violence and Commonwealth laws discussion paper <i>NLA submission</i>	Australian Law Reform Commission	27 October 2011	42
Parliamentary Inquiry into access to and interaction with the justice system by people with an intellectual disability	Victorian Parliament Law Reform Committee	2 November 2011	30
Baseline sentences project	Sentencing Advisory Council	4 November 2011	
Indigenous and Culturally and Linguistically Diverse (CALD) Clients in the Family Law System <i>NLA submission</i>	Law Council of Australia	7 November 2011	42
Inquiry into <i>Deterring People Smuggling Bill 2011</i>	Senate Legal and Constitutional Committees	9 November 2011	36
Inquiry into the relinquishment of children with disability into state care in Victoria	Victorian Equal Opportunity and Human Rights Commission	22 November 2011	
Numbering: Calls to freephone and local rate numbers, the way forward consultation paper	Australian Communications and Media Authority	2 December 2011	24
Inquiry into <i>Crimes Amendment (Fairness for Minors) Bill 2011</i>	Senate Legal and Constitutional Committees	31 January 2012	36
Inquiry into the treatment of individuals suspected of people smuggling offences who say that they are children	Australian Human Rights Commission	31 January 2012	36
Consolidation of Commonwealth Anti-Discrimination Laws Discussion Paper	Commonwealth Attorney General's Department	1 February 2012	30, 31
Inquiry into <i>Stronger Futures in the Northern Territory Bill 2011</i> and two related bills <i>NLA submission</i>	Senate Standing Committees on Community Affairs	6 February 2012	
Improving the interface between the State and Territory Child Protection systems and the Federal Family Law system options paper <i>NLA submission</i>	Commonwealth Attorney General's Department	8 February 2012	42
Inquiry into the <i>Migration Amendment (Removal Of Mandatory Minimum Penalties) Bill 2012</i>	Senate Legal and Constitutional Committees	7 March 2012	36
Action Plan Consultation Framework – Addressing Violence Against Women and their Children	Department of Human Services, Office of Women's Policy	30 March 2012	42

Submission name	Authority	Date	Related work
Oaths and affirmations consultation paper	Department of Justice	29 May 2012	
Inquiry into the <i>Australian Human Rights Commission Amendment (National Children's Commissioner) Bill 2012</i>	Senate Legal and Constitutional Committees	4 June 2012	
<i>NLA submission</i>			
Inquiry into the detention of Indonesian minors in Australia	Senate Legal and Constitutional Committees	7 June 2012	36
<i>NLA submission</i>			
Consultation on the Draft National Standards for Disability Services	Department of Human Services	19 June 2012	25
Inquiry into age barriers to the workforce	Australian Law Reform Commission	20 June 2012	31

APPENDIX 4

Expenditure across private practitioner firms that received the 20 highest aggregate payments for legally aided cases

Private practitioner firm	Amount paid (GST exclusive) \$	Number of cases assigned
1. Robert Stary Lawyers Pty Ltd	3,162,701	1,105
2. Revill & Papa Lawyers	1,641,765	1,212
3. James Dowsley and Associates	1,611,555	1,052
4. Dowling McGregor Pty Ltd	1,601,543	771
5. Gorman & Hannan	1,528,538	748
6. Doogue & O'Brien	1,510,488	715
7. Lampe Family Lawyers	1,237,728	422
8. Leanne Warren & Associates	1,150,358	454
9. Cathleen Corridon & Associates Family Lawyers	951,514	435
10. C Marshall & Associates	946,973	360
11. Wabgat Pty Ltd (T/A Slades & Parsons)	887,460	303
12. Balmer & Associates	850,332	557
13. Theo Magazis & Associates	818,466	134
14. Valos Black & Associates	795,113	206
15. Comito & Associates	788,514	463
16. Bayside Solicitors Vic	776,067	386
17. Rainer Martini & Associates	755,438	464
18. Martin Irwin & Richards Lawyers	731,873	371
19. Dotchin Tan	716,508	470
20. Michael J Gleeson & Associates Pty	683,073	200

Expenditure includes fees paid to third parties such as barristers, and disbursements. Disbursements include court fees, interpreters' fees, service fees and those which have prior written approval of VLA (for example, fees for investigations and professional/ expert reports, transcripts of evidence, plans and photographs). Individual cases vary in duration and complexity, and individual firms vary in size and capacity to undertake legally aided work.

APPENDIX 5

Community Legal Centre (CLC) Funding Program

We administered funding to the Federation of Community Legal Centres and 40 community legal centres across Victoria.

