



Victoria Legal Aid

Sixteenth statutory annual report 2010–11

Upholding your
right to justice
for **30** years

 **Victoria
Legal Aid**
Lawyers And
Legal Services

Fast facts and figures

	2010–11	2009–10	Change
Unique clients	85,502	87,197	↓
% clients receiving government benefits	66	67	↓
% clients satisfied with service	86	Not recorded	N/A
Grants of legal assistance			
NPA Grants of legal assistance	42,097	44,055	↓
Preventative services			
Calls to Legal Information Services (LIS)	80,734	92,696	↓
NPA Matters dealt with by LIS	88,078	104,350	↓
NPA External referrals (from 18 January)	15,685	Not recorded	N/A
NPA Publications distributed	540,674	512,744	↑
NPA Community legal education participants	1,160	Not recorded	N/A
NPA Visits to our website	612,807	515,972	↑
NPA Website page views	1,753,351	Not recorded	N/A
Early intervention services			
NPA Legal advice, minor work and advocacy	45,633	53,493	↓
Dispute resolution services			
Number of conferences	777	810	↓
NPA Clients using dispute resolution services (estimate)	1,554	1,620	↓
Duty lawyer services			
NPA In-house duty lawyer services	70,898	75,337	↓
NPA Private practitioner duty lawyer services	8,067	9,312	↓

Proficiency improved, with less clients overall requiring far fewer occasions of service (legal advice, duty lawyers and legal representation) to help resolve their legal problems.

NPA = National Partnership Agreement output reporting requirement (p.19).

Our services and reporting categories are explained in 'Our services across Victoria' (pp.14–17). Some definitions are also contained in the Glossary (pp.108–109).

Financial summary

	(\$ thousand)		
	2010–11	2009–10	Change
Income from government	142,093	131,197	↑
Total income from transactions	149,204	137,455	↑
Total expenses from transactions	(140,748)	(131,678)	↑
Net result from transactions	8,456	5,777	↑
Net result for the period	2,124	6,150	↓
Net cash flow from operating activities	9,788	5,367	↑
Cash at 30 June	19,913	12,508	↑
Total assets	55,987	51,116	↑
Total liabilities	29,119	26,372	↑

Careful management and increased funding helped preserve the Legal Aid Fund while new services were commissioned for implementation in future reporting periods.

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

Victoria Legal Aid is an independent statutory authority established under the *Legal Aid Act 1978*. 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.

1 Section 4 *Legal Aid Act 1978*

2 Section 6 *ibid*

3 Sections 7 and 8 *ibid*

Chairperson's declaration

In accordance with the *Financial Management Act 1994*, I am pleased to present the Victoria Legal Aid Annual Report for the year ending 30 June 2011.



John Howie
Chairperson

17 August 2011

Inside this report

This annual report highlights our key achievements of 2010–11, and also looks at some of our challenges and upcoming initiatives.

Our year

4

In his final year, our Chairperson looks back on a decade of service, while our Managing Director provides an overview of our first year into the *National Partnership Agreement on Legal Assistance Services* (NPA) and our 30th year that saw us fund our one-millionth case. We look at our financial position, our highlights of the year and provide a snapshot of our services.

Our planning and reporting framework

18

Positioning our organisation to meet community justice needs relies on a strong planning and reporting framework. This year we reviewed our strategic plan to consolidate our planning, budgeting and performance reporting. This Annual Report aligns with our program management framework and incorporates our reporting requirements under the NPA. Our new strategic plan came into effect on 1 July 2011.


Our relationships

20

We cannot provide all the help that people need, and our work with others increases our capacity to solve and avoid problems. Our strong connections and working relationships help us to meet community justice needs and improve the justice system.

Our programs

22

The services and initiatives we deliver are arranged into programs with defined objectives. They have been informed by what people need to understand the options available to them, how we can best meet this need, and how we can intervene early to prevent legal problems from escalating. Related law reform submissions or where we helped to formulate public policy are identified by: 

Our people

46

Fostering workplace diversity, professionalism and practice expertise is underpinned by a safe working environment and our ongoing commitment to effective recruitment, staff development and the retention of highly skilled professionals.

Our organisation

54

Good corporate governance and transparent reporting help ensure public confidence in legal aid and the justice system. Our systems and processes support our delivery of services, and are strengthened by our commitment to reporting, auditing, risk management and information management.



Audited financial statements

63

We remain in a healthy financial position with a sound balance sheet at the end of the financial year. Our financial accounts were audited and validated by the Victorian Auditor-General.

Appendices

93

For more information on our justice and law reform work and funding provided to community legal centres.

Upholding **your**
right to justice
for **30** years

Over the past three decades we have worked to uphold Victorians' right to justice, with a focus on protecting some of the most vulnerable and disadvantaged people in our community. We have also taken on important cases and joined campaigns which aim to improve the law and make it fairer for all Victorians. Some of the people we have helped told us their stories. We celebrate these stories and our 30th anniversary in this report.

Chairperson

John Howie

Managing Director

Bevan Warner

Additional copies

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

We have printed a limited number of this report on recycled stock as part of our commitment to environmentally sustainable practices.

Design: Kim Daly and Brendan Moody, Victoria Legal Aid

ABN 42 335 622 126

ISSN 1327-5194

© 2011 Victoria Legal Aid

Reproduction without express written permission is prohibited. Permission may be granted to community organisations to reproduce, free of any charge, part or all of this publication. Written requests should be directed to Victoria Legal Aid, Research and Communications, 350 Queen Street, Melbourne Vic 3000.



Our year

A message from the Chairperson



It has been a great privilege to serve on the Victoria Legal Aid (VLA) Board for the past ten years. During this time I have seen VLA develop and progress as an organisation.

The organisation provides legal representation, advice and information to some of the most marginalised and disadvantaged Victorians, and works together with a range of partners to create a more robust, efficient and responsive justice system.

Our 30th year

Many of VLA's achievements were recognised earlier this year in its 30th anniversary celebrations. Over the last three decades, VLA has sought to protect and promote the rights of all Victorians and contribute to a fairer society. Central to the success of this endeavour has been VLA's strong relationships and its unique mixed model of service. This mixed model, which is built on partnerships with community legal centres and the significant contribution of private practitioners, is increasingly looked to both nationally and internationally as a preferred form of legal aid service delivery. Indeed, recent reforms in the UK and New Zealand have seen these jurisdictions moving into line with the way we structure our legal aid services here in Victoria.

To commemorate the 30th anniversary, VLA commissioned an artwork by Sue Armstrong, a mental health consumer consultant. The artwork, which now hangs proudly in the Melbourne office, is symbolic in a number of ways. First, the painting depicts how difficult access to justice can be for those who need it most. Second, it represents VLA's commitment to engaging directly with individuals and communities in an attempt to understand and be responsive to the myriad challenges that our clients face.

Through the breadth of our practice we are able to assist families and children at risk, refugees, older people, people who are homeless or suffering from a mental illness and people who find themselves at the pointy end of the law. For VLA, access to justice is not just about having a lawyer at court, it is about understanding all the options available, avoiding court where possible, holding decision makers to account and helping navigate an often complicated justice system.

Commitment to legal aid

The ability to provide these essential services requires strong government commitment. I am grateful for the support VLA has received from all governments, State and Federal, during my time as Chair.

Former State Attorney-General Rob Hulls was a staunch believer in the importance of legal aid and the community justice sector and we enjoy an open and productive working relationship with the new State Attorney-General Robert Clark. This relationship is characterised by mutual commitment to ensuring that our legal assistance sector is well resourced and that all Victorians are able to access justice irrespective of location, gender, background and any other status.

I also wish to acknowledge the leadership of current Federal Attorney-General Robert McClelland for delivering the sector's first National Partnership Agreement which elevates the importance of legal aid and its benefit to the community.



Thank you

My thanks go to my fellow Board members Sue Walpole, Jennifer Shaw and Mary Anne Noone, and past Board members Frank King and Maria Wilton. They have provided the organisation with excellent guidance and governance and have been wonderful colleagues.

I have been lucky to work closely with two excellent managing directors. Former Managing Director, Tony Parsons provided strong leadership for eight years. Now under the progressive stewardship of Managing Director, Bevan Warner, VLA continues to strive to meet the demands of the Victorian community and to make a lasting and positive contribution to a more inclusive and just society.

Finally, I pay tribute to the hundreds of hard working legal aid staff across Victoria in a range of roles. Their commitment to their clients, their professionalism, their dedicated and inspired advocacy is a constant source of inspiration to the VLA Board and goes a long way to ensuring that those who really need help receive it.

Thank you.

John Howie
Chairperson

Access to Justice for all by Sue E. Armstrong (pictured) was commissioned to commemorate our 30th year.

“My vision for the artwork was to focus on the general themes of social justice and the part Victoria Legal Aid has played and continues to play in supporting the oppressed.”

Ms Armstrong said the painting was inspired by her own work promoting the rights of people with a mental illness. She is a mental health consumer consultant and a strong advocate for women’s-only psychiatric wards. She is also co-convenor of the community art group Penguin Artists.

Access to Justice for all was painted at Common Ground at Doutta Galla Community Health Service and depicts figures representing the broad range of people we help who are moving toward the central figure of Blind Justice. It was unveiled at a function attended by State and Federal Attorneys-General, Robert Clark and Robert McClelland, and members of Melbourne’s legal and community sectors on Thursday 9 June 2011.

The 30th anniversary commemorative artwork will be seen by thousands of people who visit our Melbourne office each year.

A message from the Managing Director



This annual report marks our 30th year and our first year of working with the Council of Australian Governments *National Partnership Agreement on Legal Assistance Services* (NPA). This year also saw us fund our one-millionth case, providing valuable access to justice to people who would otherwise be denied.

Highlights of 2010–11

Our clients are our primary focus and our first client satisfaction survey showed that 86 per cent were satisfied with the assistance we provided, and 90 per cent regarded our services as easy to find. We plan to build on this level of satisfaction by streamlining our intake and referral practices which we consolidated this year, increasing communication between our offices, and supporting the development of our staff to ensure that we are a modern, dynamic and quality focused practice.

We redesigned our in-house practices in civil justice, criminal law and family law to foster specialisations which will help ensure that clients receive the best advice and representation possible. In family law, a comprehensive review of our eligibility guidelines will shift the emphasis and priorities to those who most need our help.

Our first year of the NPA not only delivered a more secure funding base, but provided valuable guidance about prioritising early intervention and prevention to alleviate the need for costly and lengthy litigation.

In the last 12 months we engaged and educated people about their legal rights and responsibilities. We did this by working with other legal commissions through National Legal Aid to help new arrivals identify some of the legal issues encountered in the first 18 months of settlement; with a community legal centre and arts group to help young people develop skills to de-escalate conflict situations; and with local councils and community groups to continue to get the message out about door-to-door sales and unfair contracts.

Drawing from our extensive practice experience with young people, we contributed to the inquest into the fatal shooting by police officers of a 15 year old, arranging the important evidence of mental health expert Professor Patrick McGorry.

Our relationships and collaboration

Our collaborations with the Law Institute of Victoria, the Victorian Bar, Victoria Police and the courts also laid the foundations for increased court efficiencies.

We worked with Victoria Police to take advantage of new summary procedures, dealing with matters more promptly, and increased fees to support private practitioners in this work. Another initiative to address court delays is the Talented Junior Counsel Program, established in partnership with the Victorian Bar as an investment in quality counsel for the future. We also increased fees for counsel to encourage continuity of representation and more expert representation at trials.

Consolidating other important relationships also helped us this year to influence and refine laws and processes that impact on vulnerable and disadvantaged people. We contributed to law reform and policy across a range of areas including child protection, sentencing, family violence, migration and mental health to help ensure a more equitable and inclusive society. Much of this work involved our working with other agencies, including in a coalition of consumer advocacy and legal assistance organisations to recommend reforms to insurance following the floods.

One of our most important and enduring partnerships is with the community legal sector, for whom we administer funding. This year we launched an extranet to provide community legal centres with greater access to our resources, and are working on extending our support through training and practitioner placements.

The support of private practitioners in delivering legally aided services cannot be underestimated. This financial year we increased summary crime fees as part of our commitment to improving payments, helping to encourage experienced and effective lawyers to act for our clients, and will next year increase all professional fees for private practitioners by 10 per cent.

Delivery of services and responsible financial management

This year was one of transition. The NPA requires new services to be planned and following changes to summary crime procedures in 2009, we anticipated increased services in this area. Perhaps in part due to the expanding use of infringement notices, demand moved away from summary crime and this year we provided more grants of legal assistance through our Civil Justice Program (up by 37.8%).

There was also greater demand for grants of assistance in our Family Law Program across the child protection, family violence and independent children's lawyers sub-programs with increases of 5.8 per cent, 3 per cent and 8.3 per cent respectively. Demand also grew for duty lawyer services across our family violence sub-program (up by 7.3%) and social inclusion and equality sub-program (up by 25.3%). Overall, however, we provided 4.4 per cent fewer grants of legal assistance and 6.7 per cent fewer duty lawyer services compared with 2009–10. Although we helped 1.9 per cent fewer individuals we also avoided the need for multiple legal interventions by improving our proficiency: fewer clients overall required far fewer occasions of service to help resolve their legal problems.

We are in the midst of changes to funding in several areas that will see increased support for legal services delivering early intervention and prevention in the coming years. Much of our financing is not recurrent and we must renew large tranches of funding to manage the future with certainty. However, with a surplus of \$2.1 million and an increase in our net cash position in 2010–11, we are in a healthy position to finalise these changes.

Looking forward, we anticipate being able to reinvest surplus funds in new services and more equitable fee arrangements, whilst we review financial eligibility and new information about unmet legal need.

Thank you

The Board provided its usual guidance and insight and in particular, Sue Walpole, Jennifer Shaw and Mary Anne Noone were instrumental in shaping the new strategic plan which came into effect on 1 July 2011. The plan sets a number of exciting challenges for the next three years and a framework to evaluate progress.

I am also extremely grateful for the personal support and encouragement extended to me by John Howie who will step down after 10 years of dedicated service as Chair. The institution of legal aid is certainly stronger for John's long serving contribution. I pay tribute to Sue Walpole who will also depart the Board in August.

Finally, our achievements are largely the efforts of our extraordinary and diverse staff. This report is testament to our commitment to continuous improvement and ensuring that our organisation remains responsive, effective and available to help the tens of thousands of people every year who need it most.



Bevan Warner
Managing Director

Financial year in review

This section 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 and 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.

In 2010–11 Victoria Legal Aid (VLA) achieved an overall surplus of \$2.1 million. While a surplus is an indicator of financial health, it is not a primary driver in serving our clients and the community – our focus for the year was on providing excellent legal services. We were able to achieve this with the State Government's two-year funding commitment to June 2012 and the additional Commonwealth funding provided under the *National Partnership Agreement on Legal Assistance Services (NPA)*.

Overview

The 2010–11 Financial Statements record:

- total government income of \$142 million
- \$4 million of income raised in client contributions, a 7 per cent increase from the previous financial year
- \$67.1 million spent on legally aided cases undertaken by private practitioners
- an operating surplus of \$8.5 million
- a comprehensive surplus of \$2.1 million.

Our financial accounts were audited and validated by the Victorian Auditor-General. See pp.63–92 for the Financial Statements, including the Auditor-General's Report.

Five year financial summary

	(\$ thousand)				
	2011	2010	2009	2008	2007
Income from government	142,093	131,197	121,541	109,940	98,658
Total income from transactions	149,204	137,455	127,403	119,542	111,506
Total expenses from transactions	(140,748)	(131,678)	(128,924)	(137,987)	(118,843)
Net result from transactions	8,456	5,777	(1,521)	(18,445)	(7,337)
Net result for the period	2,124	6,150	(2,537)	(20,305)	(6,470)
Net cash flow from operating activities	9,788	5,367	388	(8,738)	(4,530)
Cash at 30 June	19,913	12,508	10,850	13,902	30,161
Total assets	55,987	51,116	47,561	51,652	63,686
Total liabilities	29,119	26,372	28,967	30,521	22,250



Our income

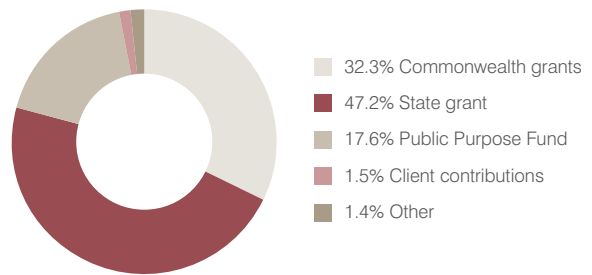
Most of our income comes from the State and Commonwealth Governments, the Public Purpose Fund and contributions from legally aided clients.

In 2010–11 the State Government provided \$69.1 million (\$64 million in 09–10), the Public Purpose Fund \$25.8 million (\$23.5 million in 09–10), and the Commonwealth Government through the NPA \$42.4 million (\$37.3 million in 09–10).

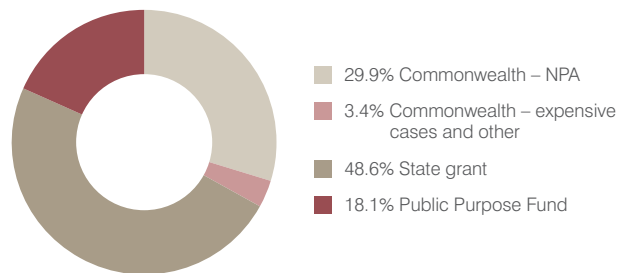
The Commonwealth Government also provided supplementary funding of \$4.8 million for expensive criminal cases (\$6.2 million in 09–10). Expensive criminal cases are those over \$40,000, under Commonwealth Crimes legislation.

Of the funds provided by the State Government, \$11.5 million (\$10.4 million in 09–10) was allocated directly to the Community Legal Centre Funding Program. See p.21 and Appendix 3, p.98.

Income sources 2010–11



Income from government 2010–11

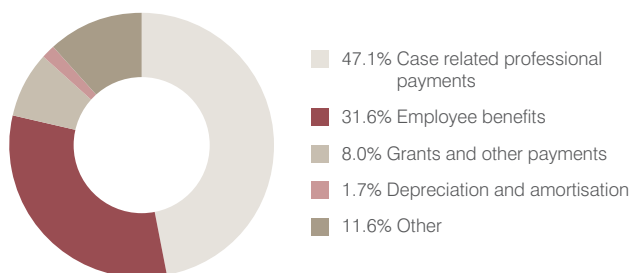


Our expenditure

Our total expenditure this year was \$140.7 million, an increase of 7 per cent.

Expenditure relating to privately assigned legally aided cases continues to be our most significant expense, with \$67.1 million in total paid to private practitioners, barristers, medical experts and interpreters for their services. Our other major expense of \$45.5 million is salary-related, primarily associated with our staff legal practice (\$41.1 million in 09–10).

Expenditure 2010–11



Our operations

The net result from transactions was a surplus of \$8.5 million, reducing to a surplus of \$2.1 million for the period. This surplus is a result of lower than anticipated demand for legal assistance in summary crime (as a result of the expanding use of infringements, p.32) and adult family law, combined with slower than expected phasing-in of decisions to invest in funding more legal services, for example: State crime reforms (\$2.1 million) involving incentives to encourage continuity of representation between committal and trial aimed at reducing court delays (p.36) and supporting changes in the Court of Appeal (p.37); changes to eligibility (\$1.5 million) across our programs (p.31 and p.42); and increased funding of \$1.5 million for our Civil Justice Program (pp.28–33).

This reflects the variable nature of demand for the large number of different services that we provide, and the need to take a medium-term view in managing financial and service delivery risks.

Our financial position

Much of our financing is not recurrent and we must renew large tranches of funding to plan and manage with certainty. Despite this inherent weakness we have retained a sound balance sheet and recorded a comprehensive surplus of \$2.1 million for the period.

The comprehensive surplus takes into account a one-off asset write down of \$2.6 million, and an actuarial adjustment of \$3.8 million in amounts owed and outstanding. The actuarial adjustment incorporates two expenses. First, an expense of \$1.4 million from the amounts we owe to private practitioners for work undertaken, and amounts clients owe us that are secured against their property. Second, an expense of \$2.4 million for the amounts owed by clients that are not secured against a property.

The cash position reached \$19.9 million after the net cash increased during the year by \$7.4 million. This balance has accumulated after a number of years of negative 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 NPA and Strategic Plan 2011–14 provide the framework for our service provision in the coming years, including commitments to excellence and transparency in what we do. While the recent State and Commonwealth funding commitments provide a base for us to improve service delivery, financing remains an ever present challenge. This is particularly so with one third of our revenue non-recurrent, and demand continuing to vary between different services. This demands prudent use of reserves to provide short-term flexibility, balanced against maintaining an adequate level of cash, so that we are able to maximise access to legal services for our clients and the community.

Tony Matthews

Director, Business Services
Chief Finance and Accounting Officer

Highlights 2010–11

This is a snapshot of our achievements for the year. Our client services and initiatives are arranged into programs with defined objectives. In 2011–12 our achievements will be measured against the goals of our new strategic plan that came into effect on 1 July 2011.

Access and equity program

22

Key objectives:

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

Achievements:

- Helped Victorians with over 88,000 legal matters through our Legal Information Service.
- Implemented referral protocols with other agencies to help clients get where they need to go and reduce the number of people lost on a 'referral roundabout.'
- Worked with other legal aid commissions to produce a resource kit for English as a Second Language teachers that will help new arrivals identify and address legal problems before they escalate.
- Joined with project partners to reach 1,000 high school students with an interactive theatre performance specifically designed to equip them with the skills to interact with police.
- Launched an extranet site to provide the community legal sector with access to a range of practice and information resources.
- Resourced and assisted the community legal sector (39 centres) with \$11 million in direct State funding, and a further \$6.7 million in Commonwealth funding to provide a range of vital services.
- **NPA** Our community legal education staff in Melbourne ran 70 sessions, with 1,160 attendees.

Operating expenditure:

- \$15.8 million.
- 10.9 per cent of total expenditure.

