



The Hon Attorney-General
55 St Andrews Place
MELBOURNE 3000

30 September 1999

Dear Attorney,

I am pleased to present Victoria Legal Aid's Fourth Annual Report for the year 1998/99.

Victoria Legal Aid increased grants of legal assistance and maintained the range and number of other services it provided to the Victorian community while operating within budget for the year under review.

In fact, Victoria Legal Aid's operating expenditure in 1997/98 and 1998/99 is at the lowest level since the former Legal Aid Commission of Victoria operated at a cost of \$55 million in 1988/89.

Full details of VLA's activities for the year are set out in the accompanying reports and financial statements.

Yours sincerely,

A handwritten signature in black ink that reads 'Jonathan Mott'.

JONATHAN MOTT

Chairperson



chairperson's report

I was appointed Chairperson of Victoria Legal Aid on 14 December 1998 following Geoff Masel's completion of three years in this office.

On taking up the position, I found that Victoria Legal Aid was generally operating effectively. The most immediate problem facing the organisation was the projected shortfall in funding for State law cases in 1999/2000 and subsequent years, as Geoff Masel noted in the last annual report.

I am pleased to advise that those problems have been substantially alleviated by the additional \$4 million recurrent funding allocated to VLA from 1 July 1999 in the 1999 Victorian budget.

Victoria Legal Aid records its appreciation for the Attorney-General's assistance in achieving that additional funding. While Victoria Legal Aid's State law budget will still require strict management to operate within the available funds, the extra funding should allow VLA to continue to operate at the increased levels of activity and higher levels of fees for private practitioners announced in October 1998.

This year, Victoria Legal Aid continued to review its financial records to ensure its annual accounts fully reflect the organisation's financial position. During the year under review, VLA:

- implemented a new debt policy so that the future recording of secured debts owed by legal aid clients (being contributions towards the cost of their legal assistance) will be limited to the equity they have in their home; and
- reassessed or wrote off bad debts totalling \$8.442 million which were, in the Board's opinion, overstated in VLA's accounts.

The Board has, for the first time, included a note of its assessment of the net present value of the organisation's non-current debtors in the financial statements accompanying this report. Previously, only their historical cost was reported, even though payment was often not finalised for many years. Acting on advice from actuaries Trowbridge Consulting, the Board formed the opinion that the net present value of VLA's non-current debtors is \$11.3 million.



the board

Establishment

Victoria Legal Aid is an independent statutory authority established by the Legal Aid Act 1978. The Attorney-General is the responsible minister.

Victoria Legal Aid provides legal aid services in accordance with the Act. It has also entered into an agreement dated 22 January 1999 with the Commonwealth government for provision of legal aid services for matters arising under Commonwealth law during 1998/99 and 1999/2000.

The State government continued to fund VLA to provide legal aid in matters arising under State law.

Objectives, functions, powers and duties

The Legal Aid Act states that the objectives of VLA are:

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

The functions of VLA are to provide legal aid in accordance with the Act and to control and administer the Legal Aid Fund.

VLA is empowered to co-operate with other bodies to meet the need for legal aid in the community, enter into arrangements to undertake research, make recommendations to the Attorney on issues of law reform, carry out education programmes, provide assistance to voluntary legal aid bodies and do all things necessary to perform its functions.

VLA's duties in performing its functions include:

- ensuring that legal aid is provided in the most effective, efficient and economic manner and in a manner which dispels fear and distrust;
- establishing local offices;
- determining priorities for the provision of legal aid in State law matters;
- liaising with professional bodies; and
- having regard to the amount of money in the Legal Aid Fund.

VLA provides services in four main areas:

- legal assistance – handling of a case on behalf of an assisted person by an employee solicitor or a private solicitor remunerated by VLA;
- legal advice – the provision of legal advice at a VLA office, a prison or other institution by telephone or in person;
- duty lawyer services – without prior arrangement, advising and representing clients attending court; and
- education and information – programmes designed to inform and educate members of the community about their legal rights and responsibilities.