Community legal centre	Commonwealth funding (\$)	State funding (\$)	Total payments (\$)
Aboriginal Family Violence Prevention and Legal Service (Vic)*	0	170,234	170,234
Barwon Community Legal Service	431,569	410,383	841,951
Brimbank Melton Community Legal Centre, Community West	101,387	444,320	545,706
Broadmeadows Community Legal Service	182,320	276,895	459,215
Casey Cardinia Legal Service	173,023	221,113	394,136
Central Highlands Community Legal Centre	239,496	284,000	523,496
Consumer Action Law Centre*	143,476	796,091	939,566
Darebin Community Legal Centre	80,319	374,692	455,011
Disability Discrimination Legal Service*	186,344	40,527	226,871
Eastern Community Legal Centre	191,821	522,479	714,300
Environment Defenders Office (Victoria)*	93,511	144,703	238,214
Federation of Community Legal Centres (Vic)*	0	409,999	409,999
Fitzroy Legal Service	173,521	372,342	545,863
Flemington and Kensington Community Legal Centre	91,643	221,018	312,660
Footscray Community Legal Centre	108,292	340,855	449,147
Gippsland Community Legal Service, Anglicare Victoria	309,207	210,676	519,883
Homeless Persons' Legal Clinic, Public Interest Law Clearing House*	71,190	255,726	326,916
Hume Riverina Community Legal Service, Upper Murray Family Care	417,815	203,763	621,578
Job Watch*	0	371,000	371,000
Loddon Campaspe Community Legal Centre, Advocacy and Rights Centre	102,092	559,200	661,291
Mental Health Legal Centre*	0	355,115	355,115
Monash Oakleigh Legal Service	197,295	26,003	223,298
Moonee Valley Legal Service	82,605	208,458	291,063
Moreland Community Legal Centre	120,266	183,430	303,696
Murray Mallee Community Legal Service, Mallee Family Care	336,550	135,454	472,004
North Melbourne Legal Service	110,222	181,305	291,528
Peninsula Community Legal Centre	652,211	775,930	1,428,141
Refugee and Immigration Legal Centre*	0	131,067	131,067
Senior Rights Victoria, Council on the Ageing*	71,190	458,768	529,958
Social Security Rights Victoria*	193,623	39,847	228,470
South West Community Legal Centre, Community Connections (Vic)	249,777	255,822	505,599

Community legal centre	Commonwealth funding (\$)	State funding (\$)	Total payments (\$)
Springvale Community Aid and Advice Bureau*	73,069	3,113	76,182
Springvale Monash Legal Service	306,712	199,493	506,205
St Kilda Legal Service	97,656	243,240	340,897
Tenants Union of Victoria*	108,455	498,011	606,465
West Heidelberg Community Legal Service	91,606	156,278	247,884
Western Suburbs Legal Service (including International Student Legal Advice Clinic pilot project)	89,984	319,815	409,799
Whittlesea Community Legal Service, Whittlesea Community Connections	107,178	316,700	423,877
Women's Legal Service Victoria*	990,188	253,763	1,243,951
Wyndham Legal Service	108,395	282,204	390,599
Youthlaw, Young People's Legal Rights Centre*	82,051	132,157	214,208
Total	\$7,166,057 37.8%	\$11,785,988 62.2%	\$18,952,045

* Specialist community legal centre

Funding for CLCs is provided by the Commonwealth and State governments. The amounts above do not include project income from Commonwealth and State governments for specific projects. The Comprehensive operating statement excludes the Commonwealth grant as it not considered that VLA controls these funds. As such it is not recognised as revenue.

APPENDIX 6

Report on office-based environmental impacts

Greenhouse gas emissions

The emissions reported in the table below have been taken from subsequent sections of the report and collated here in order to define and summarise our total greenhouse gas emission footprint.

Indicator	2011-12	2010-11
Total greenhouse gas emissions associated with energy use (t CO ₂ e)*	2,763	2,130
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e)	61.09	67.68
Total greenhouse gas emissions associated with air travel (t CO ₂ e)	54.12	65.95
Total greenhouse gas emissions associated with waste (t CO ₂ e)	8.72	44.16
Total greenhouse gas emissions per FTE (t CO ₂ e)	5.0	4.0
Total greenhouse gas emissions associated with all operations (t CO ₂ e)	2,887	2,308

Targets

From VLA Environmental Sustainability Policy:

- achieved: 10 per cent reduction of greenhouse gas emissions on our baseline year of 2008-09 (excluding base building electricity for Melbourne sites)
- future targets are under review.