Civil justice program

28

Key objectives:

To contribute to a fairer, more inclusive and rights-respecting community by providing civil and administrative advice and legal representation to people who are acutely vulnerable. To 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.

Achievements:

- Ran important test cases in relation to pensioner entitlements and the rights of children in detention.
- Made law reform submissions aimed at improving and clarifying the law in a number of areas, including Victoria's mental health and guardianship laws and Australian insurance law affecting natural disaster victims.
- Provided training to our lawyers to improve how we help clients with acquired brain injury or substance addiction problems.
- **NPA** Provided 13,384 early intervention services and 5,806 duty lawyer services in civil law matters.

Client satisfaction results:

- 73% of clients receiving legal advice were satisfied or extremely satisfied with us.
- 83% of clients assisted through casework were satisfied or extremely satisfied with us.
- 85% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us.

Operating expenditure:

- \$8.6 million.
- 6 per cent of total expenditure.

Criminal law program

34

Key objectives:

To represent people charged with offences, with a focus on those who are disadvantaged or at risk of social exclusion. To influence the criminal justice system to provide timely justice, the fair hearing of charges and appropriate outcomes. To ensure people are well-informed, treated with dignity and guided appropriately through the criminal justice system.

Achievements:

- Invested heavily in private practitioner fees in summary crime.
- Re-designed our in-house practice to create specialist criminal law teams, an expanded Public Defenders Unit and priority client group experts.
- Introduced innovative reforms to our fee structure to support early resolution, quality of counsel and continuity of representation.
- Supported fundamental change in the Court of Appeal through new guidelines and fee scales.
- Launched the Talented Junior Counsel Program as an investment in quality counsel for the future.
- Used our status as an intervener in the inquest into the fatal shooting of a 15 year old by police to support evidence-based emergency management of young people in crisis.
- **NPA** Provided 18,030 early intervention services and 57,780 duty lawyer services in criminal law matters.

Client satisfaction results:

- 87% of clients receiving legal advice were satisfied or extremely satisfied with us.
- 89% of clients assisted through casework were satisfied or extremely satisfied with us.
- 88% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us.

Operating expenditure:

- \$72.9 million.
- 50.5 per cent of total expenditure.

Family law program

40

Key objectives:

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

Achievements:

- Reviewed and made changes to our legal assistance eligibility guidelines to improve our service delivery, especially to children and women at risk of family violence.
- Built our in-house advocacy capacity to increase the range of services we provide, and to establish ourselves as a centre of excellence in the delivery of services.
- Expanded our working relationship with family relationship centres to provide improved services to clients, particularly in regional areas.
- Increased our capacity and skills to deliver new model conferences in child protection matters.
- Made major submissions to the two Victorian child protection inquiries conducted during the year.
- **NPA** Provided 14,219 early intervention services and 15,379 duty lawyer services in family law matters.

Client satisfaction results:

- 77% of clients receiving legal advice were satisfied or extremely satisfied with us.
- 79% of clients assisted through casework were satisfied or extremely satisfied with us.
- 71% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us.
- Almost 70% of clients assisted through Roundtable Dispute Management were satisfied or extremely satisfied with us.

Operating expenditure:

- \$47.1 million.
- 32.6 per cent of total expenditure.

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 the State (see p.110).

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 responded to 88,078 legal matters through our Legal Information Service and recorded 612,807 visits to our website, an increase of 18.8 per cent.

Our online and telephone information services are free and available to all Victorians. Our staff respond to telephone enquiries about legal problems, helping people understand their situation, the options available to them, and the best place to go if they need further assistance.

We responded to reduced demand through our Legal Information Service this year, with a 12.9 per cent decrease in calls and 15.6 per cent decrease in the matters we dealt with. Peaks in demand caused by events such as the Black Saturday bushfires in previous years along with our increased focus on developing better assessment and referral practices this year (p.24), which resulted in increased call duration times, contributed to this decrease.

Referrals

We made 15,685 external client referrals from 18 January 2011.

We were able to start recording external referrals from 18 January, when our new grants management and reporting system ATLAS+ was implemented (p.60). We make referrals on behalf of a person to external services if we cannot provide the most appropriate help that is needed, or if other additional help would be of benefit. Making a referral involves our staff providing a clear understanding of what services are available to the person in need, and what they can expect. The referrals recorded are those made for clients who received legal advice or representation within a client-solicitor relationship.

Publications and community legal education

We recorded 70 community legal education sessions held with 1,160 participants, and distributed 540,674 publications, an increase of 5.4 per cent.

We provide free publications and community legal education sessions to Victorians to help them understand their legal rights and responsibilities, and where they can get help. Our publications can be ordered through our website and are available in our offices (p.110). Our community legal education sessions are tailored to the needs of particular groups and this year included innovative delivery through live performance and DVD (p.24). Sessions are increasingly being designed for delivery by other groups to increase their take-up. They also include regular divorce application and contravention workshops at various locations across Victoria. We did not record all community legal education sessions conducted statewide, and the 70 sessions this year were conducted by our Melbourne staff only.



Early intervention services

We provided 45,633 legal advice, minor work and advocacy services.

These are services that help a person with their legal problem at an early stage. They can involve a lawyer looking over documents, researching 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. We will be reviewing reporting protocols to eliminate under-reporting and to align them with new NPA standards and practices in other States. Early intervention services decreased in 2010–11 by 14.7 per cent.

Dispute resolution services

We held 777 conferences, reaching full or partial settlement in 87.8 per cent of these.

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.

To use RDM, at least one person involved in the family dispute must apply for and obtain a grant of legal assistance. If a settlement is reached, a parenting plan is signed or consent orders may be drafted and filed in the Family Court or Federal Magistrates Court. If appropriate, RDM may also be available before a person is provided with a grant of legal assistance to be represented at a final hearing.

Duty lawyer services

Our staff lawyers provided 70,898 duty lawyer services, and private practitioners 8,067 services.

We provide duty lawyers in various courts and tribunals free of charge 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, matters involving children, people who cannot afford legal help, and people who could not get legal advice before their hearing date.

While demand for duty lawyer services increased across our family violence (up by 7.3%) and social inclusion and equality sub-programs (up by 25.3%), overall there was a 6.7 per cent decrease in services. This may in part reflect a reduction of matters initiated by Victoria Police due largely to the expanding use of infringement notices (p.32). It may also reflect the positive impact of summary case conferencing, where duty lawyers are required to engage in more detailed analysis and negotiation at the early stage of proceedings to achieve an earlier resolution.

Grants of legal assistance

We provided 42,097 grants of legal assistance across our Civil Justice, Criminal Law and Family Law programs.

Our assignments teams 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 a staff 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. Some people are required to pay a contribution towards the cost of their legal representation. We provided 4.4 per cent fewer grants of legal assistance this year.



Specialist services

Our areas of specialisation are reflected in the sub-programs that operate through our Access and Equity, Civil Justice, Criminal Law and Family Law programs. These also include a range of specialised client services staffed by experts, and include:

- Assessment and Referral Court (ARC) List co-ordination team, dealing with summary and indictable criminal matters at the Melbourne Magistrates' Court for people with a mental illness, intellectual disability, acquired brain injury or other mental impairment
- Child Support Legal Service, including an outreach program that visits our offices and other locations
- Drug Court 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
- Moorabbin Justice Centre, staffed by youth lawyers rostered daily for the Family Division of the Magistrates' Court, and once or twice a month for Children's Court criminal sitting days
- Neighbourhood Justice Centre, providing duty lawyer, legal advice and representation services for Magistrates' Court, Children's Court, Victims of Crime Assistance Tribunal (VOCAT) and the Victorian Civil and Administrative Tribunal (VCAT) matters
- Prison advice service, providing prisoners with better access to legal information and advice
- Public Defenders Unit, providing advocacy in the Magistrates', County, Supreme and High courts
- Sexual Offences Team, providing duty lawyer work in the Sex List and Remand List at Melbourne Magistrates' Court, and expertise in sexual offence work including Serious Sex Offender and Detention and Supervision Order matters
- Youth Legal Service, including a 24-hour, 7 day a week telephone advice line co-ordinated through VLA as part of the Youth Referral and Independent Person Program (YRIPP) for young people under 18 in police custody.

Our clients

What our clients say about us

This year we undertook our first client satisfaction survey to help us better understand our clients' opinion of our services, and their level of satisfaction.⁴

The survey results show that clients hold our services in high regard:

- 86% were extremely satisfied or satisfied with the services they received
- 90% said they found it easy to access our services
- 90% of legal advice, casework and duty lawyer clients and 76% of Roundtable Dispute Management clients would recommend the services they used to other people.

Specifically:

- 81% were very satisfied or satisfied with our legal advice services
- 86% were very satisfied or satisfied with our casework services
- 85% were very satisfied or satisfied with our duty lawyer services
- almost 70% were very satisfied or satisfied with our Roundtable Dispute Management service.

The survey also reflected our commitment to helping the most vulnerable and disadvantaged members of the community:

- around 30% reported having a disability
- 69% were receiving some form of government benefit
- 59% had approached us for assistance with two or more legal issues.

Our further analysis of the survey results will contribute to the design and delivery of services that are appropriate, proportionate and targeted to the needs of our clients.

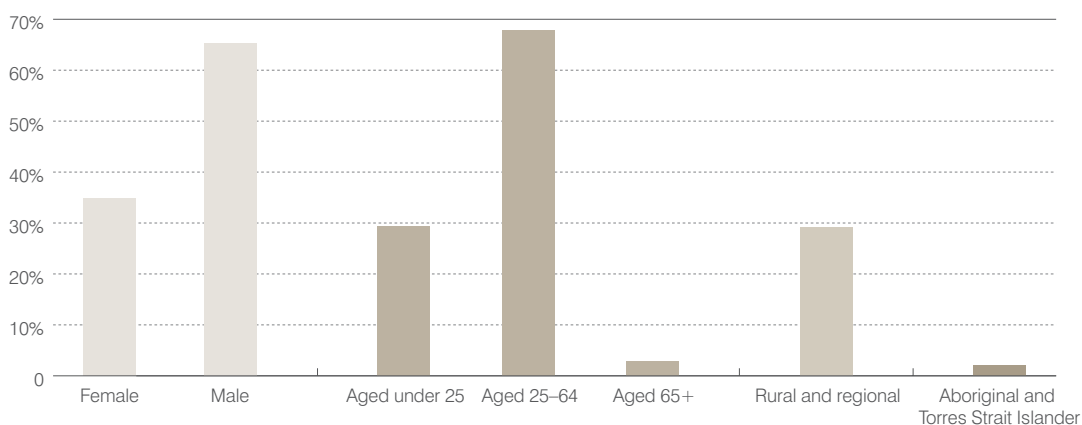
These improvements will become part of our business planning and quality processes in 2011–12.

⁴ A telephone survey was conducted between May and June 2011 of a representative sample of 610 clients across our Civil Justice, Criminal Law and Family Law programs who received duty lawyer, legal representation/casework, family mediation (Roundtable Dispute Management) and legal advice services between July and December 2010. Further results and information about the survey methodology is available at www.legalaid.vic.gov.au



Our client profile

Our client profile did not change significantly in 2010–11, with the exception of Aboriginal and Torres Strait Islander clients: 1,694 individuals, doubling on the previous year. There was also a small increase in client numbers in rural and regional areas. See Appendix 2, p.96 for the number of unique clients mapped to local government authorities.



Total number of unique clients = 85,502 (1.9% decrease on 09–10)

Looking at the number of unique clients we helped this year alongside the overall drop in demand for services indicates that we may be helping to avoid the need for multiple legal interventions.

Our planning and reporting framework

This annual report follows our program management and reporting framework which came into effect in early 2010. In 2011–12 our planning and reporting, including our measurement of performance, will also align to the goals of our new strategic plan that came into effect on 1 July 2011.



Community justice needs

The Council of Australian Governments *National Partnership Agreement on Legal Assistance Services* (NPA) signed in early July 2010 provides some new policy directions and additional funds for legal assistance programs.⁵

Prioritising new or expanded services requires consideration of local community needs. The NPA in particular recognises the value of legal aid to the community and emphasises:

- an increased focus on early intervention and prevention
- assistance and remedies in civil law
- greater access to Commonwealth funding for matters under State jurisdiction in relation to early intervention, child protection and family violence, where there is a related family law matter
- more appropriate targeting of legal assistance to people who are, or are at risk of becoming, socially excluded.

The justice principles of accessibility, appropriateness, equity, efficiency and effectiveness inform program design, and our work is guided by our clients' needs for a broad range of legal and non-legal services.

Stakeholder engagement

We cannot provide all the help that people need, and our work with partner agencies and stakeholders is important for individual clients, and for systemic reforms to improve justice outcomes more generally.

In March this year we conducted a survey to help us better understand our stakeholders' experiences of working with us.⁶ Their recommendations will help us to improve our planning and collaboration in the future.

Many of the initiatives we look at in 'Our programs' (pp.22–45) involve working with other service providers in new and flexible ways. See also 'Our relationships', pp. 20–21.

Program planning

Our services are arranged into programs and sub-programs with defined objectives to support evaluation of their effectiveness. Each program plan aligns financial resources with an overarching purpose and follows a methodology designed to help us put the justice principles into action.

This means that many of the services and initiatives delivered through our sub-programs have been informed by: what people need to understand about the options available to them; how we can best meet this need; and how we can intervene early to prevent legal problems from escalating.

The plans consider the many pathways through the justice system, as well as appropriate referrals to and from support services outside of the justice system that are needed to help with broader problems in people's lives. Our services and initiatives are also informed by the cost and methods of resolving disputes, and whether they are proportionate to the issues.

See 'Our programs' in this report, pp.22–45.

Performance monitoring

The VLA Board receives regular reports against our sub-programs throughout the year (p.54). This year we have further developed our reporting capabilities to track against our services and initiatives, and began to measure outcomes for our clients. In this annual report, those outputs we can report against have been included in the 'At a glance' facts and figures section of each of our program reports (pp. 22–45).

Under the NPA, we are required to meet with the Commonwealth to discuss our performance, and to report to the Federal Attorney-General every six months against responsibilities, outputs, performance benchmarks and timelines that were established between the Commonwealth and the States and Territories.

Outputs required under the NPA are identified in this report by: **NPA**

Strategic planning

We reviewed our strategic plan this year, underpinning our priorities for 2011–14 with those of the NPA, and aligning it better to our accountability framework. This framework seeks to integrate planning, budgeting and performance reporting under the themes of access and inclusion, relationships and collaboration, and organisational responsiveness.

Our new strategic plan came into effect on 1 July 2011. We have used our program management framework to inform the content and structure of the 2010–11 Annual Report.

Budget

The financial investments applied to our program objectives are limited by the size of the Legal Aid Fund. We continued our work this year in developing systems that align expenditure types to programs, ensuring more thorough scrutiny of overall performance against our objectives and those of the NPA. The 2011–12 budget is cast by expenditure type and by program.

5 Council of Australian Governments, National Partnership Agreement on Legal Assistance Services, 2 July 2010. Available at www.federalfinancialrelations.gov.au

6 The survey of 184 stakeholders was conducted online, with a 58 per cent response rate. Participants included our partners in the justice system such as State and Commonwealth departments, courts and tribunals; non-government and community organisations; community legal centres; and private practitioners and their member organisations/associations.

Our relationships

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

We have developed strong connections and working relationships with many stakeholders, including other state and territory legal aid commissions, government departments, the courts, private practitioners and the Federation of Community Legal Centres. Victoria Legal Aid is a member of organisations that promote collaboration, co-ordination and sharing of resources, ideas and knowledge. This year we expanded and built on our relationships through meaningful stakeholder engagement.

National Legal Aid

As a member of National Legal Aid, we participate alongside eight legal aid commissions in national consultations of importance, share resources and systems, and enhance best practice in ways that provide value for money in the delivery of legal aid.

More information: www.nla.aust.net.au

Legal Assistance Forums

The Victorian Legal Assistance Forum 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 service delivery models that are responsive to community justice needs.

More information: www.vlaf.org.au

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.nla.aust.net.au

Private practitioners

The significant contribution of private practitioners enables us to provide greater coverage and access to justice services. Our partnership with private practitioners is essential for the provision of quality legal aid services.

This year we invested heavily in private practitioner fees in summary crime (p.37) and launched an online grants management system, ATLAS+ (p.60).

In the coming year we will increase all professional fees by 10 per cent, and focus on articulating practice standards for staff and private practitioners (p.38 and p.51).

Facts and figures

- 70% of grants of legal assistance was for work assigned to private practitioners (no change to 09–10). This excludes work assigned to community legal centres.
- 10.2% of duty lawyer services were provided by private practitioners (13.4% decrease on 09–10).
- Total payments to private practitioners for grants of legal assistance, legal advice and duty lawyer services were \$65.8 million.
- The top 20 private practitioners based on number of legally aided files undertook 32% of all assigned work and 22.7% of all grants of legal assistance.



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 52 CLCs in Victoria. Of these, 25 specialise in particular areas of law, such as tenancy, consumer, employment, human rights, mental health, environmental issues and immigration.

More information: www.communitylaw.org.au

Through the community legal centre sub-program, we help to ensure that the centres meet their service agreements and are increasingly focusing on how we can support the professional development of the sector through joint training initiatives and practice support (p.25, p.30, p.37 and p.51), joint project work (p.31 and p.42) and staff placements (p.51).

In 2010–11, 1.2 per cent of grants of legal assistance was for work assigned to CLCs.

Funding in 2010–11

We administer funding for 39 centres and the Federation of Community Legal Centres through the CLC Funding Program.

A total of \$18.1 million was paid to community legal centres, comprising \$17.7 million in program payments plus \$0.4 million in related projects. The program payments were made up of the following:

- \$6.7 million in Commonwealth Government funding (38.1% of total funding) paid to 36 centres
- \$11.0 million in State Government funding (61.9% of total funding).

The Commonwealth program funding includes \$437,985 for the family relationship centre/CLC initiative (p.42), and one-off funding for the Women's Legal Service Victoria (\$110,000) and Youthlaw (\$150,000).

See Appendix 3, p.98 for more detail.

CLC performance outputs

Activity	2010–11	2009–10	% change
Information	58,845	53,512	↑ 9.9
Advice	47,194	62,973	↓ 25.1
Face-to-face	33,838	32,996	↑ 2.6
Phone calls	12,850	14,179	↓ 9.4
Cases opened	23,391	22,596	↑ 3.5
Cases closed	22,783	22,984	↓ 0.9
Community legal education projects delivered	814	646	↑ 26.0
Law reform / legal policy submissions	359	273	↑ 31.5

Educational institutions

We have established relationships with many educational institutions to enhance our skill and provide work experience to law students. RMIT and Victoria University provide accreditation for our managers and administrative staff. We also offer students of Leo Cussen Centre for Law, Deakin University, University of Melbourne and La Trobe University practical legal experience through structured learning programs (p.52).



Our programs

Access and equity program

What we aim to do

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

Justice and law reform sub-program

Promote a more responsive justice system through systemic advocacy, policy change and law reform.

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 through the effective administration of funding, good governance and support of sector innovation.

Referrals access and equity sub-program

Ensure that our services are accessible and equitable, and that clients understand their legal options at the earliest opportunity and are referred to the most appropriate forms of legal and non-legal assistance.

“Victoria Legal Aid helped us know the correct information to protect ourselves.”

Bahati Watuta, former refugee from the Democratic Republic of Congo

Aggressive door-to-door salespeople were targeting newly arrived communities in Shepparton with offers for phone services, internet connections and water purifiers.

They told them the town water was unsafe and urged them to buy water purifiers they didn't need and couldn't afford.

We worked with local welfare agencies to run workshops that informed newly arrived communities about their consumer rights – and quickly put a stop to the water purifier scam.



We helped **empower**
African migrants
in Shepparton to

**stand
up**

to
dishonest
door-to-door
sales tactics



Space Invaders actors in action.

Our Legal Information Service team handles over 300 calls a day.

Sisters Day Out workshop where community legal education and beauty treatments converged on the dancefloor to connect with the Drouin community in February.

How we do it

Better referral practices

We can improve a person's experience of the legal system if we are able to refer them appropriately, including to another service when we are unable to provide the help they need, or if other additional help would be of benefit. To better support 'warm referrals' we established formal referral links with other service providers this year, using new technologies. Making a warm referral involves our staff providing a clear understanding of what services are available to the person in need, and what they can expect. This can also help to avoid situations where people find themselves lost on a 'referral roundabout.'

Working with emerging communities

We led a National Legal Aid project to help new arrivals become familiar with some of Australia's laws. The project created a national resource called *What's the law? Australian law for new arrivals*, and is designed for teachers to use in English as a Second Language classes for new arrivals. It includes a DVD with stories in simple English, covering topics such as driving, tenancy, child protection, contracts and family violence, as well as activity sheets and notes for teachers and legal help referral information. The stories reflect some of the legal issues that people can encounter in their first 18 months of settlement, helping them to identify legal problems early and prevent them from escalating.

Working with young people

Space Invaders is an interactive theatre performance we produced this year with the Flemington Kensington Community Legal Centre and Western Edge Youth Arts. The performance was developed specifically for young people, and equips them with knowledge of their rights and skills to help de-escalate conflict situations when interacting with police. Our pooling of resources and expertise with our project partners contributed to the success of the project, which will see performances that feature a cast of young actors initially reaching 1,000 high school students across eight Victorian schools.

Working with the community legal sector

With the support of the State Government, we funded a pilot International Student Legal Advice Clinic based at the Western Suburbs Legal Service in Newport. The clinic conducts outreach in the city, Newport and Box Hill, and provides casework assistance and community legal education for international students. It also helps to improve and clarify laws affecting students.

We developed and launched phase one of a community legal centre (CLC) extranet, 'CLCie' to help community legal workers maintain and improve their high standards of service delivery. CLCie provides CLC staff and volunteers with access to a wide range of our electronic practice and information resources. These include precedent letters and legal documents, case notes and professional legal education materials.

See 'Our relationships' p.21 and Appendix 3, p.98 for information about the CLC Funding Program.