Explanatory notes

Emission conversion factors were sourced from Sustainability Victoria.

A decrease in greenhouse gas emissions has been achieved in the areas of vehicles, air travel and waste. This is a result of increased levels of recycling, an increase in the number of hybrid fleet cars, a decrease in air travel and increased green energy purchasing.

* Greenhouse gas emissions associated with energy shows an overall increase due to the inclusion of available data for 2011-12 of common areas shared with other tenants (base building) in Melbourne offices. This represents 30 per cent of our total electricity use. When base building data is excluded in order to make comparisons against the previous year, there is a reduction in greenhouse gas emissions associated with energy use of 19 per cent. The reduction against baseline 2008-09 is 34 per cent, exceeding the 10 per cent target.

Energy

We use electricity and gas in 18 offices across the state of Victoria. Gas is supplied to four sites only.

The data below has been collected through energy billing information utilising Sustainability Victoria's Utility Tracker software program. The information represents 100 per cent of sites and 100 per cent of staff.

Where available the data is inclusive of energy consumption resulting from base building operations.

Indicator	2011-12				2010-11			
	Electricity	Green Power	Natural gas	Total	Electricity	Green Power	Natural gas	Total
Total energy usage segmented by primary source (MJ)	8,001,814*	1,481,462	1,309,375	10,792,651	6,040,313**	710,160	1,784,076	8,534,549
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e)	2,689	0	73	2,763	2,030	0	100	2,130
Percentage of electricity purchased as a percentage of Green Power	16%			16%	11%			11%
Units of energy used per FTE (MJ/FTE)	13,991	2,590	2,289	18,871	10,568	1,243	3,122	14,933
Units of energy used per unit of office area (MJ/m ²)	470	87	77	634	376	44	111	531

* Includes Melbourne base building. Melbourne base building electricity comprises 798,683 kWh, equivalent to 2,875,259 mega joules, 966 tonnes CO₂-e, 169 mega joules per square metre, 5,027 mega joules per FTE and 30 per cent of electricity usage

** Excludes Melbourne base building electricity consumption

Targets

From VLA Environmental Sustainability Policy (renewable energy consumption):

- achieved: 20 per cent renewable energy by 2011-12. Result: 22 per cent (when Melbourne base building data is excluded)
- not achieved: 20 per cent reduction in electricity and gas consumption per FTE by 2011-12 to baseline (target 11,600 per FTE). Result: 4.5 per cent
- future targets are under review.

Actions undertaken

We increased our green energy component within energy provider agreements in order to reach our 20 per cent renewable energy target.

Refurbishments and upgrades throughout the year were undertaken to improve energy efficiencies.

Explanatory notes

Contributing to additional use of energy during the year, we fully utilised an area established for training facilities and for the majority of the year occupied an additional floor space with maximum seating capacity.

Base building electricity data for Melbourne offices has now been included, creating an additional 30 per cent overall use of electricity for 2011-12.

The 20 per cent renewable energy target is achieved when base building electricity data is excluded. Negotiations for the purchase of renewable energy within base building services is beyond our control as it is undertaken by building management. For the purposes of reporting, it has been removed when making comparisons. This results in 20 per cent green energy purchased when calculated against our direct purchasing of energy.

The 350 Queen Street, Melbourne building contributes significantly to the overall electricity we use. Upgraded facilities within the building, such as a new cooling plant and lighting controls being progressively upgraded will improve energy efficiencies. The planned lifting of the building's current NABERS energy rating from 3 stars to 4.5 stars will also see improved efficiencies in energy consumption.

Where available, the values for natural gas consumption includes sites known to use natural gas in their operations. Gas is supplied to four sites only, with the majority used by 350 Queen Street Melbourne, comprising 60 per cent of overall usage.

Waste

The waste generated by processes with the agency is divided into three classes – landfill, recycled and compost. The data presented below was obtained from a one day physical waste audit that captured 55 per cent of our FTE.

There has been a significant improvement for recycling rates as a percentage of total waste. From 2010–11 to 2011–12 we achieved a 25 per cent increase in recycling, which also resulted in a large reduction of waste going to landfill.

Indicator	2011-12			2010-11		
	Landfill	Recycled	Compost	Landfill	Recycled	Compost
Total units of waste disposed by destination (kg/year)	7,268	41,005	-	48,844 (reported) 17,839 (actual)	25,521	-
Units of waste disposed of per FTE by destination (kg/FTE)	13	72	-	77	46	-
Recycling rate (percent of total waste by kg)		85%			60%	
Greenhouse gas emissions associated with waste disposal (t CO2 e)		9			44	

Targets

From VLA Environmental Sustainability Policy:

- achieved: reduce solid waste sent to landfill by 5 per cent to baseline by 2012. Result: 69 per cent
- achieved in 2011–12: reduce solid waste sent to landfill by 20 per cent by 2020
- future targets are under review.

Explanatory notes

Improved data collection and analysis processes have lead to significantly reduced reported figures for the 2011–12 financial year and reviewed figures for 2010–11.

Paper use

The values for paper consumption given in the table below were provided by our stationery supplier and represents white copy paper only.

Reams of paper purchased during 2011–12 increased when compared to last year. This will be remedied with the introduction of paper saving default settings on all printers as well as a focus on promoting environmental saving strategies throughout the year.

Indicator	2011-12	2010-11
Total units of copy paper used (reams)	13,993	13,495
Units of copy paper used per FTE (reams/FTE)	24.5	23.6
Percentage 75–100% content copy paper purchased	10%	13%
Percentage 50–75% content copy paper purchased	90%	86%
Percentage 0–49% content copy paper purchased	0%	1%

Targets

Future targets in our Environmental Sustainability Policy are under review.

Actions undertaken

We upgraded and rolled out new printers to provide uniformity in May 2012. This also resulted in a reduction of 31 printers from the pool. The new printers will achieve greater efficiency with less power, paper and toner usage. The default settings on these new printers automatically print to duplex and black and white and are programmed to switch to power save mode when not in use for long periods. We expect to report a reduction in energy and paper use in 2012–13.

Explanatory notes

Purchasing data is for A4 white copy paper only. The report excludes other paper types such as pre printed letterhead/publications/mailroom envelopes etc.

Default paper purchased is 50 per cent recycled content, with 100 per cent also incorporated into the mix. Decreased levels of 75–100 per cent recycled content copy paper are due to an increase in purchasing of default 50 per cent recycled content paper.

Water

The values for our water consumption were obtained through billing information captured through Sustainability Victoria's 'Utility Tracker'. These results represent 100 per cent of our employees and 100 per cent of data for sites included. Where available, these figures are inclusive of water consumption for shared tenancy space.

Indicator	2011-12	2010-11
Total units of metered water consumed by usage types (kilolitres)	5,710	6,395
Units of metered water consumed in offices per FTE (kilolitre/FTE)	9.98	11.19
Units of metered water consumed in offices per unit of office area (kilolitres/m ²)	335.20	397.75

Targets

From VLA Environmental Sustainability Policy:

- achieved: 10 per cent reduction in water consumption per FTE by 2011–12 to baseline. Result: 24 per cent
- achieved in 2011–12: 20 per cent reduction in water consumption per FTE by 2015–16
- 30 per cent reduction in water consumption per FTE by 2020–21.

Actions undertaken

Refurbishments undertaken throughout the year with the installation of new toilet and shower facilities to minimise water usage.

Explanatory notes

Improved data collection and analysis processes have lead to reduced reported usage for the 2011–12 financial year.

The indicator 'units of metered water consumed in offices per unit of office area' has also reduced due to an increase in total m² for our offices.

Transport

The information on the following page was obtained through fuel card data, mileage reports and information supplied by our hire car agency. The data covers our entire fleet, which comprises 18 vehicles: 15 are operational pool vehicles and three are executive vehicles. The data includes values for compact (4 cylinder) hire cars which were used as pool cars when our vehicles were unavailable and 4 four cylinder cars that were replaced by hybrid vehicles.

The operational fleet consists of 14 hybrid, three six cylinder and one four cylinder.

The table also discloses air travel in kilometres travelled.

Operational Vehicles	2011-12				2010-11			
	6 Cylinder	4 Cylinder	Hybrid	Total	6 Cylinder	4 Cylinder	Hybrid	Total
Total energy consumption by vehicles (MJ)	158,631	102,094	554,859	815,584	228,798	209,304	465,462	903,564
Total vehicle travel associated with entity operations (km)	83,805	30,138	303,389	417,332	63,197	76,251	415,389	554,837
Total greenhouse gas emissions from vehicle fleet (t CO2-e)	12	8	41	61	17	16	35	68
Greenhouse gas emissions from vehicle fleet per 1000 km Travelled (t CO2-e)	0.1418	0.2537	0.1370	0.1464	0.2712	0.2056	0.0839	0.1220
Flights								
Total distance travelled by aeroplane (km)	168,688				204,000			

Targets

From VLA Environmental Sustainability Policy:

- not achieved: 80 per cent of total pool vehicles are fuel efficient/ hybrid by 2012. Result 77 per cent
- achieved: establish a policy highlighting preferential selection of hybrid motor vehicles
- under review: expand utilisation of video-conferencing to avoid travel
- future targets are under review.