Cultural diversity

We developed a *Cultural Diversity Action Plan* this year in response to an audit which found that members of culturally and linguistically diverse (CALD) communities face particular challenges getting legal help. The audit also found that access to quality legal assistance and information can help remove misconceptions, reduce victimisation, promote belonging, and build trust in government and the justice system for CALD Victorians.

Our action plan will help us to more effectively assess how well we are engaging with CALD communities, and to ensure that culturally competent services and recruitment practices are integrated across the organisation.

Promoting access to legal services

We produced a plain English and pictorial legal 'help card' for people who are experiencing money problems, relationship breakdown, unfair treatment or contact with the criminal justice system. The card provides every-day descriptions of these issues as well as information about where to get help. They are available in more than 20 languages and will be broadly distributed over the coming months through community groups and service providers.



Challenges and the year ahead

Better client access

Over the following year we will focus on improving the way we respond to and help clients when they first contact us, no matter how they contact us. With a more holistic view of our clients' legal problems in mind, our new 'client intake model' will enable us to better help clients access the most appropriate services within VLA.

We will also further consider outreach opportunities for groups within the community who experience difficulty accessing our offices (p.110). Our commitment to improving physical access to our buildings, wherever possible, for people with physical and sensory disabilities is ongoing (p.61).

Building an evidence base

Over the next year we will develop evaluation strategies to inform community legal education and client access initiatives, and to contribute to a cost-benefit analysis of these legal services. Evaluation methods being scoped include direct client feedback forums and online surveys. Establishment of a Consumer Advisory Group which can inform good service delivery and direction in development stages has also commenced.

Community engagement


Over the coming year we will build on our collaboration with communities to develop education strategies, services and products that meet their needs, while supporting our own staff and other service providers to deliver them.

The Do Not Knock! campaign continued this year with the production of a DVD based on the play we staged in May 2010. Positive feedback from local councils, community groups and service providers on how the DVD has helped empower older people in particular to take action against unfair contracts, encourages us to develop more innovative multimedia education programs.

Informing and influencing policy

In 2010–11 we contributed significantly to justice system reviews, including the review of the Charter of Human Rights and Responsibilities, Protecting Victoria's Vulnerable Children Inquiry and sentencing reforms.

We made recommendations to reform laws where they impact disproportionately on disadvantaged members of the community, and reviewed our use of the public interest casework guideline to progress our strategic advocacy activities. This guideline enables legal assistance to be granted where a legal issue is of broad concern, or where a case raises an untested or unsettled point of law which affects a significant number of disadvantaged people. Over the following year we aim to further develop expertise in translating our practice wisdom into informative and influential policy submissions.

Submissions related to our sub-program achievements are identified throughout this report by: 

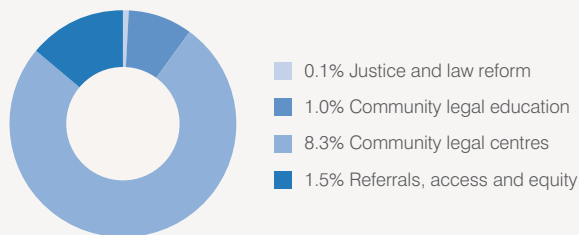
At a glance

Operating expenditure

\$15.8 million
(Commonwealth \$5.5 million | State \$10.3 million)

Justice and law reform \$0.2 million | Community legal education \$1.5 million | Community legal centres \$12 million | Referrals, access and equity \$2.1 million

Percentage of VLA operating expenditure (all programs)



Core services

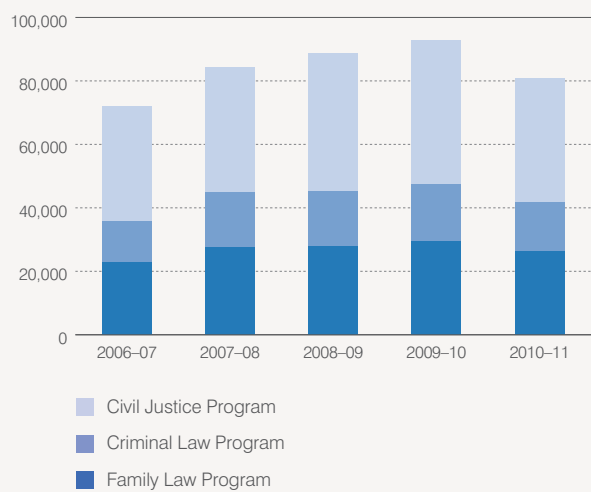
- Provide clients with free telephone legal information and referrals to legal and non-legal services.
- Deliver targeted community legal education to prevent problems from occurring and from escalating.
- Administer funds and monitor and support community legal centre efforts to enhance justice.
- Improve the way laws operate and impact on the community through contributions to parliamentary inquiries, consultations and provision of advice to government.

Facts and figures

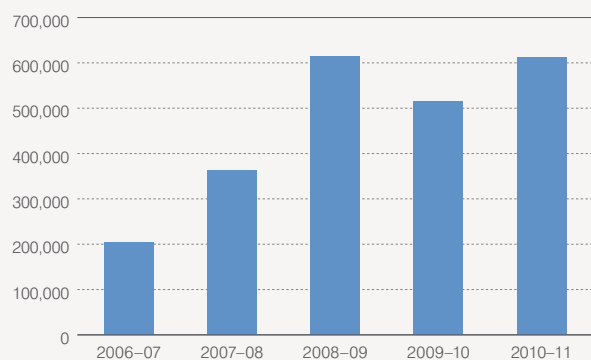
- **NPA** 15,685 external referrals across all programs*
- 80,734 calls to Legal Information Service (LIS) (down by 12.9%)
- **NPA** 88,078 matters dealt with by LIS
- 7 mins 6 sec average call duration (6 mins 21 sec in 09–10)
- **NPA** 540,674 publications distributed (up by 5.4%)
- **NPA** 70 community legal education sessions held by metropolitan Melbourne staff
- \$425,715 in-house practice expenditure on interpreter services
- Top five non-English languages to Legal Information Service: Arabic, Mandarin, Serbian, Polish, Greek

- Top five matters – external referrals made by VLA*: property settlement, employment (Commonwealth), contact, other contract matters, family violence
- Top five referral groups – external referrals made by VLA*: generalist CLCs, private practitioners, Law Institute of Victoria, specialist CLCs, courts
- Top five matters in calls to Legal Information Service: contact, property settlement, family violence, infringements, the law in general**

Five-year trends in calls to Legal Information Service



Five-year trends in visits to www.legalaid.vic.gov.au



NPA = National Partnership Agreement output reporting requirement. Percentage changes are based on comparison with 2009–10.

* Recorded from 18 January to 30 June 2011.

** This category captures matters outside our funding guidelines and relates to issues such as commercial law, wills and trusts and contract law.

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 people who are acutely vulnerable. 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

Ensure that vulnerable people are provided with information, advice and where appropriate, representation, to help resolve problems that would otherwise compound and lead to entrenched disadvantage in the form of homelessness, poverty and victimisation.

Promote substantive equality in the community by addressing individual and systemic discrimination through casework, legal education and law and policy reform.

Migration sub-program

Ensure new migrant citizens are assisted to understand the law and asylum seekers and other vulnerable non-citizens are provided with appropriate legal assistance to obtain just outcomes for their claims.

Commonwealth entitlements sub-program

Ensure eligible persons access adequate income support, and can challenge unfair decisions and fraud allegations by providing quality legal advice and representation and by encouraging Commonwealth government agencies to administer systems that treat clients fairly and respectfully.

Ensure that eligible veterans and their families can access appropriate entitlements by providing effective advice and representation and encouraging Veterans' Affairs to administer systems that treat clients fairly and respectfully.

“It’s been a very sad time. I still love my children but they knew that I was a pensioner and could not afford to go to court. It got all terribly complicated and I am absolutely thrilled with everything my legal aid lawyer did for me. She was very, very good and kept my spirits up throughout the case.”

*Joy

Pensioner, Joy, was shocked when one of her children started proceedings through the Victorian Civil and Administrative Tribunal (VCAT) to force the sale of her home in order to claim an early inheritance.

Victoria Legal Aid supported Joy through the case and she was thrilled when VCAT ruled in her favour. She won the case.

Each year, VLA protects the rights of some of the most disadvantaged and vulnerable Victorians.

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



We helped Joy
fight
the forced sale
of **her home**



Mary Anne Noone, VLA Board member (p.54) and leading academic and researcher as Associate Professor at the School of Law, La Trobe University presented at a debt forum in March, putting financial institutions on the spot.

Debbie Mortimer SC, one of Australia's foremost human rights barristers, gave a detailed insight into the High Court test case about off-shore asylum seekers at our Civil Justice conference in November.

How we do it

Law reform and mental health

Our lawyers made submissions and contributed to community consultations on the draft Mental Health Act, released for comment in October 2010. These activities drew on our extensive practice experience in providing legal advice to involuntary patients in psychiatric wards. We also responded to a Victorian Law Reform Commission inquiry into guardianship laws in Victoria, which is due to report to the Victorian Attorney-General by 23 December 2011, and provided two extensive submissions to the Commission on what the future shape of Victorian guardianship laws should be.

See Appendix 4, pp.100–103.


Testing the limits of government power

We are committed to contributing to an efficient and equitable justice system, and to minimising the disproportionate impact of the law on vulnerable people. As part of this commitment, we assisted clients throughout the year to challenge government decisions.

Some important test cases have been those in which we have represented people seeking the right to work, when government regulation has prohibited them from working; children who have been detained by the Commonwealth in immigration detention centres; and aged pensioners who have been asked to repay pension payments received over nearly two decades because, without their knowledge, their superannuation fund provided incorrect information to Centrelink.

Assisting vulnerable clients better

We ran a series of seminars with the Department of Health to equip staff and community legal centre (CLC) lawyers in assisting clients with acquired brain injury or substance abuse problems. The training looked at the science of substance addiction, what neuroscience can tell us about people with an acquired brain injury, and how best to communicate with people affected by these. This training will help VLA and CLC lawyers improve their understanding of appropriate services and the treatments available for these vulnerable clients.


 Brain Injury Australia's Report on People with an Acquired Brain Injury and the Criminal Justice System, p.100.

Fair Go in Insurance

We joined a coalition of consumer advocacy and legal assistance organisations in February 2011 to recommend reforms to insurance following the floods. Drawing also from lessons learned in the 2009 Black Saturday bushfires, the coalition put a 12-point plan for insurance reform to government.

The 'Fair Go in Insurance' plan includes a clear definition of 'flood' for common use in insurance contracts; the need for fact sheets that general insurers must provide to consumers; the application of national unfair contract terms protections to insurance contracts; encouraging the industry to offer total replacement policies instead of 'sum insured' policies; and the requirement for insurers to offer more payment options, including fortnightly and 'Centrepay' options.

The Commonwealth Government has committed to implementing some of these proposals and is considering the others as part of its Natural Disaster Insurance Review which was announced on 4 March 2011.

 Reforming Flood Insurance: Clearing the waters discussion paper, p.101.

Appropriate dispute resolution and VCAT

The Victorian Civil and Administrative Tribunal (VCAT) released a three-year strategic plan in September 2010 as part of its 'Transforming VCAT' project. Supporting their commitment to becoming an 'Appropriate Dispute Resolution Centre of Excellence,' we provided an additional duty lawyer for 10 weeks from September 2010 to help parties involved in the 'short mediation process' pilot in the Civil Claims List. This List aims to resolve small civil claims disputes by helping parties to identify and consider their options for settling disputes.

 Draft VCAT Member competency framework, and draft VCAT Practice Note on Fair Hearing Obligations, p.102.

Challenges and the year ahead

Bulk debt negotiation

Legal Aid NSW, VLA and West Heidelberg Community Legal Service formed a collaboration in June 2011 to participate in a national bulk debt negotiation project. This project will relieve clients whose only income is social security of debts they will never be able to repay. Details will be collected of people who owe money to creditors that include Credit Corp, Baycorp, ACMS, Telstra, AGL and GE through financial counsellors, legal aid and community legal centres. From 30 June 2011, financial counsellors and lawyers will be able to provide their clients' details so that the project can prepare to negotiate bulk waivers of debts with creditors.

Review of guidelines

Research shows that there is significant unmet legal need in relation to civil law problems which tend to compound, and that an effective approach to dealing with these problems is to deliver legal services at an early stage, integrated with other services that can help. Next financial year will see us review the guidelines for assistance in civil law matters so that we can most appropriately direct our resources to the people who are most in need of our assistance.

Access to regional services

The risk of 'postcode justice' presents a real challenge in the year ahead. While we are committed to improving the access of all Victorians to legal assistance in civil law matters, there is considerable evidence that people in rural, regional and remote areas find access particularly difficult. In 2011–12, we will track our delivery of civil law services in suburban and regional areas, and increase the reach of services we provide to clients with civil law problems. See Appendix 2 (pp.96–97) for the number of unique clients mapped to local government authorities.


Expanding use of infringements

Over several years our lawyers have seen a considerable rise in the number of offences dealt with by the issuing of an infringement notice by Victoria Police. Some 11,000 matters which would otherwise have proceeded as a summary prosecution have been initiated by an infringement notice over the past year.

Some of our clients have risked imprisonment for very minor offences – such as parking offences – simply because they have left a fine unpaid. Many are in a vulnerable position because of an impairment or poor English skills, or circumstances that might include family crisis, mounting debt, or drug or alcohol addiction. As the number of infringements rises, the real challenge for us is how to ensure that the most vulnerable people in our community are not imprisoned because their special circumstances are not taken into account.

Changes to Commonwealth laws

In 2011, the Commonwealth Government made numerous changes to laws, including the *Migration Act 1958* and social security legislation. Clarifying the way these laws operate is very important. Throughout the coming year we will continue to run test cases to assist people in relation to their entitlements to visas, or to government benefits and pensions. Our provision of legal education to people about their rights under these laws will also continue, aiming to prevent these kinds of legal problems from arising.

-  Australian Law Reform Commission issues papers on family violence and Commonwealth laws and Inquiry into the *Migration Amendment (Strengthening the Character Test and other provisions) Bill 2011*, p.100 and p.101.

At a glance

Operating expenditure

\$8.6 million

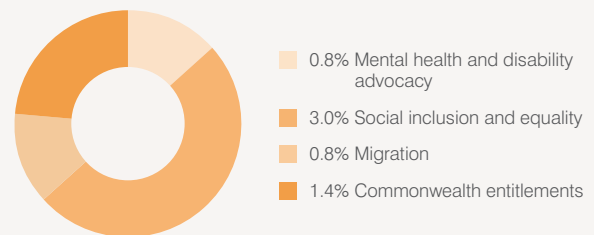
(Commonwealth \$3.9 million | State \$4.7 million)

Mental health and disability advocacy \$1.2 million |

Social inclusion and equality \$4.3 million | Migration

\$1.1 million | Commonwealth entitlements \$2.0 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

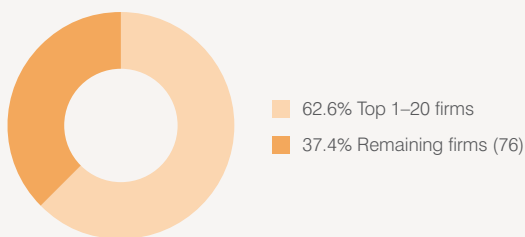
- 14,027 unique clients (15.2% compared with other programs)
- **NPA** 969 grants of legal assistance (up by 37.8%)
- 66.8% in-house grants of legal assistance (down by 1.3%)
- 4.9% community legal centre grants of legal assistance*
- **NPA** 5,806 in-house duty lawyer services (up by 17.8%)
- **NPA** 13,384 legal advice, minor work and advocacy (down by 7.1%)
- Top five matters across services above: infringements, landlord and tenant – resident, debt management, social security, Mental Health Review Board

- 38,945 calls to Legal Information Service (LIS) (down by 13.7%)
- **NPA** 40,782 matters dealt with by LIS
- **NPA** 203,163 page views of civil law related website content
- **NPA** 9,307 external referrals**
- Top five matters where referral made: employment (Commonwealth), other contract matters, infringements, other consumer disputes (State), motor vehicle property damage
- Top referral agencies: generalist CLCs, specialist CLCs, Law Institute of Victoria, private practitioners, Consumer Affairs Victoria

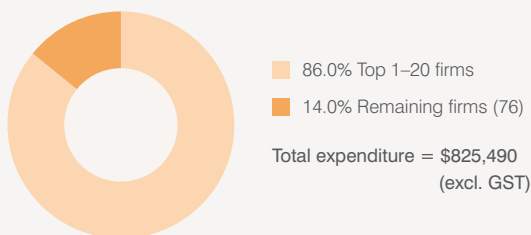
Private practitioners

- 28.4% private practitioner grants of legal assistance
- Top 20 civil justice firms account for 62.6% of assigned civil legally aided cases
- The remaining 76 firms undertake 37.4% or 121 cases
- In comparison the top 20 firms based on fees receive 86% of the total expenditure

Market share of private practitioner civil justice firms based on number of legally aided files



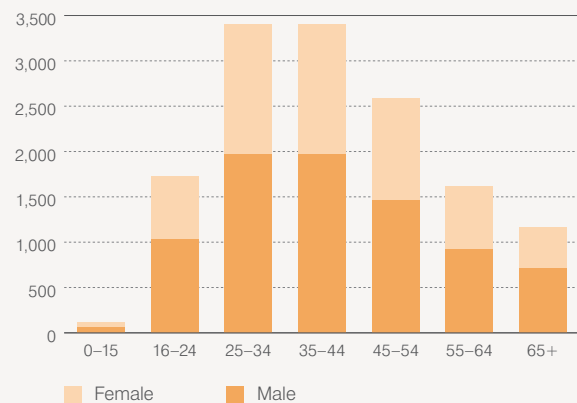
Market share of private practitioner civil justice firms based on fees



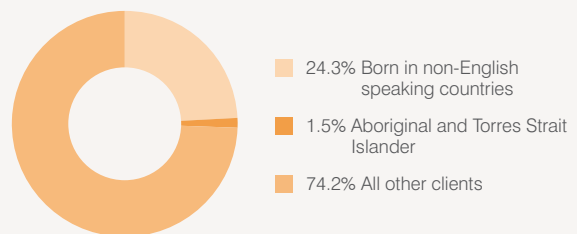
Clients

- 73% of clients receiving legal advice were satisfied or extremely satisfied with us
- 83% of clients assisted through casework were satisfied or extremely satisfied with us
- 85% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us

Gender and age profile of civil justice clients



Grants of legal assistance: clients born in non-English speaking countries, and Aboriginal and Torres Strait Islander clients



NPA = National Partnership Agreement output reporting requirement. Percentage changes are based on comparison with 2009-10.

* Recorded as a subset of private practitioner work in 09-10.

** Recorded from 18 January to 30 June 2011.

Criminal law program

What we aim to do

Represent people charged with offences, 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 people are well-informed, treated with dignity and guided appropriately through the criminal justice system.

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 genuine 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.

“He’s basically turned his life around full circle.”

**Cath, Brandon’s grandmother*

At 14, Brandon’s life was spiralling out of control. He was on probation but his criminal behaviour was escalating. He began sleeping on the streets and then he was placed in remand for an armed robbery.

Brandon’s Victoria Legal Aid lawyer continued to support him and worked closely with welfare agencies and the Department of Human Services (DHS).

They organised to have his needs assessed and he was diagnosed with an intellectual disability. DHS also found his paternal grandmother.

Brandon was placed on a good behaviour bond on the condition that he had regular contact with disability services.

He now lives with his grandmother in country Victoria, has returned to school, stayed out of trouble and become a local sports champion in his new community.

*Names have been changed to protect the privacy of the family involved.



We helped Brandon
turn his **life**
around



Managing lawyers of the newly formed specialist criminal law teams.

Panel members discuss court delays before the launch of the Talented Junior Counsel Program in April. L-R: Helen Fatouros, Legal Prosecution Specialist Advocacy, OPP; Justice Chris Maxwell, President of the Court of Appeal; Dr Gregory Lyon SC, Chair, Criminal Bar Association; Judge Lisa Hannan, County Court of Victoria; Saul Holt, Director Criminal Law Services, VLA.

Our lawyers learn more about Corella Place, the sex offenders unit at Ararat, accompanied by members of Department of Justice Sex Offender Management Branch.

How we do it

Making a difference at a major inquest

On 5 March 2010 we were granted leave to intervene in the inquest into the fatal shooting by police officers of a 15 year old. The young person was affected by mental illness and the inquest focused on how police officers are trained to deal with young people in crisis. We were granted leave based on our practice experience with young people: we fund all criminal cases in the Children's Court, and our in-house practitioners act for more than half of those clients. One of our Senior Public Defenders represented VLA at the inquest, making submissions based around the important evidence of mental health expert Professor Patrick McGorry that we had arranged, and on our experience with young people.

Encouraging early resolution and continuity of representation

In December 2010 we accepted a number of recommendations following a comprehensive review of changes to criminal law fees. Consultation involved the Law Institute of Victoria, the Victorian Bar, the courts and prosecutorial agencies.

The new fees include increased fees for counsel if the counsel stays in the case between committal and trial, a new post-committal negotiation stage, and increased sentence indication hearing fees. Their aim is to provide an incentive to improve early case resolution and continuity of representation, which is critical in reducing delays and ensures better prepared and more focused cases.

The success of these changes relies on the active co-operation and support of the County Court, the Office of Public Prosecutions and the Commonwealth Director of Public Prosecutions.

Supporting fundamental change in the Court of Appeal

In February 2011 we introduced guidelines and fees to support the Court of Appeal's new procedures. The new fees are a significant investment, and are weighted heavily towards the increased contribution of counsel, particularly trial counsel. This is because the reforms require more rigorous early preparation, increased focus on high quality written advocacy, and an obligation on trial counsel to identify proper grounds of appeal.