Actions taken

During the year we updated our 18 vehicle fleet to consist of 14 hybrid vehicles, representing 77 per cent of our fleet. This compares to nine hybrid vehicles held in 2010-11. The replacement of standard vehicles with hybrids can only occur as the lease expires.

Explanatory notes

The number of kilometres travelled by aeroplane reduced significantly compared to last year (down by 17.50%).

Total green house emissions for the year decreased compared to last year, with 60 tonnes of CO2e being generated compared to 68 tonnes last year (down by 12%).

We remain committed to expanding the number of hybrid vehicles in our fleet, and to encouraging the use of public transport where appropriate.

Improved data collection and analysis processes have lead to reduced reported kilometres travelled for the 2011-12 financial year.

Procurement

Indicator	2011-12	2010-11
Percentage 'Earth Saver' products purchased	50.9%	56.1%

Targets

Future targets in our Environmental Sustainability Policy are under review.

Explanatory notes

We are encouraging staff to preferentially purchase from a more environmentally sustainable range offered by our primary stationery supplier. From July 2010 selected products were automatically substituted for more environmentally preferable products. We will review this process to expand the green product range.

GLOSSARY

accused – person charged with a criminal offence.

advocacy – making legal argument/s on behalf of an accused, often involving representing them in court.

appropriate dispute resolution (ADR) – refers to those processes, other than a court hearing, where an impartial person helps the parties to a dispute resolve the issues between them. ADR options include conciliation, mediation, negotiation, conferencing and neutral evaluation.

appellate crime – cases that demonstrate legal errors and miscarriages of justice which can be tested by higher courts through expert representation and which can contribute to development of the law.

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).

NPA dispute resolution services – roundtable dispute conferences that seek to resolve family legal problems outside of the court system. Dispute resolution services are Commonwealth funded matters. To use our Roundtable Dispute Management (RDM) service, at least one person involved in the family dispute must apply for and obtain a grant of legal assistance. If appropriate, RDM 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.

NPA duty lawyer services – information, advice and representation services provided at a court or tribunal where a court or tribunal appearance is imminent. Services are provided without prior arrangement.

NPA early intervention services – these incorporate our extensive legal advice, minor work and advocacy services. Includes any Commonwealth or State funded matters.

family violence – behaviour that is used to control, threaten, force or dominate a family member through fear of their or another's personal wellbeing or safety. It includes sexual, psychological, physical, emotional and financial abuse.

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 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 VLA, following the making of an order by a court, for the child to be separately represented in their best interest.

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.

Junior Counsel – a lawyer or a barrister who works in a support role on the less significant aspects of a case alongside a senior barrister, or Lead Counsel, on the same side of a case.

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 VLA's functions, powers and duties under the Act.

Legal Aid Fund – controlled and administered by VLA. 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. VLA 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).

legal matter – an issue under consideration in a case of law.

NPA 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 work – 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

practitioner panels – in order for a private practitioner to act for a legally aided they must be employed by a firm that is a member of our section 30 general referral panel. To act for a legally aided client in an indictable case or as an independent children's lawyer, a private practitioner must also be a member of the relevant section 29A specialist panel.

NPA preventative services – includes all referrals to external agencies, any matters dealt with through calls to the Legal Help line, community legal information sessions and participants, 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 legal aid applicant 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 Justice portfolio.

Roundtable Dispute Management (RDM) – a dispute resolution service we provide that helps parents going through separation or divorce resolve their family disputes. To use RDM, at least one of the people involved in the family dispute must apply for and obtain a grant of legal assistance.

section 30 practitioners – private practitioners who are members of our general referral panel. All practitioners who undertake legal aid work must be members of the general referral panel.

section 29A practitioners – private practitioners who are on our specialist panels. Only members of the section 29A Indictable Crime panel and section 29A Independent Children's Lawyer panel are able to act for legally aided clients in indictable crime or independent children's lawyer matters.

settlement – resolution or agreement of a claim or dispute.

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.

unique client – an individual or distinct client who accesses one or more of our services during the year. Unique clients are recorded across our early intervention services, duty lawyer services, dispute resolution services, and grants of legal assistance. They do not include people we help through our preventative services such as Legal Help and community legal education sessions, as we do not collect more detailed personal information from people who access these services.