As a result, we also committed resources to support trial counsel in developing appellate skills, and to ensure that meritorious appeals do not slip as we adjust to the new procedures. We created an Appeals and Strategy Team to support our staff and private practitioners, and from 28 March to 30 June 2011 retained experienced appellate counsel to provide help and advice to trial counsel. We also organised joint training with the Bar, and contribute to a reference group convened by the President of the Court of Appeal.

Re-designing our in-house practice

We introduced specialist teams in appellate crime, indictable crime, sexual offences and advocacy in January 2011. The new teams position our staff practice as a centre of excellence, and add to our existing specialisations in youth crime and social security fraud.

We also expanded the Public Defenders Unit to provide senior criminal law leadership and advocacy, and career paths from our staff practice. New Senior Public Defenders were recruited from the Bar on fixed-term contracts to ensure regular reinvigoration of the unit.

Re-designing our staff practice will support our upcoming focus on excellence in criminal law services across our suburban and regional offices. As part of building this strong foundation, more than half of our criminal lawyers also received specialised advocacy training this year.

Investing in private practitioners

We are committed to improving payments to private practitioners and counsel to ensure that experienced and effective lawyers act for legally aided clients. As part of this commitment, in January this year we introduced an overdue nine per cent increase in summary crime fees, backdated to the beginning of the last financial year, and committed to indexing those fees annually. In the coming year we will increase all professional fees by 10 per cent.

Developing talented junior counsel

The Hon. Marilyn Warren AC, Chief Justice of the Supreme Court of Victoria launched the Talented Junior Counsel Program on 20 April 2011, flagging it as a model approach throughout the country. The program was developed by VLA and is supported by the Victorian Bar.

The inaugural intake is an investment in 14 talented junior counsel who have been selected to work alongside 30 senior trial advocates to observe, learn and practise their craft in 50 criminal trials throughout 2011–12.

Close to 80 per cent of indictable cases are legally aided, and we believe that high quality counsel appearing for our clients is critical in avoiding unnecessary delays. By investing in the next generation of trial barristers, we expect to see earlier resolution of cases where appropriate and, if a trial is needed, that it is conducted in a focused and strategic way.

Challenges and the year ahead

Supporting work across Victoria

In the coming year we aim to extend the expertise of our new specialised criminal law teams and the Public Defenders Unit throughout our offices statewide, as well as to community legal centres and private practitioners. As part of our development of a competency-based training framework, we will introduce pilot advocacy positions in regional offices. The aim of these positions is to further develop our expertise and improve our retention of talented lawyers.

Circuit Court delays

Delays in trials in country Victoria remain a major issue for accused people, witnesses and complainants. Our cross-agency efforts with the County Court and the Office of Public Prosecutions to reduce delays experienced some success this year in the Latrobe Valley and Bendigo.

In the coming months we will introduce and evaluate a pilot program to 'block brief' counsel in a major circuit court location. That is, with the support of local private practitioners and the Criminal Bar Association, a single defence counsel will be briefed to conduct a 'block' of all matters in a particular circuit, an initiative that will also allow early resolution of cases prior to the circuit beginning.

Specialist accreditation

In 2011–12 we will support our staff practice and private practitioners to complete accredited specialisation in criminal law (p.51). Both will be supported with training and preparation, while financial assistance will also be available to in-house lawyers and country practitioners in areas of identified need.

We will also review the criteria for entry to section 29A practitioner panels to ensure that they support quality and, where appropriate, recognise and reward specialist accreditation. Accredited specialisation, delivered through the Law Institute of Victoria, helps to increase community confidence in the expert ability of a lawyer in their area of practice.

Preventative efforts in youth justice detention facilities

We know from research that a vast majority of young people 'grow out of' crime and that they risk developing criminal networks and becoming entrenched in criminal conduct when detained in youth justice facilities. Over the coming year our work in the youth crime sub-program will focus on early intervention and prevention methods, such as effective legal education initiatives. In particular, we will work with other agencies to help address legal problems like fines and housing issues that can bring young people into the justice system.

At a glance

Operating expenditure

\$72.9 million

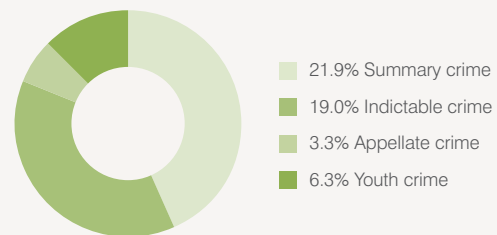
(Commonwealth \$9.8 million | State \$63.1 million)

Summary crime \$31.7 million | Indictable crime

\$27.4 million | Appellate crime \$4.8 million | Youth crime

\$9.0 million

Percentage of VLA operating expenditure (all programs)



Core services

- Provide young people with duty lawyers at courts, advice in the community and in youth justice facilities and legal representation when they must go to court.
- Provide adults with duty lawyers at courts, advice in the community and in prisons, and legal representation for some summary and most indictable offences.
- Provide legal representation in appeals that have merit in the County Court and the Court of Appeal.

Facts and figures

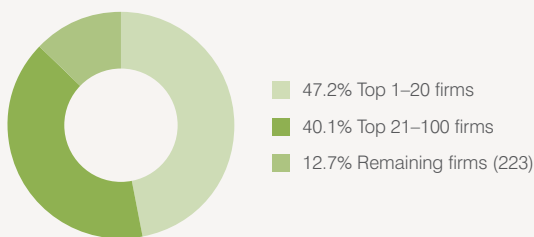
- 49,351 unique clients (53.3% compared with other programs)
- **NPA** 26,107 grants of legal assistance (down by 8.4%)
- 33.9% in-house grants of legal assistance (down by 1.4%)
- 0.9% community legal centre grants of legal assistance*
- **NPA** 51,467 in-house duty lawyer services (down by 10.4%)
- **NPA** 18,030 legal advice, minor work and advocacy (down by 22.1%)
- Top five matters across services above: drive whilst licence suspended, other miscellaneous criminal offences**, exceeding .05%, theft, assault

- 15,154 calls to Legal Information Service (LIS) (down by 14.9%)
- **NPA** 16,738 matters dealt with by LIS
- **NPA** 160,042 page views of criminal law related website content
- **NPA** 2,432 external referrals***
- Top matters where referral made: other traffic offences, assault, exceeding .05%, other miscellaneous criminal offences**, exceed speed limit
- Top five referral agencies: private practitioners, generalist CLCs, courts, police/law enforcement, Law Institute of Victoria

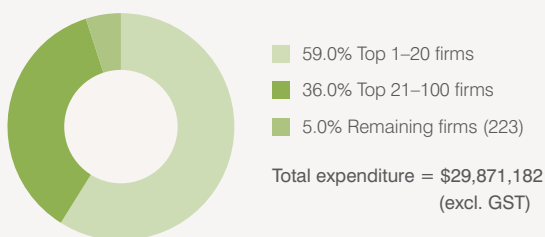
Private practitioners

- 65.2% private practitioner grants of legal assistance
- **NPA** 6,313 private practitioner duty lawyer services
- Top 20 criminal law firms account for 47.2% of assigned work
- Top 100 criminal law firms account for 87.3% of all criminal law work assigned
- In comparison the top 20 firms based on fees receive 59% of the total expenditure

Market share of private practitioner criminal law firms based on number of legally aided files



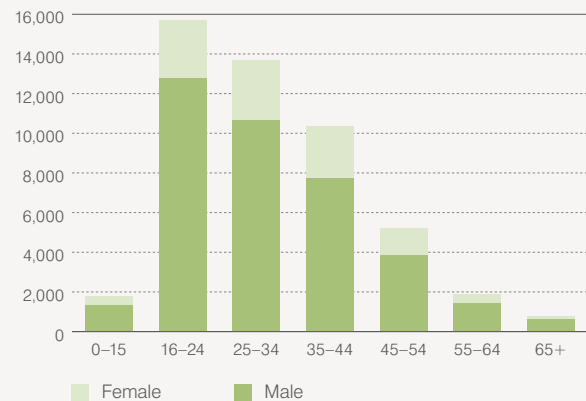
Market share of private practitioner criminal law firms based on fees



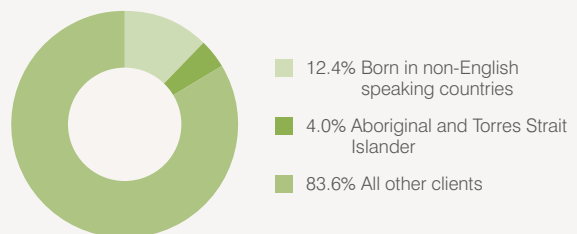
Clients

- 87% of clients receiving legal advice were satisfied or extremely satisfied with us
- 89% of clients assisted through casework were satisfied or extremely satisfied with us
- 88% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us

Gender and age profile of criminal law clients



Grants of legal assistance: clients born in non-English speaking countries, and Aboriginal and Torres Strait Islander clients



NPA = National Partnership Agreement output reporting requirement. Percentage changes are based on comparison with 2009–10.

* Recorded as a subset of private practitioner work in 09–10.

** Recorded in 'other' are, for example: running a red light, using mobile whilst driving, making a false report to police, failure to render assistance.

*** Recorded from 18 January to 30 June 2011.

Family 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.

Advice and litigation 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.

Child support sub-program

Children of separated parents are financially supported in accordance with the law by ensuring that carers and liable parents have 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, and to 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 and expanding delivery of appropriate dispute resolution processes to other areas of law.

“The mediation has given back stability to my daughter and taken away her stress about what is going to happen because of the dispute between me and her father. In the mediation I really felt like I had a voice. My daughter is much happier now because she has regular scheduled visits with her father and knows when she is going to see him.”

* Casey

Each year our Roundtable Dispute Management service helps hundreds of families resolve their differences without the stress and expense of going to court.

Since 2004, we've held more than 4,500 conferences for families and in more than eight out of 10 cases, agreements on some or all issues have been reached.

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



We **support families**
to make decisions that put
children first



Presenters at the training for new model conferences. L-R: Walter Ibbs, VLA; Sue Higgs, Children's Court, lead convenor of the new model conferences project; Judge Paul Grant, president of the Children's Court; Paula Wilson, Department of Human Services' Child Protection and Youth Justice Development Unit; Judi Washington, Children's Court; Mary Kyrios, Department of Human Services.

Our Roundtable Dispute Management service hosted Japanese judicial visitors in March.

How we do it

Review of eligibility guidelines

A review of eligibility guidelines for legal assistance in family law matters was completed with input from the Family Law Courts, the Victorian Bar, the Law Institute of Victoria, the Federal Attorney-General's Department, community legal centres, family relationship centres, and staff.

As a result, we will shift our emphasis from the type of matters (i.e. **what**) we fund to **who** should be funded. The changes will result in children being prioritised with increased funding for the appointment of Independent Children's Lawyers. Adults and children who have experienced or are at risk of experiencing family violence or abuse, or matters where there are mental health or substance abuse issues, will also become a priority. In addition, changes to the guidelines will place greater emphasis on resolving matters through family dispute resolution.

The changes will better align the guidelines with the priorities under the *National Partnership Agreement on Legal Assistance Services* and are expected to come into effect after 1 July 2011.

Family relationship centre project

We expanded our work with family relationship centres (FRCs) this year as part of a pilot project funded by the Commonwealth. Staff in our Melbourne, Ringwood, Dandenong, Geelong and Morwell offices established direct partnerships with eight FRCs and community legal centres. These relationships have allowed us to jointly develop and deliver legal information sessions, advice services and lawyer-assisted family dispute resolution to clients who have experienced family breakdown. This collaboration between two essential parts of the family law system will continue in 2011–12, with a view to expanding the partnerships to more of our offices and to other FRCs.

New model conferences in child protection

In July 2010 we introduced fees and helped prepare staff and private practitioners to support and encourage thorough preparation for 'new model conferences' in the Family Division of the Children's Court. The conferences are delivering improved outcomes and good settlement rates, and are reducing the length of the court processes.

We ran training sessions for the conferences in late July, and supported the development of the new model conferences and training through the secondment of one of our child protection lawyers to the Department of Human Services.

Protecting children

We made a major submission to Protecting Victoria's Vulnerable Children Inquiry which is due to report to government in late 2011. The major submission we made in 2009–10 into the review of child protection applications in the Children's Court was presented by the Victorian Law Reform Commission in October 2010.

We have also implemented many of the recommendations of the *Report of the Child Protection Proceeding Taskforce* that followed the Victorian Ombudsman's Report of November 2009. This involved working with the Department of Justice, the Department of Human Services and the Children's Court to establish new model conferences in the Children's Court (see above), and a two-day multi-disciplinary conference for lawyers, child protection workers and court personnel in June.

 Protecting Victoria's Vulnerable Children Inquiry, p.101.

Development of in-house advocacy

We recruited two new in-house advocates who commenced in December 2010. The aim of these appointments is to develop our capacity to deliver an increased range of legal services to our clients, and to establish ourselves as a centre for excellence in the delivery of family law services.

Challenges and the year ahead


Increased focus on family violence

Over the coming year, we will undertake a review of our family violence sub-program to assess where services are, where they are required, the impact that growth in demand is having on our lawyers, and if our current service delivery model is meeting its objectives.

 Australian Law Reform Commission issues paper on family violence and Commonwealth laws and NLA joint submission on the Family Law Amendment (Family Violence) Bill 2010 Exposure Draft, p.101.

Collaborating on child protection

Our work throughout this year also focused on developing a memorandum of understanding between VLA and the Department of Human Services, and on joint training for lawyers and child protection practitioners across the organisations. We also contributed to a code of conduct for all lawyers practising in the Children's Court. In 2011–12, improved and streamlined working relationships will help us to improve our services and achieve better outcomes for our clients.

 Protecting Victoria's Vulnerable Children Inquiry and Improving collaboration between the family law system and the child protection system project, p.101 and p.102.

Culturally responsive RDM services

In 2011–12 we will develop culturally responsive Roundtable Dispute Management (RDM) service initiatives. This will include cultural awareness training for case managers and chairpersons, recruitment of chairpersons from culturally and linguistically diverse (CALD) communities, and community legal education initiatives targeting CALD communities. As a result, we hope to increase the number of CALD clients making use of RDM services over the next 12 months.

Implementing and monitoring guidelines

In 2011–12, we will oversee the implementation of significant changes to family law guidelines to ensure they are achieving their intended goals.

In the coming year we will also increase all professional fees by 10 per cent.



At a glance

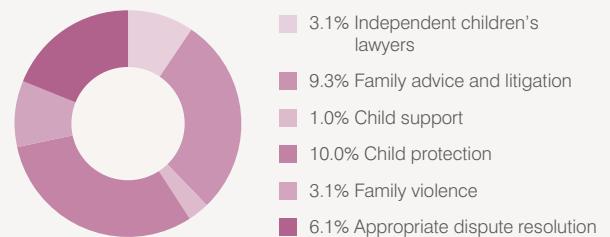
Operating expenditure

\$47.1 million

(Commonwealth \$26.2 million | State \$20.9 million)

Independent children's lawyers \$4.5 million | Advice and litigation \$13.5 million | Child support \$1.4 million | Child protection \$14.5 million | Family violence \$4.5 million | Appropriate dispute resolution \$8.7 million

Percentage of VLA operating expenditure (all programs)



Core services

- Provide duty lawyer and information services at Family Law Courts and independent children's lawyers to help judges make good decisions.
- Provide lawyer-assisted and child-inclusive family dispute resolution to help settle disagreements without going to court.
- Promote the interests of children where they are at risk.
- Represent children and parents in family courts including in child support, child protection and family violence matters.

Facts and figures

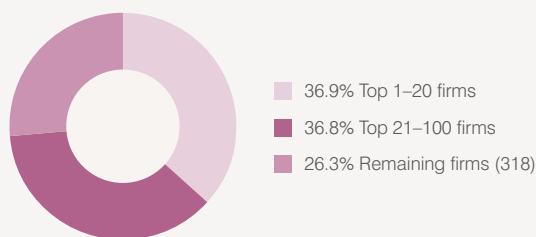
- 29,207 unique clients (31.5% compared with other programs)
- **NPA** 15,021 grants of legal assistance (up by 1.2%)
- 17.6% in-house grants of legal assistance (down by 1.4%)
- 1.4% community legal centre grants of legal assistance *
- **NPA** 13,625 in-house duty lawyer services (down by 0.1%)
- **NPA** 14,219 legal advice, minor work and advocacy (down by 10.8%)
- Top five matters across services above: family violence, contact, protection application, property settlement, residence
- 26,635 calls to Legal Information Service (LIS) (down by 10.6%)

- **NPA** 30,558 matters dealt with by LIS
- **NPA** 192,590 page views of family law related website content
- **NPA** 3,946 external referrals**
- Top five matters where referral made: property settlement, contact, family violence, defacto property settlement, residence
- Top five referral agencies: private practitioners, generalist CLCs, Law Institute of Victoria, family relationship service, courts
- **NPA** An estimated 1,554 people using dispute resolution services (RDM) (down by 4.1%)
- 338 fully settled (including interim arrangements), 344 partially settled, 95 not settled conference outcomes

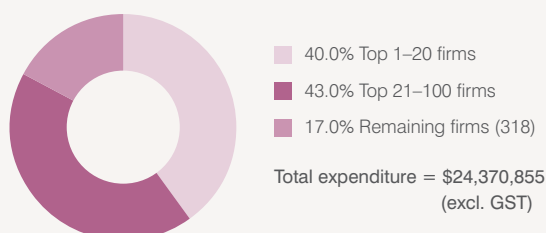
Private practitioners

- 81.0% private practitioner grants of legal assistance (no change on 09–10)
- **NPA** 1754 private practitioner duty lawyer services
- Top 20 family law firms account for 36.9% of assigned work
- Top 100 family law firms account for 73.7% of assigned work with the remaining 26.3% undertaken by 318 firms.
- In comparison the top 100 firms based on fees receive 83% of the total expenditure (\$20.2 million)

Market share of private practitioner family law firms based on number of legally aided files



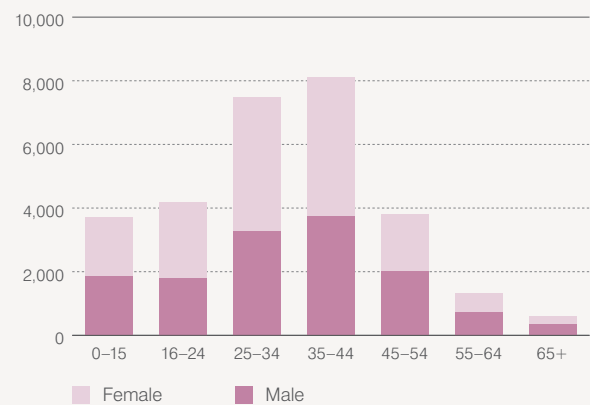
Market share of private practitioner family law firms based on fees



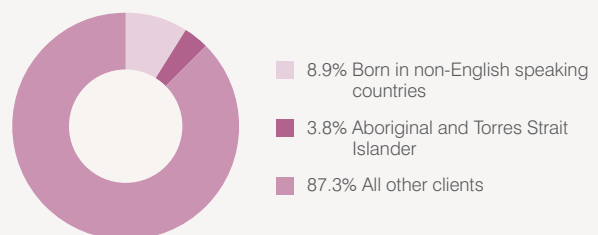
Clients

- 77% of clients receiving legal advice were satisfied or extremely satisfied with us
- 79% of clients assisted through casework were satisfied or extremely satisfied with us
- 71% of clients assisted through duty lawyer services were satisfied or extremely satisfied with us
- almost 70% of clients assisted through RDM were satisfied or extremely satisfied with us

Gender and age profile of family law clients



Grants of legal assistance: clients born in non-English speaking countries, and Aboriginal and Torres Strait Islander clients



NPA = National Partnership Agreement output reporting requirement. Percentage changes are based on comparison with 2009–10.

* Recorded as a subset of private practitioner work in 09–10.

** Recorded from 18 January to 30 June 2011.

Our people

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

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 the guidelines outlined in 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*. 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 rated highly compared with like organisations in the State Services Authority's People Matter Survey⁷ on questions relating to principles.

Overall results for People Matter Survey on principles

Principles	VLA 2010 result	Like organisations result
Choosing people for the right reason	79%	73%
Respecting and balancing people's needs	83%	77%
Providing a fair go for all	95%	89%
Resolving issues fairly	74%	70%
Respecting and upholding human rights of employees	89%	85%



Performance management

'Me & My Job' is a developmental role conversation style of performance management between managers and staff. All staff can expect to have a two-part role conversation in their anniversary month. The conversation builds understanding about the purpose of the role and the challenges involved, and defines an agreement about performance expectations, how the role might be developed and the developmental needs of staff. Since the introduction of Me & My Job in October 2009, fewer performance improvement plans have been instigated to respond to issues of under-performance.

Grievances

Conflict resolution processes help maintain healthy and productive working relationships. We are committed to ensuring that equity and merit principles are applied throughout the organisation and that work-related grievances are resolved quickly, confidently and without prejudice. One formal grievance was lodged in 2010–11.

Flexible work arrangements

Our People Matter Survey results were substantially higher than like organisations in offering 'practical employment arrangements and conditions to help employees to achieve a work-life balance' (VLA 91% : like organisations 77%). This reflects our belief that flexibility in the workplace contributes to a supportive and productive work environment. We have policies in place to ensure that staff can work flexible hours and from home when required. Our job share policy also promotes skills-sharing and allows staff to take up opportunities to expand their career development within and outside of the organisation.

⁷ The People Matter Survey is conducted every two years, with the most recent survey conducted in April 2010. We did not report back on survey results in 2009–10 as they were not released until August 2010. Our response rate for 593 staff invited to participate was 41 per cent. 'Like organisations' defined by the State Services Authority include Adult Multicultural Education Services (AMES), Ambulance Victoria, Country Fire Authority, Parks Victoria, VicForests, VicRoads and Victoria State Emergency Service.

Workforce data

Workforce data staffing trends

	2011	2010	2009	2008	2007
Lawyers	284	266	240	235	222
Paralegal	6	5	11	9	12
Administration, client service officers and others	354	351	330	310	304
Total	644	622	581	554	538

Staff profile under Part 3 of the *Public Administration Act 2004*

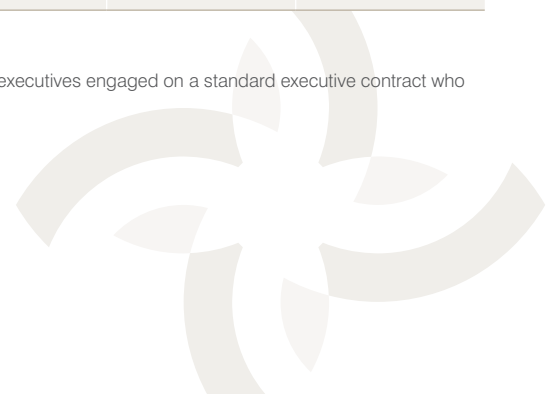
	Ongoing employees ⁽ⁱ⁾				Fixed term and casual employees
	Employees (headcount)	Full time (headcount)	Part time (headcount)	FTE ⁽ⁱⁱ⁾	FTE ⁽ⁱⁱ⁾
June 2011	517	400	117	465.44	117.52
June 2010	509	394	115	456.58	97.56



	2010–11			2009–10		
	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	120	116.76	35.00	121	117.80	23.30
Female	397	348.68	82.52	388	338.78	74.26
Total	517	465.44	117.52	509	456.58	97.56
Age						
Under 25	15	14.36	11.45	23	22.40	24.10
25–34	165	152.37	66.41	171	158.35	40.90
35–44	152	131.21	18.86	141	120.36	17.86
45–54	112	102.53	12.20	112	100.77	11.10
55–64	64	57.39	6.00	56	49.30	2.60
Over 64	9	7.58	2.60	6	5.40	1.00
Total	517	465.44	117.52	509	456.58	97.56
Classification						
VLA 1	1	1.00	2.00	7	7.00	3.00
VLA 2	147	124.41	29.55	142	119.18	23.15
VLA 3	188	173.60	60.87	178	163.70	55.40
VLA 4	128	116.77	9.20	137	124.15	6.50
VLA 5	48	44.66	3.60	40	37.55	1.40
VLA 6	5	5.00	1.00	4	4.00	1.00
Contract	0	0.00	4.50	0	0.00	2.70
Executive	7	6.80	0.00	6	5.60	0.00
Other	0	0.00	0.00	0	0.00	0.00
Total	524	472.24	110.72	514	461.18	93.15

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	6	2	6	2	0	0
Total	8	2	8	2	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.	Variation	No.	Variation	
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	5	2	0	0	0	0	0	0
Total	3	0	5	2	0	0	0	0	0	0

Reconciliation of executive numbers

		2011	2010
	Executives with remuneration over \$100,000 (Financial Statement Note 15)	4	4
Add	Vacancies	0	1
	Executives employed with total remuneration below \$100,000	3	2
	Accountable Officer (Managing Director)	1	1
Less	Separations	0	2
	Total executive numbers at 30 June 2011	8	6

Occupational health and safety

Regular de-briefing and wellbeing checks are extremely important in maintaining the psychological health of staff who are exposed to disturbing case-related material. The Wellbeing Program we introduced in December 2010 has been well supported. All staff can also access monthly onsite counselling services offered through the Employee Assistance Program in our Melbourne office.

We continued our work with external organisations to improve safety in locations where our staff routinely work, and began a scheduled inspection of all worksites. This was carried out in accordance with our internal audit, which identified potential health and safety hazards, and our organisational risk assessment (p.58).

Our senior HR consultants worked with several managers and staff to case manage successful return to work from injury and illness. Committed to employing people with temporary or ongoing disability, we also developed a Reasonable Adjustment Policy in consultation with the Disability Advisory Group (p.61).

The Occupation Health and Safety (OHS) committee continued monitoring our work environment, and endorsed a charter of its responsibilities and agreed operating parameters. OHS staff provided advice and presented at induction sessions on OHS and equal employment opportunity issues, emphasising self-care and personal wellbeing.

Performance against OHS measures

Measure	Performance indicator	2008–09	2009–10	2010–11
Incidents	No. of incidents	60	43	39
	Rate per 100 FTE	11.5	7.97	6.69
Claims	Total WorkCover claims	4	8	8
	No. of standard claims	1	2	4
	Rate per 100 FTE	0.19	0.37	0.69
	No of lost time claims	1	2	4
	Rate per 100 FTE	0.19	0.37	0.69
	No of claims exceeding 13 weeks	1	1	1
	Rate per 100 FTE	0.19	0.19	0.17
Fatalities	Fatality claims	0	0	0
Claim costs	Average cost per standard claim	\$24,409	\$6,503.50	\$6,252.48
Return to work	Percentage of claims with RTW plan <30 days	100%	100%	100%

Note: Data sourced from Victorian WorkCover Authority.

Among our top results in the People Matter Survey, 97 per cent of respondents agreed that VLA encourages employees to report back on safety incidents and injury.



Supporting quality services

New legal practice focus

A new division was formed in October 2010 to lead the way in consolidating VLA as a modern, dynamic and quality focused practice. Legal Practice oversees career development and recruitment of lawyers throughout our offices statewide. Other responsibilities include training, practice support, professional legal education and our quality agenda.

In the coming year Legal Practice will focus on articulating the practice standards for staff as well as for private practitioner panel members, and on ensuring that we review and learn from client complaints and uphold other statutory compliance functions.

Professional legal education and practice support

Our Professional Support Lawyer and precedents team provides our lawyers with best practice resources such as court manuals, checklists, case commentaries, regular online newsletters with updates on legal developments, specialised training and up-to-date precedent collections.

In 2010–11 the Professional Legal Education team continued to offer a wide variety of training opportunities, including in the compulsory fields of continuing professional development. Specialised training was provided to support a number of important initiatives across the organisation and justice sector more broadly. These included new model conference training (p.43), the Child Protection Legal Conference (p.43), training on how to handle disputed natural disaster insurance claims, mental health first aid training and a series of seminars about how to assist clients with an acquired brain injury or substance abuse problems (p.31). In many cases, training was also offered to community legal centre lawyers and private practitioners.

Our lawyers also receive research support and training provided by staff in Victoria's only specialist law library which is open to the public.

Specialist accreditations and leadership development

We are proud to have lawyers working with us who have been certified as accredited specialists by the Law Institute of Victoria. While all of our lawyers are highly skilled and professional, accredited specialists are recognised as experts in their field. We employ 30 per cent of all criminal law accredited specialists in Victoria – more than any law firm in the State. We also have four accredited family law specialists.

We encourage and support our staff to develop leadership skills and take on leadership roles. Among our top results in the People Matter Survey, 91 per cent of respondents agreed that we are committed to developing our employees (like organisations: 73%). This year we started the Collaboration for Change (C4C) leadership development program, designed to help staff understand and meet the leadership challenges associated with project group work.

New Lawyers Program

The New Lawyers Program provides first and second year lawyers with comprehensive training and development within VLA. The 13 new lawyers accepted into the inaugural program in 2010 are now half way through, and have completed rotations across our program areas in various offices, including Shepparton, Warrnambool, Morwell, Bendigo and Ballarat.

The program is proving to be effective in filling vacancies throughout Victoria with appropriately trained and highly skilled junior lawyers. We are also working with the Federation of Community Legal Centres to place one new lawyer on a six-month secondment to a community legal centre in the coming year.



Student opportunities and training placements

We provided 274 students from the Leo Cussen Centre for Law Clinical Experience Program with the opportunity to observe and participate in advice clinics and attend courts and tribunal duty lawyer services over a half-day session. In addition, 11 students completed their three-week professional placements at our offices

We also have formal arrangements with La Trobe University and Deakin University clinical legal education subjects. Over 50 students have received the opportunity to gain practical experience at the Preston, Ringwood and Geelong offices.

Fundamental skills

The VLA Essentials program was launched in late 2010 to enhance fundamental skills relevant to each individual's role. Learning and development for managers and administrative staff this year covered communications, practical people management, first time managers, resilience, service delivery, role conversations, human resources and business management. The program will be revised for 2011–12. We also offer all new employees a detailed overview of the organisation, with over 112 attending one of eight Discovering VLA induction sessions this year.

Administration Legal Services Program

Over 15 staff completed the Certificate IV in Legal Services through RMIT in mid-2010 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 and the joint learning opportunities created with community legal centres.

Diversity reporting

Training programs for our staff raise awareness and foster inclusion, and help us to support diversity planning, initiatives and services that respond to people who most need our help. These are some of our achievements aligned to the key community areas identified by the State Government as being subject to a whole of government reporting approach.

Women's affairs

We play an important role in *Victorian Government's Improved Response to Family Violence*. The *National Partnership Agreement on Legal Assistance Services* also provides greater access to Commonwealth funding for matters under State jurisdiction in relation to early intervention, child protection and family violence where there is a related family law matter.

Through co-ordinated work with other State Government departments, Victoria Police and the community sector, we have continued to work this year toward improving the safety of women and children who experience violence, improving the accountability of men who use violence, and preventing family violence from occurring.

Our achievements in this area in 2010–11 include:

- contributing to law reform and policy development to actively expand the protection services available to women at risk of, or exposed to, family violence (p.44 and pp.101–102)
- presenting a series of Family Harmony community legal education sessions in Congolese, Sudanese and Afghani communities in Shepparton that focused on family violence and breakdown, and raising children in Australia.

In 2010–11, 29,784 women (34.8% of total clients) received a grant of legal assistance, legal advice or duty lawyer services. Women made up 76.8 per cent of our workforce in 2010–11.

Young people

The universal coverage we provide for young people charged with criminal offences recognises that they are uniquely vulnerable and need specialist legal help. We prioritise young people charged with criminal offences over other client groups by choosing not to apply a means-test, allowing a grant of legal assistance for almost all offences other than the most minor, and resourcing our staff practice to act for around half of the number of young people charged with offences.



Our achievements in this area in 2010–11 include:

- new relationships with the Children's Court of Victoria, prosecution and youth affairs departments at Victoria Police; and membership on the new Interagency Diversion and Bail Support Committee and the Group Conferencing Youth Justice Committee to review a new group conferencing model
- increased brief fees in youth crime to encourage the quality of counsel available for serious cases in the Children's Court
- delivering targeted community legal education to young people (p.24) and distributing publications that cover issues such as police powers, age of consent, sexual assault, going to court, public transport, weapons and bouncers.

In 2010–11, 25,417 people aged between 12 to 25 (29.7% of total clients) received a grant of legal assistance, legal advice or duty lawyer services.

Culturally and linguistically diverse (CALD) communities

This year we developed a *Cultural Diversity Plan 2011–12*. The plan was informed by our organisational objectives, equal opportunity and anti-discrimination principles, and State and Commonwealth policies.

We provide a full report on our achievements in multicultural affairs annually to the Department of Justice to meet its obligations under the *Multicultural Victoria Act 2004*.

Our achievements in this area in 2010–11 include:

- establishing a CALD client expert role within the Criminal Law Program
- working on a joint education strategy with National Legal Aid for newly arrived communities: *What's the law? Australian law for new arrivals* (p.24)
- developing innovative community legal education initiatives, such as Space Invaders (p.24)
- holding workshops on 'Working with interpreters'
- responding to the urgent need for legal assistance from young unaccompanied refugees through the Victorian Legal Assistance Forum.

In 2010–11, 10,890 people born in non-English speaking countries (12.7% of total clients) received a grant of legal assistance, legal advice or duty lawyer services. Our total expenditure VLA wide on interpreter services this year was \$425,715 and we assisted 2,198 callers from non-English speaking backgrounds through our Legal Information Service (15.9% decrease on 09–10).

Indigenous communities

Two specialist legal service providers assist and support indigenous community members with their legal problems: the Aboriginal Family Violence Prevention and Legal Service (Vic) which is funded jointly by the State and Commonwealth Governments, and the Victorian Aboriginal Legal Service which is funded by the Commonwealth. Our staff make referrals to both services and are committed to fostering an open and constructive relationship between the organisations.

Our achievements in this area in 2010–11 include:

- renewing a memorandum of understanding (MoU) with the Victorian Aboriginal Legal Service on 11 May 2011. First signed in 1999, the purpose of the MoU is to guide a partnership that strives to enhance the experience of the justice system for Indigenous community members, and to respect and value cultural diversity
- participating in the monitoring committee of the Koori Family Violence Court Support Program which is overseeing the development of a pilot program to implement 'respondent case conferencing.' This conferencing will help co-ordinate a culturally appropriate plan that will respond to the risk management and safety needs of protected persons before an intervention order application is finalised.

In 2010–11, 1,694 Aboriginal and Torres Strait Islanders (2% of total clients) received a grant of legal assistance, legal advice or duty lawyer services.

Our organisation

Victoria Legal Aid (VLA) is an independent statutory authority, consisting of a board of directors supported by seven senior executives.

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 the Managing Director of VLA. The Board meets 11 times each year and when required.



John Howie Chairperson

John Howie is a lawyer and works as Special Counsel with Williams Winter Solicitors. He is President of the Film Victoria Board, and a member of the Melbourne Olympic Park Trust and the Montsalvat Foundation. He was first appointed to the Board in December 2001.

Bevan Warner Managing Director

Bevan Warner was appointed Managing Director on 4 August 2008. He has appeared as an employer advocate before industrial tribunals and 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 is the current chair of the Victorian Legal Assistance Forum.

Mary Anne Noone

Mary Anne Noone is Associate Professor at the School of Law, La Trobe University, where she co-ordinates the Clinical Legal Education and Public Interest Law Programs. She is also a member of the West Heidelberg Community Legal Service management committee. She has been a member of the Board since February 2000.

Sue Walpole

Sue Walpole is a non-executive director with a wide background in governance. She was previously the Federal Sex Discrimination Commissioner and Chief Executive Officer of the Legal Practice Board. Sue has extensive experience in superannuation and the regulation of professions and was appointed to the Board in August 2006. Sue chairs the Audit Committee and is also on the board of VicForests.

Jennifer Shaw

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

L-R: Mary Anne Noone, John Howie, Sue Walpole, Bevan Warner and Jennifer Shaw.

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 issues and the needs of marginalised and disadvantaged individuals. Kristen is a passionate advocate for human rights. She is currently completing a Masters in Public and International Law and is on maternity leave.

Joel Townsend

Acting co-director, Civil Justice, Access and Equity from 4 October 2010

BA, LLB (Hons)

Joel Townsend has worked at VLA since 2007. He worked previously at the Consumer Law Centre Victoria and the Consumer Action Law Centre, and also volunteered at the Mental Health Legal Centre. Joel has co-ordinated the development of new areas of practice for VLA and was involved in the development and delivery of Bushfire Legal Information Service, and in advocating for law reform around the new consumer credit regime.

Samantha Horsfield

Acting co-director, Civil Justice, Access and Equity from 4 October 2010

BA, LLB (Hons)

Sam Horsfield has worked at VLA since 2004 in a wide variety of roles. She has experience as an advocate in our civil, administrative and civil rights practice areas and in legal policy, law reform and legal resourcing. She is currently completing a Masters in Public and International Law at the University of Melbourne.

Saul Holt

Director, Criminal Law Services

Accredited Criminal Law Specialist
BA, LLB, LLM (Hons)

Saul Holt has a Masters of Law in Public Law, specialising in appellate law and practice, and was previously a Crown Prosecutor in New Zealand for nine years. In his previous position with the Department of Justice, Saul was responsible for assisting the development and the passage through Parliament of the *Criminal Procedure Act 2009*. Saul is committed to advancing the interests of legally assisted clients and helping VLA build on its strengths as the largest provider of criminal law services in Victoria.

Judy Small

Director, Family, Youth and Children's Law Services

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, as the managing lawyer of VLA's Family Law Service. Judy also has a rich background in psychology, social welfare and the arts. She is committed to better helping families and children at risk.

Meagan Keogh

Director, Legal Practice from 25 October 2010

Accredited Criminal Law Specialist
BA (Hons), LLB

Meagan Keogh oversees the career development and recruitment of lawyers and implementation of quality practice standards throughout the VLA network, including Melbourne, suburban and country offices. Meagan has experience in private practice, community legal centres and with the Commonwealth Director of Public Prosecutions. She was previously the Managing Lawyer of our Preston office.

Tony Matthews

Director, Business Services

B Bus, CPA, MBA

Tony has wide-ranging corporate and financial management expertise in diverse public sector and municipal environments and has managed large organisational projects in the Grants Program, overseeing our relationship with private practitioners. Tony is VLA's Chief Financial Officer.

Nicole Rich

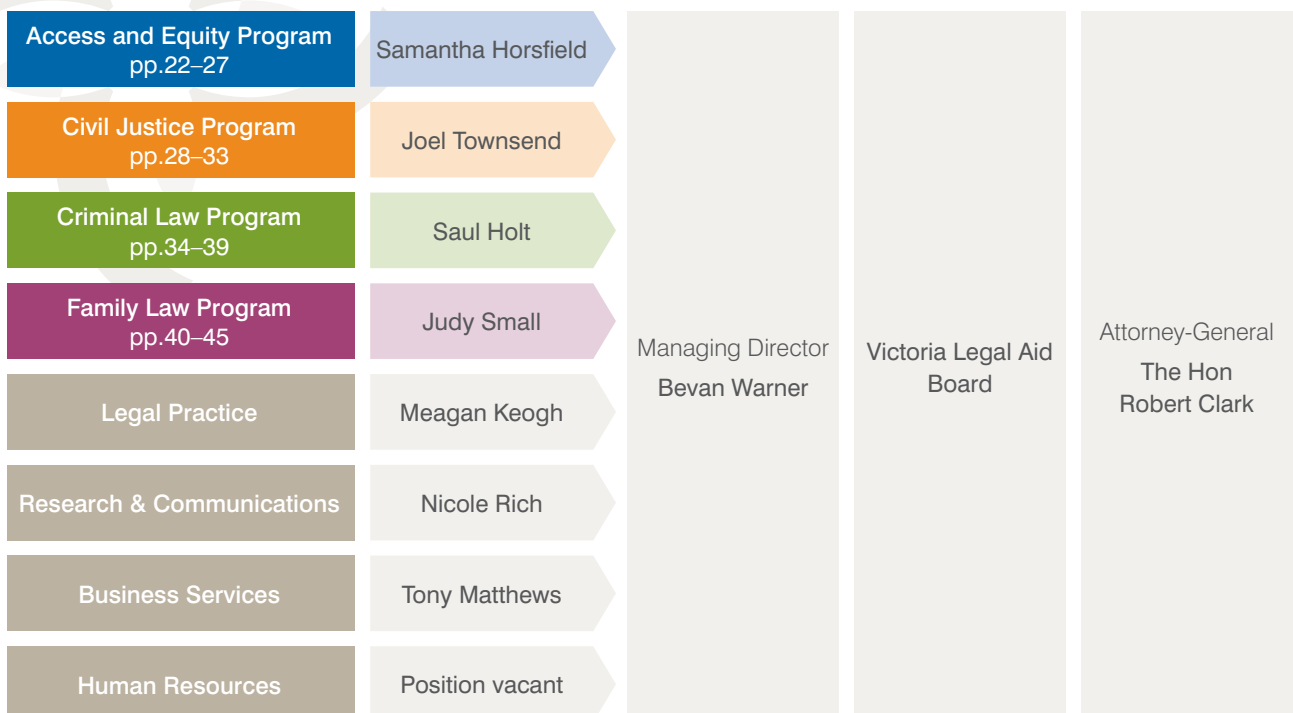
Director, Research and Communications from 16 May 2011


BA, LLB (Hons)

Nicole Rich has considerable experience developing legal research and policy and leading advocacy campaigns, including most recently as 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 the Public Interest Law Clearing House and CHOICE (the Australian Consumers' Association).

VLA also farewelled two senior executives during the year: Justine Hyde, former Director, Research and Communications and Diana Dalton, former Director, Human Resources. We acknowledge and thank Justine and Diana for their contribution to the organisation over many years.

Organisational structure





Victoria Legal Aid (VLA) has both 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.

Governing legislation

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

Our responsibilities are set out in the Legal Aid Act, which gives us authority to provide legal aid in accordance with the Act, and 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 2010–11.

Annual Financial Statements and Audit Committee

The Audit Committee assists the Board to fulfil its governance responsibilities. It provides oversight of financial performance and the financial reporting process, and assurance on the operation and implementation of the risk management framework. This includes overview of the scope, quality and outcome of internal and external audits.

The Audit Charter, 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 Sue Walpole
Chair of Audit Committee

Ms Jennifer Shaw
Non-executive Audit Committee member

Ms Mary Anne Noone
Non-executive Audit Committee member

Mr John Howie
Non-executive Audit Committee member

The Managing Director and the Director, Business Services 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.

The primary objective of the internal audit is to assist the Audit Committee. It looks 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: quality of service delivery; recruitment, retention and succession planning; policy and procedures framework; occupational health and safety; purchasing and accounts payable; Financial Management Act compliance; IT general controls.



Identifying and managing risk

Our risk management framework is aligned to the Victorian Government Risk Management Framework and the international risk management standard AS/NZS ISO31000:2009 (see Appendix 5, p.103). 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 was developed by aggregating risks across the organisation and then identifying the top ten risks we face. Factors influencing the prioritisation of risks were our strategic priorities, stakeholder expectations and external factors impacting on service delivery and financial commitments.

Independent review

Independent review of decisions

	2010–11	2009–10
Review of a decision relating to a grant of legal assistance:		
Decision confirmed	109	163
Decision varied	28	31
Review to determine matters relating to proposed removal or exclusion of a lawyer from VLA's referral panel:		
Decision confirmed	0	0
Decision varied	0	0
Total	137	193

We are indebted to our independent reviewers, Mr Martin Ravech QC (Chairperson), Mr Ron Beazley, Mr Brook Hely and Ms Carmel Morfuni, and acknowledge their valuable contribution.



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 at www.legalaid.vic.gov.au/privacy. We received 11 privacy complaints during 2010–11.