OUR OFFICES

Melbourne

350 Queen Street, Melbourne Vic 3000
Phone: 9269 0120 or 1800 677 402 (country callers)

Roundtable Dispute Management

338 La Trobe Street, Melbourne Vic 3000
Phone: 9269 0500 or 1800 136 832 (country callers)

Metropolitan offices

Broadmeadows North western suburbs

Level 1, Building 1, Broadmeadows Station Centre
1100 Pascoe Vale Road, Broadmeadows Vic 3047
Phone: 9302 8777

Dandenong Westernport region

Level 1, 9–15 Pultney Street, Dandenong Vic 3175
Phone: 9767 7111

Frankston Peninsula region

Corner O'Grady Ave and Dandenong Road,
Frankston Vic 3199
Phone: 9784 5222

Preston North eastern suburbs

42 Mary Street, Preston Vic 3072
Phone: 9416 6444

Ringwood Outer eastern suburbs

23 Ringwood Street, Ringwood Vic 3134
Phone: 9259 5444

Sunshine Western suburbs

1/474 Ballarat Road, Sunshine Vic 3020
Phone: 9300 5333

Regional offices

Ballarat Central Highlands region

Area A, Level 1, 75 Victoria Street, Ballarat Vic 3350
Phone: 5329 6222 or 1800 081 719

Bairnsdale Gippsland region

101A Main Street, Bairnsdale Vic 3875
Phone: 5153 1975

Bendigo Loddon–Campaspe region

424 Hargreaves Street, Bendigo Vic 3550
Phone: 5448 2333 or 1800 254 500

Geelong Barwon region

Level 2, 199 Moorabool Street, Geelong Vic 3220
Phone: 5226 5666 or 1800 196 200

Horsham Wimmera region

29 Darlot Street, Horsham Vic 3400
Phone: 5381 6000 or 1800 177 638

Morwell Gippsland region

Corner Chapel and George Streets, Morwell Vic 3840
Phone: 5134 8055

Shepparton Goulburn region

36–42 High Street, Shepparton Vic 3630
Phone: 5823 6200 or 1800 119 918

Warrnambool South Coast region

185 Fairy Street, Warrnambool Vic 3280
Phone: 5559 7222 or 1800 651 022

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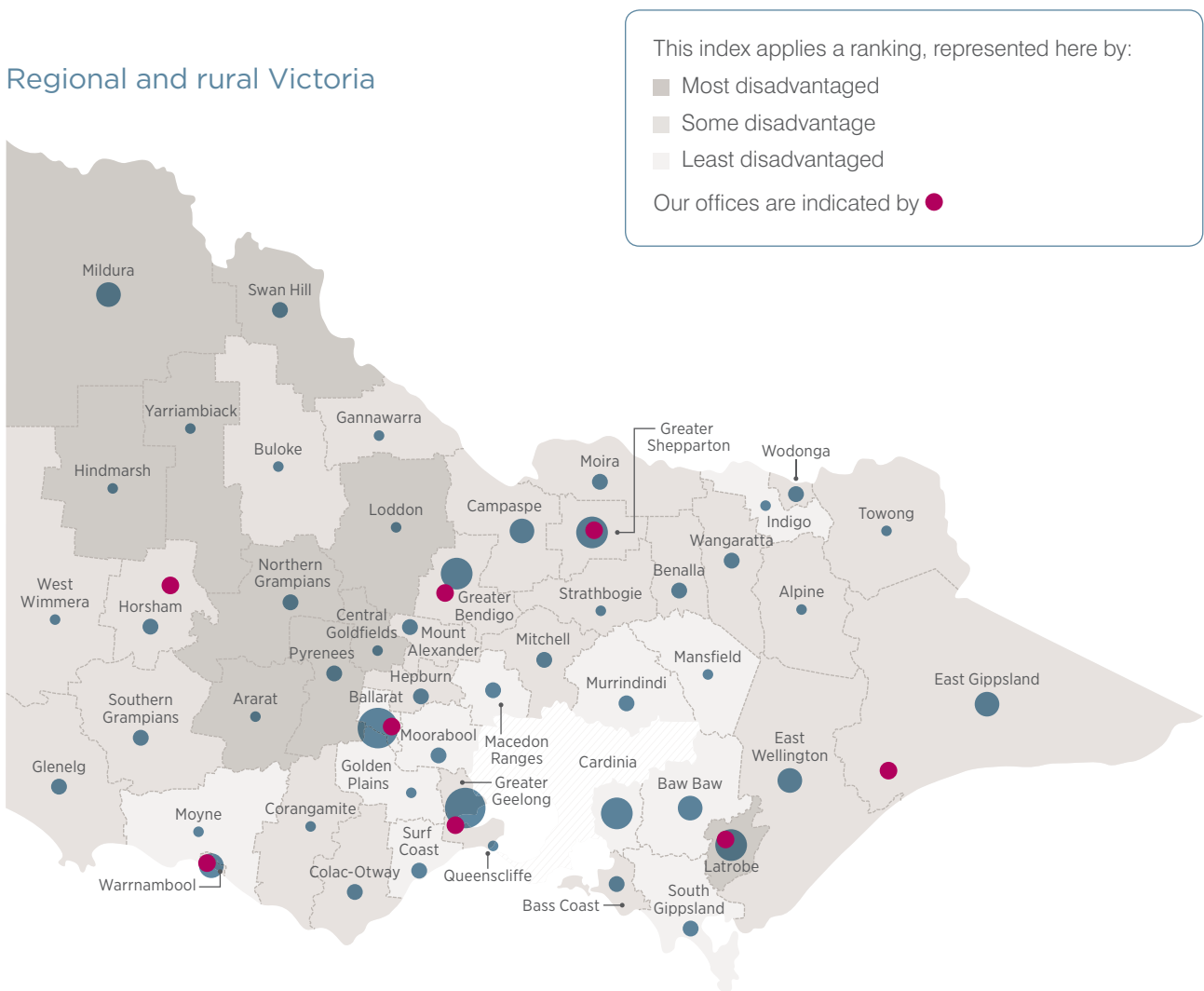
OUR CLIENTS ACROSS VICTORIA