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 the following 467 complaints in 2010–11, compared with 466 the previous year.

About grants of legal assistance

We received 170 complaints about a grant of legal assistance being provided to a person who the complainant believed should not be funded (5.3% decrease on 09–10).

In the majority of 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. We cancelled 15 grants, and a further three complaints saw us vary or impose conditions on the grants provided. Twenty-seven complaints were dismissed.

About services provided by private practitioners

We received 102 complaints about the services provided by private practitioners, including services relating to a grant of assistance (12% decrease on 09–10). We issued formal reprimands to seven private practitioners in response to these complaints, and are currently considering three matters where the practitioners concerned may be recommended for removal from the Legal Aid Referral Panel, pursuant to section 30 of the *Legal Aid Act 1978*.

About our services

We received 57 comments or complaints about our service (52.6% increase on 09–10). 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 48 complaints about our staff (5.9% decrease on 09–10). Of these, 10 complaints were dismissed, and we provided an apology in response to two. The majority was resolved by providing further information or explanation. In some instances, no further action was warranted.

Referred to another organisation

We referred 25 complaints to the Legal Services Commissioner as the responsible authority for investigating issues of conduct by private practitioners.

Miscellaneous

There were 60 miscellaneous complaints in 2010–11 (3.3% decrease on 09–10).



Information technology

We develop, maintain and protect information technology assets to ensure our systems are reliable, effective and responsive to organisational and client service needs. In January 2011 we implemented ATLAS⁺ (Australian Total Legal Aid Solution) which provides significant benefits to practitioners seeking aid for a client through streamlined approval processes and quicker payments of accounts. We continue to make enhancements to the system to improve usability, and to prepare for mobile use with tablet devices in court precincts and elsewhere.

Information and records management

We have obligations and responsibilities under the relevant legislation that requires us to make and keep full and accurate records of our business practices. Our program for records and information management excellence provides the framework for the creation, capture, maintenance and disposal of all our records. Work this year included the integration of the electronic document and records management system software, TRIM, with ATLAS⁺. The integration provides additional compliance functionality specified in new Public Record Office Victoria standards. Planning for the implementation of TRIM to manage our corporate and administrative records has commenced.

Disclosures

This report has been prepared in accordance with all relevant legislation. See Appendix 1, p.94–95 for the disclosure index that identifies our compliance with statutory disclosure requirements.

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 in 2010–11.

Consultancies and contracts

In 2010–11, the total for the 64 consultancies engaged where the total fees payable to the consultants was less than \$100,000 was \$545,000. One consultancy was engaged where total fees payable was \$348,000. No contracts greater than \$10 million were awarded in 2010–11.

Freedom of information

The *Freedom of Information Act 1982* 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 20 applications in 2010–11. Documents were released in full in relation to five applications. Three were refused and two were satisfied outside of the freedom of information process. One related to amendment of documents rather than the release of material. The remaining nine requests are pending, subject to a formal request and/or provision of the requisite application fee.



Making a request

Access to documents may be obtained through written request to the freedom of information manager, as detailed in section 17 of the *Freedom of Information Act 1982*.

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; and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in our possession should be addressed to:

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

Requests can also be lodged online at www.foi.vic.gov.au

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). Further information about freedom of information can be found at www.foi.vic.gov.au

Compliance with the *Building Act 1993*

We are exempt from notifying our compliance with the building and maintenance provisions of the *Building Act 1993* because we do not own any buildings.

This year we continued our office refurbishment schedule and all new building works were undertaken according to relevant standards. In August 2010 we established the Built Environment Working Group and developed a plan for our built environment which has also informed our budgetary recommendations for 2010–11.

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 2002* based on the Ombudsman's guidelines are available at www.legalaid.vic.gov.au. There were no disclosures in 2010–11.

Compliance with the *Disability Act 2006*

Our *Disability Action Plan* will be reviewed over the next 12 months. The Plan recognises that people with a disability, and especially people with an intellectual, cognitive or psychiatric disability, represent a significant proportion of our client group. It acknowledges their over-representation in the criminal justice system and their vulnerability to domestic violence and child protection issues in particular.

Our achievements in this area in 2010–11 include:

- contributing to a Brain Injury Australia discussion paper on the difficulties experienced by people with acquired brain injuries in the criminal justice system (p.100)
- developing an action plan that draws on the personal experiences and feedback of disability advocates
- delivering training on the justice system to advocates, through a partnership with the Disability Advocacy Resource Unit
- developing a policy on 'reasonable adjustment' for staff with a disability (p.50)
- holding a series of seminars on the *Severe Substance Dependence Treatment Act 2010* and the legal needs of people with an acquired brain injury (p.31).

Environmental sustainability

Our Environmental Sustainability Policy and action plan sets targets for reducing our environmental impact. It prioritises the reduction of our carbon footprint by reducing waste, water use, electricity and gas consumption. See Appendix 6, pp.103–107.

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, information relating to the 2010–11 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* 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.



Victoria Legal Aid Financial statements – 30 June 2011

Contents

	Page
Comprehensive operating statement	64
Balance sheet	65
Statement of changes in equity	65
Cash flow statement	66
Notes to the financial statements	67

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 2011

	Notes	2011 \$'000	2010 \$'000
CONTINUING OPERATIONS			
Income from transactions			
Government			
Commonwealth grants – Direct	1e,2	4,828	43,643
Commonwealth grants – Indirect	1e,2	42,400	0
State grant	1e,2	69,096	64,054
Public purpose fund	1e,2	25,769	23,500
		<u>142,093</u>	<u>131,197</u>
Operating			
Client contributions	1e,2	4,042	3,763
Costs recovered and appeal cost fund	1e,2	1,043	1,027
Interest on investments	1e,2	1,558	841
Other income		468	627
		<u>7,111</u>	<u>6,258</u>
Total income from transactions		<u>149,204</u>	<u>137,455</u>
Expenses from transactions			
Case related professional payments	1f	(67,103)	(65,337)
Employee benefits	3	(45,546)	(41,147)
Grants and other payments	2b	(11,527)	(10,408)
Depreciation and amortisation	1f, 3	(2,403)	(2,216)
Other expenditure	3	(14,169)	(12,570)
Total expenses from transactions		<u>(140,748)</u>	<u>(131,678)</u>
Net result from transactions (net operating balance)		<u>8,456</u>	<u>5,777</u>
Other economic flows included in net result			
Net gain / (loss) on non-financial assets	1h, 4a	(2,592)	(21)
Net gain / (loss) on financial instruments and statutory receivables/payables:			
Net actuarial gains / (losses) on receivable amounts	1h, 1l, 4b	(2,802)	(473)
Net actuarial gains / (losses) on amounts payable	1h, 4c	(922)	863
Net gain / (loss) arising from other economic flows	1h, 4d	(16)	4
Total other economic flows included in net result		<u>(6,332)</u>	<u>373</u>
Net result from continuing operations		<u>2,124</u>	<u>6,150</u>
Comprehensive Result	2	<u>2,124</u>	<u>6,150</u>

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Balance Sheet
As at 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Financial assets			
Cash and cash equivalents	1i, 6, 17	19,913	12,508
Accrued Income	17	189	21
Receivables	1j, 7, 17	20,027	20,357
Prepayments		1,134	1,324
Total financial assets		<u>41,263</u>	<u>34,210</u>
Non Financial assets			
Property, plant and equipment	1l, 8	8,098	9,425
Intangible assets	1l, 9	6,626	7,481
Total non financial assets		<u>14,724</u>	<u>16,906</u>
Total assets		<u>55,987</u>	<u>51,116</u>
Liabilities			
Payables	1n, 10, 17	18,618	16,824
Provisions	1o, 11	10,501	9,548
Total liabilities		<u>29,119</u>	<u>26,372</u>
Net assets		<u>26,868</u>	<u>24,744</u>
Equity			
Contributed capital	1k, 12a	42,194	42,194
Accumulated deficit	12b	(15,326)	(17,450)
Total equity		<u>26,868</u>	<u>24,744</u>
Contingent Liabilities	1v, 20		
Commitments for expenditure	1u, 18		

Statement of changes in equity
For the financial year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Equity at start of financial year			
Contributed capital		42,194	42,194
Accumulated deficit		(17,450)	(23,600)
Total equity at start of financial year		<u>24,744</u>	<u>18,594</u>
Comprehensive result for the year		2,124	6,150
Total recognised income and expenses for the year		<u>2,124</u>	<u>6,150</u>
Total equity at end of financial year		<u>26,868</u>	<u>24,744</u>

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

Cash flow statement
For the financial year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
Cash flows from operating activities			
<i>Receipts from government</i>			
Commonwealth grants – Direct		4,567	43,903
Commonwealth grants – Indirect		42,400	0
State		69,203	64,054
Public purpose fund		25,769	23,500
<i>Receipts from operating activities</i>			
Client contributions		2,751	3,450
Costs recovered and appeal cost fund		1,188	1,091
Interest received		1,398	828
Goods and services tax recovered from the ATO		10,646	10,028
Other		820	644
		158,742	147,498
<i>Payments to suppliers and employees</i>			
Private practitioners		(74,440)	(71,329)
Salaries and related costs		(44,558)	(40,990)
Community Legal Centres		(12,680)	(11,449)
Administration costs		(16,390)	(17,843)
Other		(886)	(520)
		(148,954)	(142,131)
Net cash from / (used in) operating activities	16	9,788	5,367
Cash flows from investing activities			
Payments for non financial assets		(2,946)	(4,268)
Proceeds from sale of non financial assets		133	89
Net cash from / (used in) investing activities		(2,813)	(4,179)
Cash flows from financing activities			
Receipts from State government for monies held in trust		479	470
Payments on behalf of State government for monies held in trust		(49)	0
Net cash from / (used in) financing activities		430	470
Net increase/(decrease) in cash and cash equivalents held		7,405	1,658
Cash and cash equivalents at the beginning of the financial year		12,508	10,850
Cash and cash equivalents at the end of the financial year	1i, 6	19,913	12,508

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 T Matthews (Chief Finance and Accounting Officer – Victoria Legal Aid) on 17 August 2011.

(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 2011 and the comparative information presented for the year ended 30 June 2010.

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.

(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.

Note 1. Summary of significant accounting policies (continued)

(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*

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. For example during 2011 there were expensive Commonwealth criminal cases that increased expenditure.

(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.

Note 1. Summary of significant accounting policies (continued)

(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.

(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.

Note 1. Summary of significant accounting policies (continued)

(j) Receivables (continued)

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.

(i) *Change in Accounting Estimates*

During the period, the actuarial assessment of Client Debtors was expanded to include additional analysis of unsecured debts. For the year ended 30 June 2011, the impact of this actuarial assessment is a loss on receivable amounts of \$2.3 million in 'other economic flows' in the net result.

(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 the cost of replacing the asset.

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 5.40% (2010: 5.25%) for secured receivables which is the forecast earnings rate of the organisation's investment portfolio to determine the net present value. The average repayment time for unsecured receivables is significantly less than that for secured, and therefore a lower discount rate of 4.9% was used for 2011.

Note 1. Summary of significant accounting policies (continued)

(m) Impairment of assets

All assets are assessed annually for indications of impairment.

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

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

In line with Financial Reporting Directions (FRDs) issued by the Minister for Finance, a full revaluation of the Commission's Cultural Assets (artworks) was carried out by the Valuer-General Victoria as at 30 June 2011. A revaluation decrease of \$89,000 arose from the differences between the asset's carrying value and fair value.

Net revaluation decreases are recognised as an expense (Other economic flows) in the net result.

(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 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.

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 2011 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).

Note 1. Summary of significant accounting policies (continued)

(o) Employee benefits (continued)

(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.

(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) Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Commission. These items are recognised as an expense in the reporting period in which they are incurred. The carrying amount of any inventories held for distribution is expensed when distributed.

(t) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between 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.

Note 1. Summary of significant accounting policies (continued)

(u) Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non-cancellable contractual or statutory sources and are disclosed at their nominal value and inclusive of GST payable (See note 18).

(v) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value (See note 20).

(w) 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.

(x) 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 (\$1.44 million working capital surplus in 2011 compared to a 2010 \$3.53 million working capital deficit).

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 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 2011, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2011. 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 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 124 Related party disclosures (Dec 2009)	Government related entities have been granted partial exemption with certain disclosure requirements.	Beginning 1 January 2011	Preliminary assessment suggests that impact is insignificant. However, the Department is still assessing the detailed impact.

Note 1. Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 1053 Application of Tiers of Australian Accounting Standards	This establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented to the Victorian Public Sector.
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 gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 January 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASB 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 and 1031 and Interpretations 2, 4, 16, 1039 and 1052]	This standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This standard also makes numerous editorial amendments to other AASs.	Beginning 1 January 2011	The amendments only apply to those entities to whom AASB 8 applies, which are for-profit entities except for-profit government departments.
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a minimum funding requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of prepayments of a minimum funding requirement.	Beginning 1 January 2011	Expected to have no significant impact.
AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	Beginning 1 July 2013	Does not affect financial measurement or recognition, so is not expected to have any impact on financial result or position. May reduce some note disclosures in financial statements.
AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	This Standard makes numerous improvements designed to enhance the clarity of standards	Beginning 1 January 2011	No significant impact on the financial statements.

Note 1. Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023, & 1038 and Interpretations 112, 115, 127, 132 & 1042]	This amendment contains editorial corrections to a range of Australian Standards and Interpretations, which includes amendments to reflect changes made to the text of IFRSs by the IASB.	Beginning 1 January 2011	No significant impact on the financial statements.
AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]	This amendment adds and changes disclosure requirements about the transfer of financial assets. This includes the nature and risk of the financial assets.	Beginning 1 January 2011	This may impact on departments and public sector entities as it creates additional disclosure for transfers of financial assets. Detail of impact is still being assessed.
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 amendments are in relation to the introduction of AASB 9.	Beginning 1 January 2013	This amendment may have an impact on departments and public sector bodies as AASB 9 is a new standard and it changes the requirements of numerous standards. Detail of impact is still being assessed.
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 July 2011	This amendment provides additional clarification through practical guidance.
AASB 2010-9 Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1]	This amendment provides guidance for entities emerging from severe hyperinflation who are going to resume presenting Australian Accounting Standards financial statements or entities that are going to present Australian Accounting Standards financial statements for the first time. It provides relief for first-time adopters from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.	Beginning 1 July 2011	Amendment unlikely to impact on public sector entities.

Note 1. Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on financial statements
AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, AASB 5, AASB 101, AASB 107, AASB 108, AASB 121, AASB 128, AASB 132 & AASB 134 and Interpretations 2, 112 & 113]	This amendment affects multiple Australian Accounting Standards and AASB Interpretations for the objective of increased alignment with IFRSs and achieving harmonisation between both Australian and New Zealand Standards. It achieves this by removing guidance and definitions from some Australian Accounting Standards, without changing their requirements.	Beginning 1 July 2011	This amendment will have no significant impact on public sector bodies.
AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & AASB 1054]	The objective of this amendment is to include some additional disclosure from the Trans-Tasman Convergence Project and to reduce disclosure requirements for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	Beginning 1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented to Victorian Public Sector.
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 July 2012	This amendment provides clarification to users 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 performance measurements will occur.

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 now flows through the Victorian State Government to Victoria Legal Aid and is now reported as an indirect funding source of \$42.4 million. The previous agreement was between the Commonwealth and Victoria Legal Aid and therefore funds flowed directly to the Commission (2010 \$38.6 million). Victoria Legal Aid continues to be reimbursed for expensive Commonwealth cases directly, 2011 \$4.46 million (2010 \$6.2 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 2011 the Commission allocated \$11.5 million of direct funds (2010: \$10.4m). 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 2011 was \$6.6m million (2010: \$5.2m).

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

	2011 \$'000	2010 \$'000
(a) Expenses from ordinary activities		
Employee benefits		
Salaries and overtime	34,659	32,167
- excluding Intangible Project costs capitalised	(126)	(919)
Salaries and overtime – not including Intangible Project items	34,533	31,248
Annual leave and long service leave expense	4,838	4,546
- excluding Intangible Project costs capitalised	(23)	(141)
Annual leave and long service leave expense – not including Intangible Project items	4,815	4,405
Superannuation	3,532	3,185
- excluding Intangible Project costs capitalised	(56)	(88)
Superannuation – not including Intangible Project items	3,476	3,097
Staff development	415	493
Workcover	136	115
Temporary employment cover	1,265	974
Other	906	815
Total employee benefits	45,546	41,147
Depreciation of property, plant and equipment		
Furniture, fixture & fittings	67	64
Information technology equipment	337	369
Leasehold improvements	1,305	1,436
Motor vehicles	118	107
Office machines & equipment	167	173
Total depreciation	1,994	2,149
Amortisation of intangible assets		
Software	409	67
Total amortisation	409	67
Total depreciation and amortisation	2,403	2,216
Other expenditure from ordinary activities		
Supplies and services		
Debt recovery costs	41	46
Insurance	188	167
Legal fees	257	181
Library	508	502
Motor vehicle and travelling expenses	86	101
Operating leases	267	315
Postage and telephones	950	1,123
Printing and stationery	929	832
Sundry expenses	560	526
Travel and accommodation	469	368
Contractors	977	628
Consultants	920	382
Total supplies and services	6,152	5,171
Premises – minimum lease payments	3,675	3,547
Premises – other	2,566	2,350
Information management systems	1,623	1,498
Decommissioning expenses	153	4
Total other expenditure from ordinary activities	14,169	12,570

Note 4. Other economic flows included in net result

	2011 \$'000	2010 \$'000
(a) Net gain / (loss) on non-financial assets:		
Net gain / (loss) on disposal Property, plant and equipment	(2,592)	(21)
(b) Net actuarial gains / (losses) on receivable amounts:		
Net actuarial gains / (losses) on legal debtors net present value	(440)	(380)
Net actuarial gains / (losses) on impairment of legal unsecured debtors	(2,368)	0
Net actuarial gains / (losses) on recognition of outstanding legal debtors	6	(93)
Total Net actuarial gains / (losses) on recoverable amounts	<u>(2,802)</u>	<u>(473)</u>
(c) Net actuarial gains / (losses) on amounts payable:		
Net actuarial gains / (losses) on movement in legal creditors	(922)	863
(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	(16)	4
Total other economic flows included in net result	<u>(6,332)</u>	<u>373</u>

Note 5. Remuneration of auditors

Remuneration of auditors comprises:

Audit of financial reports: Victorian Auditor General's Office	51	50
--	----	----

Note 6. Cash and cash equivalents

Cash at bank and on hand	819	1,688
Monies held in trust	894	470
Term deposits	18,200	10,350
	<u>19,913</u>	<u>12,508</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	19,913	12,508
Balance as per statement of cash flows	<u>19,913</u>	<u>12,508</u>

Term deposits

The deposits are bearing weighted average interest rates of 4.92% (2010 – 4.58 %).

Note 7. Receivables

	2011 \$'000	2010 \$'000
(a) Receivables		
Client Contributions		
Secured client contributions receivable	18,444	18,925
Adjustment for impairment of secured client contributions receivable	(7,124)	(6,684)
Secured client contributions receivable at net present value	<u>11,320</u>	<u>12,241</u>
Unsecured client contributions receivable	5,915	3,861
Adjustment for impairment of unsecured client contributions receivable (b)	(2,814)	(500)
Unsecured client contributions receivable at net present value	<u>3,101</u>	<u>3,361</u>
Secured client contributions receivable on unfinalised matters	1,398	1,447
Costs recoverable	59	64
	<u>15,878</u>	<u>17,113</u>
Sundry receivables		
Australian Taxation Office	3,832	3,068
Other	317	176
	<u>4,149</u>	<u>3,244</u>
Total receivables	<u>20,027</u>	<u>20,357</u>
This is represented by:		
Current		
Due within one year	7,028	6,613
Non-current		
Due beyond one year	12,999	13,744
	<u>20,027</u>	<u>20,357</u>
(b) Movement in provision		
Opening Balance	500	500
Movements during the year:		
Re-assessments and bad debts written-off	(101)	(339)
Increase/(decrease) in provision for re-assessments and bad debt write-downs	101	339
Actuarial assessment of unsecured client contributions receivable (Note 1j1)	2,314	0
Closing balance	<u>2,814</u>	<u>500</u>

No interest is charged on receivables.

As at 30 June 2011, a provision for impairment has been made for both secured and unsecured client contributions receivable, determined by actuarial assessment of recoverable amount. In previous years, a provision for doubtful debts had been made for estimated irrecoverable amounts, determined by reference to past default experience..

Note 8. Property, plant and equipment

	2011 \$'000	2010 \$'000
Information technology at cost	3,199	3,656
Less: Accumulated depreciation	(2,745)	(3,231)
	<u>454</u>	<u>425</u>
Furniture, fixtures and fittings at cost	753	713
Less: Accumulated depreciation	(363)	(296)
	<u>390</u>	<u>417</u>
Leasehold improvements at cost	18,556	18,430
Less: Accumulated depreciation	(12,248)	(10,944)
	<u>6,308</u>	<u>7,486</u>
Motor vehicles at cost	586	529
Less: Accumulated depreciation	(155)	(165)
	<u>431</u>	<u>364</u>
Office machines and equipment at cost	1,555	1,535
Less: Accumulated depreciation	(1,141)	(978)
	<u>414</u>	<u>557</u>
Cultural assets at cost	0	176
Cultural assets at valuation	101	0
	<u>101</u>	<u>176</u>
Total property, plant and equipment	24,750	25,039
Less: Total Accumulated depreciation	(16,652)	(15,614)
Total written down value	<u>8,098</u>	<u>9,425</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
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	0	0	0	0	0	(81)	(81)
Disposals	(3)	0	0	(125)	(1)	0	(129)
Depreciation/amortisation expense	(337)	(67)	(1,305)	(118)	(167)	0	(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>
2010							
Carrying amount at start of year	572	439	8,848	393	702	176	11,130
Additions	223	42	74	186	29	0	554
Disposals	(1)	0	0	(108)	(1)	0	(110)
Depreciation/amortisation expense	(369)	(64)	(1,436)	(107)	(173)	0	(2,149)
Carrying amount at end of year	<u>425</u>	<u>417</u>	<u>7,486</u>	<u>364</u>	<u>557</u>	<u>176</u>	<u>9,425</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

	2011 \$'000	2010 \$'000
Software at cost	7,093	7,656
Less: Accumulated amortisation	(467)	(175)
	6,626	7,481

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 \$
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	6,626	6,626
2010		
Carrying amount at beginning of year	4,242	4,242
Additions	3,306	3,306
Amortisation	(67)	(67)
Carrying amount at end of year	7,481	7,481

(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

	2011 \$'000	2010 \$'000
Current		
<i>Unsecured</i>		
Case related professional creditors	14,669	13,654
Monies held in trust	894	470
Trade creditors	3,055	2,700
	18,618	16,824

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

Note 11. Provisions

	2011 \$'000	2010 \$'000
(a) Provisions		
Current		
Employee benefits:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	3,236	2,969
- Long service leave	369	349
- Sick leave	0	0
- Executive officer bonus	109	81
- Unconditional and expected to be settled after 12 months:		
- Long service leave	3,815	3,566
Employee benefit on-costs:		
- Unconditional and expected to be settled within 12 months:		
- Annual leave	297	282
- Long service leave	32	31
- Unconditional and expected to be settled after 12 months:		
- Long service leave	349	361
	<u>8,207</u>	<u>7,639</u>
Non-current		
Employee benefits:		
- Long service leave (conditional)	1,188	918
Employee benefit on costs:		
- Long service leave (conditional)	110	94
Decommissioning	996	897
	<u>2,294</u>	<u>1,909</u>
Aggregate carrying amount of provisions		
Current	8,207	7,639
Non-current	2,294	1,909
	<u>10,501</u>	<u>9,548</u>
(b) Employee Benefits & related on-costs		
Current employee benefits		
Current employee benefits for annual leave, sick leave, executive officer bonus entitlements	3,345	3,050
Current employee benefits for unconditional long service leave entitlements	4,184	3,915
	<u>7,529</u>	<u>6,965</u>
Non-current employee benefits		
Conditional long service leave entitlements	1,188	918
Total employee benefits	<u>8,717</u>	<u>7,883</u>
Current on-costs	678	674
Non-current on-costs	110	94
Total on-costs	<u>788</u>	<u>768</u>
Total employee benefits & on-costs	<u>9,505</u>	<u>8,651</u>
(c) Movement in Provisions		
Decommissioning		
Balance at 1 July 2010	897	893
Additional provisions recognised	0	0
Additions / (reductions) resulting from re-measurement or settlement without cost	69	(34)
Unwind of discount and effect of changes in the discount rate	30	38
Balance at 30 June 2011	<u>996</u>	<u>897</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

	2011 \$'000	2010 \$'000
(a) Contributed Capital		
Balance at the beginning of the year	42,194	42,194
Movement during the year	0	0
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	(17,450)	(23,600)
Net result for the year	2,124	6,150
Balance at the end of the year	<u>(15,326)</u>	<u>(17,450)</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.

	2011 \$'000	2010 \$'000
Paid employer contributions for the year:		
State Superannuation Fund – new scheme	190	206
State Superannuation Fund – revised scheme	21	32
VicSuper Pty Ltd	2,789	2,452
Various other	532	496
	<u>3,532</u>	<u>3,186</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 2011:

Superannuation Fund Schemes	Employee Nos.
State Superannuation Fund – new scheme	32
State Superannuation Fund – revised scheme	2
VicSuper Pty Ltd	597
Various other	135

(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. Rob J Hulls MLA	1 July 2010 to 1 December 2010
Victorian Attorney General	The Hon. Robert W Clark MLA	2 December 2010 to 30 June 2011
Commonwealth Attorney General	The Hon. Robert McClelland MP	1 July 2010 to 30 June 2011

Responsible Directors

Chairperson	Mr John Anthony Howie	1 July 2010 to 30 June 2011
Managing Director & Accountable Officer	Mr Bevan Andrew Warner	1 July 2010 to 30 June 2011
Managing Director & Accountable Officer	Mr Tony Arthur Matthews (Acting)	1 July 2010 to 23 July 2010
Managing Director & Accountable Officer	Mr Saul Holt (Acting)	22 December 2010 to 3 January 2011
Director	Ms Mary Anne Noone	1 July 2010 to 30 June 2011
Director	Ms Sue Walpole	1 July 2010 to 30 June 2011
Director	Ms Jennifer Shaw	1 July 2010 to 30 June 2011

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	
	2011 No.	2010 No.	2011 No.	2010 No.
\$0 – \$9,999	0	1	0	1
\$10,000 – \$19,999	2	3	2	3
\$20,000 – \$29,999	1	0	1	0
\$40,000 – \$49,999	1	1	1	1
\$200,000 – \$209,999	0	0	1	0
\$210,000 – \$219,999	0	0	0	1
\$220,000 – \$229,999	1	0	0	0
\$230,000 – \$239,999	0	1	0	0
Total number	5	6	5	6
Total amount \$000's	326	325	301	294

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	
	2011 No.	2010 No.	2011 No.	2010 No.
\$ 80,000 – 89,999	0	0	0	1
\$100,000 – 109,999	0	1	0	1
\$120,000 – 129,999	1	1	1	1
\$130,000 – 139,999	1	1	1	0
\$150,000 – 159,999	1	0	1	1
\$170,000 – 179,999	0	1	1	0
\$190,000 – 199,999	1	0	0	0
\$210,000 – 219,999	0	0	0	1
\$220,000 – 229,999	0	1	1	0
\$240,000 – 249,999	1	0	0	0
Total number	5	5	5	5
Total amount \$000's	860	776	827	685

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

	2011 \$'000	2010 \$'000
Net result from continuing operations	2,124	6,150
Depreciation and amortisation	2,403	2,216
Net loss on disposal of non-current assets	2,592	21
Movement in adjustment for recoverable amount	2,808	380
Change in operating assets and liabilities		
(Increase) decrease in accrued income	(169)	9
Decrease (increase) in receivables	(2,479)	(126)
Decrease (increase) in prepayments	190	(624)
Increase (decrease) in trade creditors	444	(2,650)
Increase (decrease) in legal creditors	922	(862)
Increase (decrease) in provisions	953	853
Net cash inflow from operating activities	9,788	5,367

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		Terms and conditions
	Notes	Accounting policies	
(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.

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
			0	0	18,618	18,618
Net financial assets (liabilities)			1,902	18,200	1,409	21,511
2010						
2010	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	4.45%	1,688			1,688
Monies held in trust	6	4.45%	470			470
Accrued income		0%	21			21
Receivables	7	0%			20,357	20,357
Term deposits	6	4.58%		10,350		10,350
			2,179	10,350	20,357	32,886
Financial liabilities						
Legal payables	10	0%			13,654	13,654
Monies held in trust	10	0%			470	470
Sundry payables	10	0%			2,700	2,700
			0	0	16,824	16,824
Net financial assets (liabilities)			2,179	10,350	3,533	16,062

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.

(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 Commission's 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 2010/2011 financial exposures are based on management's best estimates.

Annual risk by risk type	Minimum		Average		Maximum	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Interest rate	46	26	114	65	182	104

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:

	Carrying amount \$'000	2011 Fair value at end of period using:		Carrying amount \$'000	2010 Fair value at end of period using:	
		Level 1 \$'000	Level 2 \$'000		Level 1 \$'000	Level 2 \$'000
On-balance sheet financial instruments						
Financial assets						
Cash and deposits	819	819	0	1,688	1,688	0
Monies held in trust	894	894	0	470	470	0
Term deposits	18,200	18,200	0	10,350	10,350	0
Receivables	20,216	5,795	14,421	20,378	4,776	15,602
	40,129	25,708	14,421	32,886	17,284	15,602
Financial liabilities						
Legal payables	14,669	0	14,669	13,654	0	13,654
Monies held in trust	894	894	0	470	470	0
Other payables	3,055	3,055	0	2,700	2,700	0
	18,618	3,949	14,669	16,824	3,170	13,654

(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

	2011 \$'000	2010 \$'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	185	133
	<u>185</u>	<u>133</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	2,331
	<u>0</u>	<u>2,331</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	4,948	4,003
Later than one year but not later than 5 years	16,978	12,684
Later than five years	7,844	7,790
	<u>29,770</u>	<u>24,477</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	18,247	17,013
Later than one year but not later than 5 years	18,933	17,624
	<u>37,180</u>	<u>34,637</u>

All amounts shown for commitments are nominal amounts inclusive of GST.

Note 19. Ex-gratia payments

The Commission made total ex-gratia payments of \$101,322 during the period to six former employees upon termination of employment (2010: \$29,830 to seven 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 (2010 Nil).

Note 21. Trust account

	2011 \$'000	2010 \$'000
<i>Victoria Legal Aid – Nella Buccheri</i>		
<i>Trust account statement of receipts and payments</i>		
<i>For the year ended 30 June 2011</i>		
Receipts		
Balance at beginning of year	268	202
Amounts received on behalf of clients	404	375
	672	577
Less Payments		
Amounts paid on behalf of clients	354	309
Balance at end of year	318	268
This amount is represented by:		
Cash at bank	98	125
Deposits with the Legal Practice Board	220	143
	318	268

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.

Accountable officer's and chief finance and accounting officer's declaration

The attached financial statements for Victoria Legal Aid have been prepared in accordance with Standing Directions 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2011 and financial position of Victoria Legal Aid at 30 June 2011.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

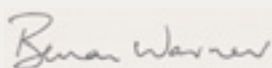
We authorise the attached financial statements for issue on 17 August 2011.



John Howie

Chairperson


17 August 2011



Bevan Warner
Managing Director

Accountable Officer

17 August 2011



Tony Matthews
Director, Business Services

Chief Finance and Accounting Officer

17 August 2011

VAGO

Victorian Auditor-General's Office

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

The Financial Report

The accompanying financial report for the year ended 30 June 2011 of Victoria Legal Aid which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and 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, including the Australian Accounting Interpretations, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine 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, 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 2011 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, including the Australian Accounting Interpretations, 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 2011 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
25 August 2011


for D D R Pearson
Auditor-General

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email comments@audit.vic.gov.au Website www.audit.vic.gov.au

Auditing in the Public Interest



Appendices

List of appendices

Appendix	Page
1 Disclosure index	94
2 Number of unique clients mapped to Local Government Authorities	96
3 Community Legal Centre Funding Program	98
4 Justice and law reform submissions	100
5 Attestation of compliance with the Australian/New Zealand Risk Management Standard	103
6 Report on office-based environmental impacts	103



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.

Legislation	Requirement	Page
Ministerial directions		
Report of operations – Financial reporting directions (FRD) guidance		
Charter and purpose		
FRD 22B	Manner of establishment and the relevant ministers	1, 57
FRD 22B	Objectives, functions, powers and duties	1
FRD 22B	Nature and range of services provided	14–16
Management and structure		
FRD 22B	Organisational structure	56
Financial and other information		
FRD 8B	Budget portfolio outcomes	N/A
FRD 10	Disclosure index	94
FRD 12A	Disclosure of major contracts	60
FRD 15B	Executive officer disclosures	49
FRD 22B, SD 4.2(k)	Operational and budgetary objectives and performance against objectives	1–109
FRD 22B	Employment and conduct principles	46
FRD 22B	Occupational health and safety policy	50
FRD 22B	Summary of financial results for the year	8–11
FRD 22B	Significant changes in financial position during the year	65, 83
FRD 22B	Major changes or factors affecting performance	10
FRD 22B	Subsequent events	72
FRD 22B	Application and operation of <i>Freedom of Information Act 1982</i>	60–61
FRD 22B	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	61
FRD 22B	Statement of National Competition Policy	61
FRD 22B	Application and operation of the <i>Whistleblowers Protection Act 2001</i>	61
FRD 22B	Details of consultancies over \$100,000	60
FRD 22B	Details of consultancies under \$100,000	60
FRD 22B	Statement of availability of other information	62
FRD 24C	Reporting of office-based environmental impacts	103–107
FRD 25	Victorian industry participation policy disclosures	60
FRD 22B	Workforce data disclosures	47–49
SD 4.5.5	Risk management compliance attestation	103
SD 4.2(g)	General information requirements	inner cover, 8, 12–13



Legislation	Requirement	Page
SD 4.2 (j)	Sign-off requirements	1
Financial statements required under Part 7 of the FMA		
SD4.2(a)	Statement of changes in equity	65
SD4.2(b)	Operating statement	64
SD4.2(b)	Balance sheet	65
SD4.2(b)	Cash flow statement	66
Other requirements under Standing Direction 4.2		
SD4.2(a)	Compliance with Australian accounting standards and other authoritative pronouncements	67
SD4.2 (a)	Compliance with Ministerial Directions	57, 67
SD4.2 (d)	Rounding of amounts	67
SD4.2 (c)	Accountable officer's declaration	93
SD4.2 (f)	Compliance with Model Financial Report	N/A
Other disclosures as required by FRDs in notes to the financial statements		
FRD 9A	Department disclosure of administered assets and liabilities	N/A
FRD 11	Disclosure of ex-gratia payments	90
FRD 13	Disclosure of parliamentary appropriations	N/A
FRD 21A	Responsible person and executive officer disclosures	49, 84, 85
FRD 102	Inventories	N/A
FRD 103D	Non-current physical assets	70, 80
FRD 104	Foreign currency	67
FRD 106	Impairment of assets	71
FRD 109	Intangible assets	81
FRD 107	Investment properties	N/A
FRD 110	Cash flow statements	66, 78
FRD 112A	Defined benefit superannuation obligations	72, 83
FRD 113	Investments in subsidiaries, jointly controlled entities and associates	N/A
FRD 114A	Financial instruments – General government entities and public non-financial corporations	86–89
FRD 119	Contributions by owners	70
Legislation		
	<i>Freedom of Information Act 1982</i>	60–61
	<i>Building Act 1983</i>	61
	<i>Whistleblowers Protection Act 2001</i>	61
	<i>Victorian Industry Participation Policy Act 2003</i>	60
	<i>Financial Management Act 1994</i>	93
	<i>Multicultural Victoria Act 2004</i>	53

Appendix 2

Number of unique clients mapped to local government authorities (LGAs)

	Unique clients (n)	% of total	% change
Regional and rural LGAs	24,867	29.1	↑ 1.0
Metropolitan LGAs	58,720	68.7	↓ 6.2
Clients not allocated to a postcode	1,915	2.2	Not recorded
Total statewide	85,502		↓ 1.9

Regional/Rural LGA	Unique clients (n)	% of statewide total	Regional/Rural LGA	Unique clients (n)	% of statewide total
Alpine Shire Council	65	0.1	Macedon Ranges Shire Council	349	0.4
Ararat Rural City Council	343	0.4	Mansfield Shire Council	51	0.1
Ballarat City Council	2,182	2.6	Mildura Rural City Council	611	0.7
Bass Coast Shire Council	287	0.3	Mitchell Shire Council	577	0.7
Baw Baw Shire Council	530	0.6	Moira Shire Council	495	0.6
Benalla Rural City Council	236	0.3	Moorabool Shire Council	428	0.5
Buloke Shire Council	94	0.1	Mount Alexander Shire Council	327	0.4
Campaspe Shire Council	588	0.7	Moyne Shire Council	186	0.2
Cardinia Shire Council	1,116	1.3	Murrindindi Shire Council	160	0.2
Central Goldfields Shire Council	272	0.3	Northern Grampians Shire Council	242	0.3
Colac-Otway Shire Council	273	0.3	Pyrenees Shire Council	113	0.1
Corangamite Shire Council	189	0.2	Queenscliffe Borough	17	0.0
East Gippsland Shire Council	982	1.1	South Gippsland Shire Council	230	0.3
Gannawarra Shire Council	156	0.2	Southern Grampians Shire Council	270	0.3
Glenelg Shire Council	302	0.4	Strathbogie Shire Council	104	0.1
Golden Plains Shire Council	207	0.2	Surf Coast Shire Council	207	0.2
Greater Bendigo City Council	1,919	2.2	Swan Hill Rural City Council	410	0.5
Greater Geelong City Council	3,337	3.9	Towong Shire Council	21	0.0
Greater Shepparton City Council	1,508	1.8	Wangaratta Rural City Council	368	0.4
Hepburn Shire Council	249	0.3	Warrnambool City Council	764	0.9
Hindmarsh Shire Council	106	0.1	Wellington Shire Council	633	0.7
Horsham Rural City Council	534	0.6	West Wimmera Shire Council	77	0.1
Indigo Shire Council	81	0.1	West Wimmera Shire Council	372	0.4
Latrobe City Council	2,033	2.4	Yarriambiack Shire Council	138	0.2
Loddon Shire Council	126	0.1			

Metropolitan LGA	Unique clients (n)	% of statewide total	Metropolitan LGA	Unique clients (n)	% of statewide total
Banyule City Council	1,463	1.7	Maroondah City Council	1,434	1.7
Bayside City Council	687	0.8	Melbourne City Council	2,830	3.3
Boroondara City Council	890	1.0	Melton Shire Council	1,990	2.3
Brimbank City Council	4,047	4.7	Monash City Council	1,595	1.9
Casey City Council	4,228	4.9	Moonee Valley City Council	1,298	1.5
Darebin City Council	2,636	3.1	Moreland City Council	2,400	2.8
Frankston City Council	3,039	3.6	Mornington Peninsula Shire Council	2,155	2.5
Glen Eira City Council	1,097	1.3	Nillumbik Shire Council	451	0.5
Greater Dandenong City Council	3,324	3.9	Port Phillip City Council	1,271	1.5
Hobsons Bay City Council	1,514	1.8	Stonnington City Council	738	0.9
Hume City Council	4,018	4.7	Whitehorse City Council	1,433	1.7
Kingston City Council	1,634	1.9	Whittlesea City Council	2,525	3.0
Knox City Council	1,824	2.1	Wyndham City Council	2,501	2.9
Manningham City Council	913	1.1	Yarra City Council	1,316	1.5
Maribyrnong City Council	1,508	1.8	Yarra Ranges Shire Council	1,961	2.3

See p.110 for the location and contact details of our offices throughout Victoria.

Appendix 3

Community Legal Centre Funding Program

We provided funding to the Federation of Community Legal Centres and to 39 community legal centres across Victoria.

Community legal centre	Commonwealth funding (\$)	State funding (\$)	Total payments (\$)
*Aboriginal Family Violence Prevention and Legal Service (Vic)	0	165,052	165,052
Barwon Community Legal Service	396,661	378,498	775,159
Brimbank Melton Community Legal Centre, Community West	85,846	430,793	516,639
Broadmeadows Community Legal Service	165,426	263,617	429,043
Casey Cardinia Legal Service	142,438	214,381	356,819
Central Highlands Community Legal Centre	207,799	275,354	483,153
* Consumer Action Law Centre	141,077	771,854	912,931
Darebin Community Legal Centre	53,411	363,285	416,696
* Disability Discrimination Legal Service	183,229	39,294	222,523
Eastern Community Legal Centre	160,922	506,573	667,495
* Environment Defenders Office (Victoria)	91,947	140,298	232,245
* Federation of Community Legal Centres (Vic)	0	397,517	397,517
Fitzroy Legal Service	170,621	361,006	531,627
Flemington and Kensington Community Legal Centre	90,111	194,898	285,009
Footscray Community Legal Centre	68,054	312,134	380,188
Gippsland Community Legal Service, Anglicare Victoria	276,346	204,262	480,608
* Homeless Persons' Legal Clinic, Public Interest Law Clearing House	70,000	247,941	317,941
Hume Riverina Community Legal Service, Upper Murray Family Care	383,138	197,560	580,698
Loddon Campaspe Community Legal Centre, Advocacy and Rights Centre	72,693	448,515	521,208
* Mental Health Legal Centre	0	344,304	344,304
Monash Oakleigh Legal Service	166,304	25,212	191,516
Moonee Valley Legal Service	67,378	202,112	269,490
Moreland Community Legal Centre	93,674	177,845	271,519
Murray Mallee Community Legal Service, Mallee Family Care	303,231	131,330	434,561
North Melbourne Legal Service	83,797	175,786	259,583
Peninsula Community Legal Centre	613,616	752,307	1,365,923
* Refugee and Immigration Legal Centre	0	127,077	127,077
* Senior Rights Victoria, Council on the Ageing	70,000	444,802	514,802
Social Security Rights Victoria	190,386	33,786	224,172



Community legal centre	Commonwealth funding (\$)	State funding (\$)	Total payments (\$)
South West Community Legal Centre, Community Connections (Vic)	217,909	248,034	465,943
* Springvale Community Aid and Advice Bureau	71,847	3,018	74,865
Springvale Monash Legal Service	301,585	193,420	495,005
St Kilda Legal Service	96,024	235,835	331,859
* Tenants Union of Victoria	106,642	482,849	589,491
West Heidelberg Community Legal Service	90,075	151,521	241,596
Western Suburbs Legal Service (including International Student Legal Advice Clinic, p.25)	88,480	388,141	476,621
Whittlesea Community Legal Service, Whittlesea Community Connections	77,693	307,058	384,751
* Women's Legal Service Victoria	1,013,150	246,037	1,259,187
Wyndham Legal Service	106,583	273,612	380,195
* Youthlaw, Young People's Legal Rights Centre	230,679	128,134	358,813
Total	6,748,772	10,985,052	17,733,824

* Specialist community legal centre



Appendix 4

Justice and law reform submissions

We advocate for changes to policy or law that impact disproportionately on our clients. 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. By making submissions to reviews and inquiries, and responding to requests for comments we also aim to deliver a wider benefit to the community.