Our clients are among the most disadvantaged in Victoria.

The bubbles on these maps indicate the number of unique clients we helped in each local government area in 2011–12. They are represented as a proportion of the total 91,079 clients we helped across Victoria.

The maps also show the relative socio-economic disadvantage of each area, using the 2006 Australian Bureau of Statistics' Index of Relative Socio-Economic Disadvantage. This is one of four standard measures for socio-economic wellbeing.*

Regional and rural Victoria

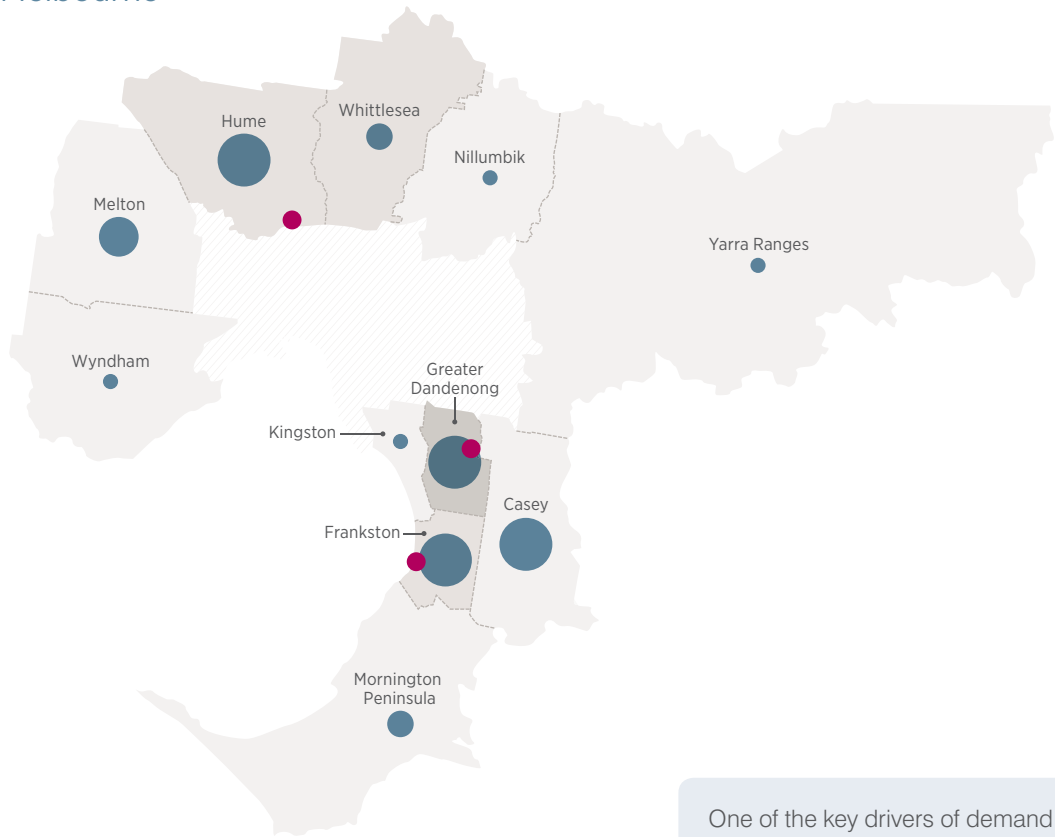


See pp.7–8 to find out more about who our clients are. See p.105 for a list of our office locations.