Human rights

Submission name: **Inquiry into *Human Rights (Parliamentary Scrutiny) Bill 2010* and the *Human Rights (Parliamentary Scrutiny) (Consequential Provisions) Bill 2010* (Cth)**

Authority: Senate Legal and Constitutional Affairs Committee

Date: 9 July 2010

Submission name: **Consolidation of Federal anti-discrimination laws – joint submission**

Authority: Commonwealth Attorney-General's Department

Date: 5 August 2010

Submission name: **Review of the Intervention function in the *Charter of Human Rights and Responsibilities Act 2006* (Vic)**

Authority: Victorian Equal Opportunity & Human Rights Commission

Date: 2 August 2010

Submission name: **2010 Report on the operation of the *Charter of Human Rights and Responsibilities Act 2006* (Vic)**

Authority: Victorian Equal Opportunity & Human Rights Commission

Date: 21 February 2011

Submission name: **Review into the operation of the *Charter of Human Rights and Responsibilities Act 2006* (Vic)**

Authority: Victorian Parliament Scrutiny of Acts and Regulations Committee

Date: 10 June 2011

Mental health

Submission name: **Mental Health Review Board draft *Adjournment guidelines***

Authority: Mental Health Review Board

Date: 5 November 2010

Submission name: **Exposure draft *Mental Health Bill 2010***

Authority: Victorian Department of Health

Date: 8 December 2010

See p.30 for information about our work that relates to this submission.

Acquired brain injury

Submission name: **People with Acquired Brain Injury and the Criminal Justice System**

Authority: Brain Injury Australia

Date: 28 February 2011

See p.30, p.51 and p.61 for information about our work that relates to this submission.

Guardianship and administration

Submission name: **Guardianship consultation paper**

Authority: Victorian Law Reform Commission

Date: 3 June 2011

See p.30 for information about our work that relates to this submission.

Migration

Submission name: **Inquiry into *Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011* – NLA submission**

Authority: Australian Parliament Senate Legal & Constitutional Committee

Date: 1 June 2011

See p.32 for information about our work that relates to this submission.

Submission name: **Judicial review matters after *Plaintiff M61* – joint submission**

Authority: Federal Magistrates' Court of Australia

Date: 20 April 2011

Flood insurance

Submission name: **Reforming Flood Insurance: Clearing the Waters discussion paper**
– joint submission

Authority: Australian Government Treasury

Date: 13 May 2011

See p.31 for information about our work that relates to this submission.

Family violence

Submission name: **Family Violence – professional development and legal education**

Authority: Victorian Department of Justice

Date: 6 July 2010

Submission name: **Family Violence: Improving Legal Frameworks Consultation Paper**
– NLA submission

Authority: Australian Law Reform Commission
& New South Wales Law Reform Commission

Date: 15 July 2010

See p.43 for information about our work that relates to this submission.

Submission name: **Family violence and Commonwealth laws: Immigration law issues paper**
– NLA submission

Authority: Australian Law Reform Commission

Date: 20 May 2011

See p.32 for information about our work that relates to this submission.

Submission name: **Family violence and Commonwealth laws: Employment and superannuation laws issues paper**

Authority: Australian Law Reform Commission

Date: 31 March 2011

Submission name: **Family violence and Commonwealth laws: child support and family assistance laws issues paper**
– NLA submission

Authority: Australian Law Reform Commission

Date: 24 June 2011

In our submissions relating to child support law, employment law, migration law and social security law, we called for consistent definitions that appropriately reflect informed contemporary understandings of family violence.

See p.43 for information about our work that relates to this submission.

Submission name: **Exposure draft *Family Law Amendment (Family Violence) Bill 2010*** – NLA submission

Authority: Commonwealth Attorney-General's Department

Date: 14 January 2011

Our submission made recommendations about amendments to the 'family friendly provisions' that ensure disincentives to full disclosure of evidence of family violence are removed, while retaining the value of the provisions in situations where family violence and abuse does not exist.

✓ Our recommendations were taken up in the final draft of the Bill.

See p.44 for information about our work that relates to this submission.

Submission name: ***Inquiry into the Family Law Legislation Amendment (Family Violence and Other Measures) Bill 2011*** (Cth)
– NLA submission

Authority: Australian Parliament Senate Legal & Constitutional Committee

Date: 6 May 2011

Children

Submission name: ***Senate Inquiry into Commonwealth Commissioner for Children and Young People Bill 2010*** (Cth)

Authority: Australian Parliament Senate Legal & Constitutional Committee

Date: 14 January 2011

Submission name: ***Children's Contact Services discussion paper*** – NLA submission

Authority: Commonwealth Attorney-General's Department

Date: 18 March 2011

Submission name: ***Protecting Victoria's Vulnerable Children***

Authority: Protecting Victoria's Vulnerable Children Inquiry Panel

Date: written submission 3 May 2011,
verbal submission 18 May 2011,
verbal submission 30 June 2011

We also participated in the Inquiry's reference group and at public sittings in Geelong, Melbourne and Shepparton.

See p.43 and p.44 for information about our work that relates to this submission.

Submission name: **Improving collaboration between the family law system and the child protection system**
 Authority: Commonwealth Attorney-General's Department
 Date: 24 June 2011

Forced and servile marriage

Submission name: **Forced and Servile Marriage Discussion Paper – NLA submission**
 Authority: Commonwealth Attorney-General's Department
 Date: 4 February 2011

Sentencing

Submission name: **Sentencing Hearings Practice Note**
 Authority: Supreme Court of Victoria
 Date: 9 December 2010

Submission name: **Sentencing reforms – Community Corrections Order**
 Authority: Victorian Department of Justice
 Date: 15 June 2011

Defensive homicide

Submission name: **Review of the offence of defensive homicide**
 Authority: Victorian Department of Justice
 Date: 13 September 2010

Cybercrime

Submission name: **Cybercrime Strategy Background Paper**
 Authority: Victorian Department of Justice
 Date: 23 September 2010

Traffic offences

Submission name: **Review of the Road Safety Act 1986 (Vic)**
 Authority: Victorian Department of Justice
 Date: 28 October 2010

Criminal appeals

Submission name: **Harmonisation of Criminal Appeals legislation**
 Authority: Victorian Department of Justice
 Date: 12 November 2010

Submission name: **Applications for leave to appeal against conviction or sentence**
 Authority: Victorian Court of Appeal
 Date: 20 December 2010

Bail

Submission name: **Consultation Paper on Bail Reforms**
 Authority: Victorian Department of Justice
 Date: 15 March 2011

Improving processes and practices in the justice system

Submission name: **Fair Hearing Obligation Practice Note**
 Authority: Victorian Civil and Administrative Tribunal
 Date: 24 September 2010

✓ The final version adopted a number of our recommendations.
 See p.31 for information about our work that relates to this submission.

Submission name: **VOCAT Legal Project**
 Authority: Whittlesea Community Connections
 Date: 30 September 2010

Submission name: **Member Competency Framework**
 Authority: Victorian Civil and Administrative Tribunal
 Date: 29 October 2010

The framework provides a guide for VCAT members about the 'critical abilities and qualities expected of them' including fairness in conduct of hearings, dispute resolution skills and effective communication.

✓ The final version adopted a number of our recommendations.
 See p.31 for information about our work that relates to this submission.

Submission name: **Proposed Magistrate's Court
Adjournment Policy**

Authority: Magistrates' Court of Victoria

Date: 9 December 2010

Submission name: **Draft Criminal Procedure Amendment
Regulations 2011**

Authority: Victorian Department of Justice

Date: 28 March 2011

Appendix 5

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

I, John Howie 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.



John Howie

Chairperson

on behalf of the Board of Victoria Legal Aid

17 August 2011

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. This data indicates that we have improved our greenhouse gas emissions performance by 4 per cent compared with the previous twelve months.

This is the result of decreases in energy consumption, an increased application of green electricity and the full year effect of the incorporation of hybrid vehicles into our fleet.

Indicator	2010–11	2009–10
Total greenhouse gas emissions associated with energy use (t CO ₂ e)	2130	2196
Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e)	67.68	93.78
Total greenhouse gas emissions associated with air travel (t CO ₂ e)	65.95	60.70
Total greenhouse gas emissions associated with waste (t CO ₂ e)	44.16	42.1
Total greenhouse gas emissions per FTE (t CO ₂ e)	4.0	4.4
Total greenhouse gas emissions associated with all operations (t CO ₂ e)	2,308	2,393

Targets

From VLA *Environmental Sustainability Policy*:

- Achieved – 10% reduction on our 2008–09 baseline year for greenhouse gas emissions by 2010–11.

Explanatory notes

Emission conversion factors were sourced from Sustainability Victoria.

Energy

VLA uses energy, in the form of electricity and gas, in 17 office facilities across Victoria. The data demonstrates that we have met and exceeded our target for renewable energy by sourcing 10 per cent electricity from renewable energy sources.

The data below has been collected through energy billing information utilising Sustainability Victoria's 'Utility Tracker' software, and represents all sites and all staff.

Where possible, data is inclusive of proportional energy consumption resulting from base building operations. We are continuing to develop processes to comprehensively and accurately determine consumption

Targets

From VLA *Environmental Sustainability Policy*:

Renewable energy consumption

- Achieved – 10% renewable energy by 2009–10
- 20% renewable energy by 2011–12.

Energy efficiency

- 20% reduction in electricity and gas consumption per FTE by 2011–12 (target 11,600 MJ/FTE).

Explanatory notes

The values for natural gas consumption capture all sites known to include natural gas in their operations. Sixty-three per cent of the total gas consumption is for our component of base building usage at 350 Queen Street, Melbourne. The rise in this value from the previous year reflects improvements in data collection methods.

Indicator	2010–11				2009–10			
	Electricity	Green power	Natural gas	Total	Electricity	Green power	Natural gas	Total
Total energy usage segmented by primary source (MJ)	6,040,313	710,160	1,784,076	8,534,549	5,738,626	720,057	795,105	7,253,789
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO ₂ e)	2,030	0	100	2,130	2,152	0	44	2,196
Percentage of electricity purchased as a percentage of Green Power	11%			11%	11%			11%
Units of energy used per FTE (MJ/FTE)	10,568	1,243	3,122	14,933	10,472	1,314	1,451	13,237
Units of energy used per unit of office area (MJ/m ²)	376	44	111	531	357	45	49	451



Waste

This data was obtained from a one-day physical waste audit that captured 55 per cent of our full time equivalent (FTE).

Indicator	2010–11			2009–10		
	Landfill	Recycled	Compost	Landfill	Recycled	Compost
Total units of waste disposed by destination (kg/year)	48,844	25,521	0	42,088	18,692	0
Units of waste disposed of per FTE by destination (kg/FTE)	77	46	0	77	34	0
Recycling rate (percent of total waste by kg)	60%			44%		
Greenhouse gas emissions associated with waste disposal (t CO ₂ e)	43			42		

Targets

From VLA *Environmental Sustainability Policy*:

- Reduce solid waste sent to landfill by 5% by 2012*
- Reduce solid waste sent to landfill by 20% by 2020*

* Reduction of solid waste targets based on our 2008/2009 baseline of 115 kg/FTE.

Actions undertaken

Comingled recycling continues to be available on all floors at 350 Queen Street, Melbourne, representing availability to 46 per cent of our FTE. A further 32 per cent FTE have co-mingled facilities at regional locations.



Paper use

The values for paper consumption below were provided by our stationery supplier and represent white copy paper only, excluding letterhead and publication consumption which represent a significant portion of our paper use.

Indicator	2010–11	2009–10
Total units of copy paper used (reams)	13,495	13,421
Units of copy paper used per FTE (reams/FTE)	23.6	24.5
Percentage 75–100% recycled content copy paper purchased	13%	10%
Percentage 50–75% recycled content copy paper purchased	86%	90%
Percentage 0–49% recycled content copy paper purchased	1%	0

Actions undertaken

Default paper purchased is 50 per cent recycled content, with 100 per cent also incorporated into the mix.

Explanatory notes

Purchasing data is for default A4 white copy paper only. This report excludes other paper types such as pre-printed letterhead, publications, mailroom envelopes etc.

Water

These figures indicate a 14 per cent reduction in water consumption per FTE compared with 2009–10.

The values for our water consumption were obtained through billing information captured through Sustainability Victoria's 'Utility Tracker' software. These results represent 100 per cent of our employees, with data captured for an average of 91 per cent of data for 2010–11 and 87 per cent for 2009–10. Where available, these figures include our share of water consumption in a shared tenancy.

Indicator	2010–11	2009–10
Total units of metered water consumed by usage types (kilolitres)	6,395	7,184
Units of metered water consumed in offices per FTE (kilolitre/FTE)	11.19	13.11
Units of metered water consumed in offices per unit of office area (kilolitres/m ²)	397.75	446.87

Actions undertaken

Building management at 350 Queen Street, Melbourne replaced toilets with more efficient models and established a maintenance regime to improve cistern efficiency.

Targets

From VLA *Environmental Sustainability Policy*:

- 10% reduction* in water consumption per FTE by 2011–12
- 20% reduction* in water consumption per FTE by 2015–16
- 30% reduction* in water consumption per FTE by 2020–21

* Reduction in water consumption target based on our 2008/2009 baseline of 13.13 kilolitres/FTE.

Explanatory notes

The reduction in water consumption is due to reduced consumption at four of our offices, including 350 Queen Street, Melbourne. Where we were unable to obtain values for water consumption, consumption was calculated as being the same as the previous year.

Transport

This information was obtained through fuel card data, mileage reports and information supplied by our hire car agency. It covers our entire fleet of 18 vehicles (16 pool and 2 executive vehicles). Of the operational fleet, nine are hybrid, six are 4-cylinder and three are 6-cylinder. The data also includes values for compact (4-cylinder) hire cars, used as pool cars when these vehicles are unavailable.

	2010–11				2009–10			
Operational vehicles								
	6-Cylinder	4-Cylinder	Hybrid	Total	6-Cylinder	4-Cylinder	Hybrid	Total
Total energy consumption by vehicles (MJ)	228,798	209,304	465,462	903,564	504,787	552,205	195,029	1,252,021
Total vehicle travel associated with entity operations (km)	63,197	76,251	415,389	554,837	160,794	196,288	173,491	530,573
Total greenhouse gas emissions from vehicle fleet (t CO ₂ -e)	17	16	35	68	38	41	15	95
Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO ₂ -e)	0.2712	0.2056	0.0839	0.1220	0.2351	0.2107	0.0842	0.1767
Flights								
Total distance travelled by aeroplane (km)	204,000				188,000			

Actions undertaken

- 4-cylinder vehicles upgraded to Hybrid models: in 2010–11 we continued to upgrade the fleet of 4-cylinder vehicles to include nine Hybrid motor vehicles.

Targets

- Increase number of fuel efficient/hybrid vehicles in fleet to 80 per cent of total pool vehicles by 2012 (currently 50 per cent).
- Established a policy highlighting preferential selection of Hybrid motor vehicles. Moving to hybrids has so far decreased our greenhouse gas emissions per 1000km travelled by 48 per cent of our 2008–09 baseline year emissions.
- Expand utilisation of video-conferencing wherever possible to avoid travel.

Procurement

Indicator	2010–11	2009–10
Percentage 'Earth Saver' products purchased	56.1%	34.6%

Explanatory notes

We encourage staff to purchase from a more environmentally sustainable range offered through our primary stationery supplier, and from July 2010 we purchased products from this range.



Glossary

accused – person charged with a criminal offence.

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.

NPA dispute resolution services – includes principal parties involved in roundtable dispute conferences that seek to resolve legal problems outside of the court system. Dispute resolution services measure the parties attending conferences (excluding solicitors and chairpersons), and any parties who have been issued with a Section 601 certificate under the Family Law Act.

NPA duty lawyer services – 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 – harmful behaviour that is used to control, threaten, force or dominate a family member through fear of their personal wellbeing or safety. It includes sexual, psychological, 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 providing a grant of assistance we 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.


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.

indictable offence – a serious offence often heard before a judge and jury of the County or Supreme Courts. Certain indictable offences may be heard and determined by a magistrate with the accused's consent.

intervention order – court order to protect you from family violence or stalking.

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 Fund – the Legal Aid Fund is 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.



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 whether 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, research, 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 may include matters such as licence restoration, general advice (in person, office or via phone) that results in some minor follow up, and very minor summary matters.

NPA preventative services – including all referrals to external agencies, any matters dealt with through calls to the Legal Information Service, community legal education sessions and participants, publications produced and distributed and website page views. 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 referral panels. Section 30 panel (general panel) practitioners have their clients' applications for legal assistance processed and assessed by our in-house staff. The section 29A panels are established for different classes of matters: family law, summary crime, indictable crime, independent children's lawyers and child protection.

Roundtable Dispute Management (RDM) – an appropriate dispute resolution (ADR) 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 29A practitioners – private practitioners able to self-certify merits to obtain a grant of legal assistance for an application and who are subject to random compliance checks.

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 offence usually heard in the Magistrates' Court or Children's Court.

unique client – an individual or distinct client who accesses our services but who may access more than one service during the year. Client numbers in this category do not include telephone callers, people receiving information only, or attendees at community legal education sessions.

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)

Suburban 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

Index

Aboriginal and Torres Strait Islander	
client profile	17
diversity reporting	53
grants of legal assistance	33, 39, 45
Additional information available on request	62
Appropriate dispute resolution	15, 40, 43, 44, 108
Auditing	57
Auditor-General's report	92
Board	54
Building maintenance	61
Child protection	7, 13, 40, 43, 44, 51, 101, 102
Child support	15, 16, 40, 44
Child Support Legal Service	16
Civil law	
Civil Justice Program	28–33
duty lawyer services	inner cover, 7, 15, 31, 32, 33
grants of legal assistance	7, 32, 33
legal advice	12, 32, 33
objectives	12, 28
operating expenditure	12, 32
Client profiles	inner cover, 17, 33, 39, 45
Client satisfaction	inner cover, 6, 12, 13, 16, 33, 39, 45
Community legal centres	
funding program	21, 25, 98
relationships with	7, 21, 25, 51
projects with	21, 25
sub-program objective	22
training and support	21, 25, 31, 42
Community legal education	
initiatives	6, 14, 24, 25
publications distributed	inner cover, 14
sub-program objective	22
Complaints	58
Consultant engagements	60
Criminal Bar Association	38
Criminal law	
Criminal Law Program	34–39
duty lawyer services	13, 15, 16, 20, 38, 39
grants of legal assistance	38, 39
legal advice	13, 38, 39
objectives	13, 34
operating expenditure	13, 38
Culturally and linguistically diverse (CALD)	
client profile	17
Cultural Diversity Plan	25, 53
diversity reporting	52–53
grants of legal assistance	33, 39, 45
initiatives	24, 25, 44
Department of Human Services	34, 43, 44
Department of Justice	43, 53, 55
<i>Disability Action Plan</i>	61
Disclosure index	94–95
Dispute resolution services	inner cover, 15, 40, 45, 108
Duty lawyer services	inner cover, 7, 13, 15, 16, 20, 31, 32, 38, 39, 44, 45, 108
Employment and conduct principles	46
Environmental reporting	61, 103–107
Family law	
Family Law Program	40–45
duty lawyer services	7, 13, 15, 44, 45
grants of legal assistance	7, 44, 45
legal advice	13, 40, 44
objectives	13, 40
operating expenditure	40
Family Relationship Centres	13, 21, 42
Family violence	7, 40, 44, 108
Federation of Community Legal Centres	20, 21, 98
Feedback on this report	112

Index (continued)

Financial statements	
Balance sheet	65
Cash flow statement	66
Notes to the financial statements	67–91
Operating statement	64
Statement of changes in equity	65
Freedom of information requests	60–61
Glossary	108–109
Governance	1, 54–62
Grants of legal assistance	inner cover, 7, 15, 20, 21, 32, 33, 38, 39, 44, 45, 52, 53, 59, 108
Highlights	12–13
Independent children’s lawyers	7, 40, 42, 44, 45, 108
Indictable crime	34, 37, 38, 108
Information and records management	59
Information technology	59
Infringement notices	7, 10, 15, 32
Law Institute of Victoria	20, 27, 33, 36, 38, 39, 42, 45, 51
Law reform	2, 6, 12, 21, 22, 26, 30, 31, 32, 43, 100–103
Learning and development	51–52
Legal advice	inner cover, 12, 13, 15, 32, 38, 44, 52, 53
Legal assistance forums	20
Legal Information Service	inner cover, 12, 14, 27, 33, 39, 45
Occupational health and safety	50
Office of Public Prosecutions	37, 38
Organisational structure	56
Performance management	47
Planning and reporting framework	18–19
Privacy	59
Private practitioners	1, 4, 6, 7, 8, 10, 15, 20, 27, 33, 37, 38, 39, 43, 45, 51, 55, 59, 109
Referrals	inner cover, 14, 19, 22, 24, 27, 33, 39, 45, 53, 109
Risk management	2, 53, 57, 58, 103
Roundtable Dispute Management	15, 16, 40, 44, 109, 110
Senior executive team	55–56
Specialist services	16
Summary crime	7, 10, 13, 34, 37, 38, 109
Victoria Police	6, 13, 15, 16, 24, 32, 36, 39, 52, 53
Victorian Bar	6, 20, 37, 42
Victorian Civil and Administrative Tribunal	16, 28, 31, 102
Vision and values	1
Whistleblowers protection	61
Women’s affairs diversity reporting	52
Workforce data	47–49
Youth	
bail support and diversion programs	38, 53
diversity reporting	53
Youth crime sub-program	34
Youth Legal Service	16

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 Information Service

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

For all other languages, call the Translating and Interpreting Service on 131 450 and ask to be put through to Victoria Legal Aid.

Feedback

Feedback on this report is welcome. Please write to Victoria Legal Aid, Research and Communications, 350 Queen Street, Melbourne Vic 3000.



Victoria Legal Aid

Phone – Legal Information Service: (03) 9269 0120
or 1800 677 402 (country callers)

Phone – Reception: (03) 9269 0234

www.legalaid.vic.gov.au

350 Queen Street, Melbourne Vic 3000

GPO Box 4380, Melbourne Vic 3001

DX 210646, Melbourne Vic

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.

Established in 1950



2009–10 Silver
2008–09 Bronze



The paper used in this report is made under the international standard ISO 14001 EMS which commits to continual improvement in energy efficiency, waste reduction and pollution control.