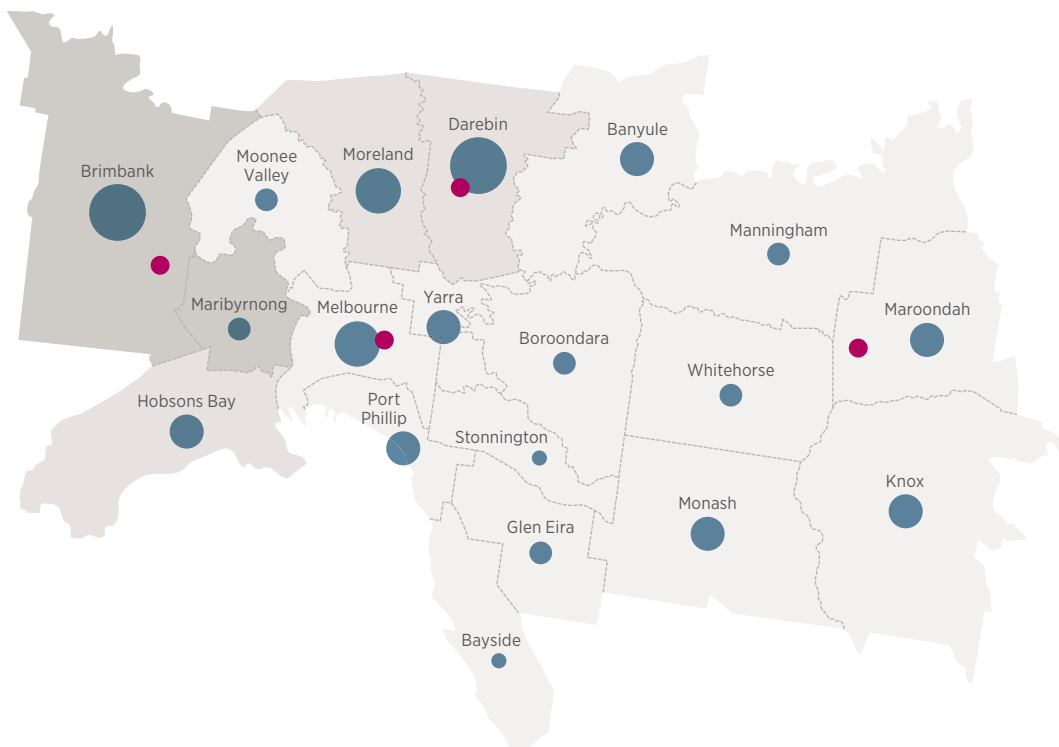
Client locations are based on the primary address they nominate. This may include prisons, hospitals, remand centres and temporary accommodation facilities.

* Socio-economic wellbeing is defined by the ABS as 'people's access to material and social resources and their ability to participate in society, relative to what is commonly experienced or accepted by the wider community.' For more information, see www.abs.gov.au

Metropolitan Melbourne



One of the key drivers of demand is population growth, particularly in areas of disadvantage.





Main reception

350 Queen Street, Melbourne

Postal – GPO Box 4380, Melbourne Vic 3001

Phone – (03) 9269 0234

www.legalaid.vic.gov.au

Monday to Friday 8.45 am to 5.15 pm

Legal Help

Phone – 9269 0120 or 1800 677 402 (country callers)

Monday to Friday 8.45 am to 5.15 pm

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

عربي / Arabic	(03) 9269 0127
Hrvatski / Croatian	(03) 9269 0164
Ελληνικά / Greek	(03) 9269 0167
Italiano / Italian	(03) 9269 0202
فارسی / Persian	(03) 9269 0123
Polski / Polish	(03) 9269 0228
Српски / Serbian	(03) 9269 0332
Українська Мова / Ukrainian	(03) 9269 0390
Việt-ngữ / 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, Research and Communications, 350 Queen Street, Melbourne Vic 3000.



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