



HELPING VICTORIANS WITH THEIR LEGAL PROBLEMS

NINETEENTH STATUTORY
ANNUAL REPORT 2013-14

Chairperson's declaration

In accordance with section 12N of the *Legal Aid Act 1978* (Vic) and provisions of the *Financial Management Act 1994* (Vic), I am pleased to present the Victoria Legal Aid Annual Report for the year ending 30 June 2014.

A handwritten signature in black ink, appearing to read 'Andrew Guy', with a vertical line extending downwards from the end of the signature.

Andrew Guy
Chairperson

27 August 2014

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Understanding this report

The services we provide and our initiatives are guided by the themes and goals we have committed to in our *Strategic Plan 2011–14* and the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services* (NPA).

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

National Partnership Agreement

The NPA is an agreement between the Commonwealth and the states and territories that forms the basis of Commonwealth funding to all legal aid commissions.

The NPA focuses on providing assistance to disadvantaged people to resolve legal problems before they escalate and, where appropriate, avoid the need for litigation. It also promotes increased collaboration and co-operation with other service providers, and between legal assistance providers themselves, to ensure better targeting of legal assistance services for clients.

NPA We have used this icon where we have reported against legal aid services provided under the NPA.

Strategic plan



Access and inclusion

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



Relationships and collaboration

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



Organisational responsiveness

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

We have used these icons where we have reported against legal aid services provided under the themes and goals of our strategic plan.

Our performance outcomes

Summary

| Preventative services | 2013–14 | 2012–13 | % change |
|---|-----------|-----------|----------|
| Calls to our Legal Help telephone service | 94,151 | 81,790 | 15% up |
| Matters dealt with by our Legal Help telephone service NPA | 109,327 | 89,463 | 22% up |
| Matters referred externally NPA | 84,603 | 71,337 | 19% up |
| Publications distributed NPA | 399,814 | 615,568 | 35% down |
| Community legal education participants NPA | 16,542 | 12,770 | 30% up |
| Community legal education sessions | 444 | 350 | 27% up |
| Visits to our website | 1,104,264 | 1,061,423 | 4% up |
| Early intervention services | | | |
| Legal advice, minor assistance and advocacy NPA | 46,178 | 51,598 | 11% down |
| Family dispute resolution services (Roundtable Dispute Management) | | | |
| Number of conferences | 1,190 | 1,217 | 2% down |
| Duty lawyer services | | | |
| In-house duty lawyer services NPA | 65,727 | 58,581 | 12% up |
| Private practitioner duty lawyer services NPA | 6,217 | 6,722 | 8% down |
| Casework under grants of legal assistance | | | |
| Grants of legal assistance NPA | 33,463 | 39,782 | 16% down |
| Clients receiving government benefits | 62% | 65% | 3% down |
| Clients with no income | 34% | 31% | 3% up |
| In-house grants of legal assistance | 9,760 | 10,227 | 5% down |
| Private practitioner grants of legal assistance | 23,270 | 29,072 | 20% down |
| Community legal centre grants of legal assistance | 433 | 483 | 10% down |
| Clients | | | |
| Unique clients* | 81,400 | 86,861 | 6% down |

NPA Legal aid services provided under the *National Partnership Agreement on Legal Assistance Services*

* Unique clients are individual clients who accessed one or more of Victoria Legal Aid's legal services. This does not include people for whom a client-lawyer relationship was not formed, who received telephone, website or in-person information at court or at public counters, or participated in community legal education – we do not create an individual client record for these people.

| Financial summary | 2013-14 \$000 | 2012-13 \$000 | % change |
|---|--------------------------|--------------------------|-----------------|
| Income from government | 132,408 | 122,179 | 8% |
| Income from the Public Purpose Fund | 25,663 | 25,663 | 0% |
| Total income from transactions | 162,222 | 155,990 | 4% |
| Total expenses from transactions | (146,903) | (162,473) | -10% |
| Net result from transactions | 15,319 | (6,483) | 336% |
| Net result for the period | 16,109 | (9,332) | 273% |
| Net cash flow from operating activities | 20,493 | (1,035) | 2080% |
| Cash at 30 June | 32,185 | 12,893 | 150% |
| Total assets | 67,064 | 50,050 | 34% |
| Total liabilities | 36,514 | 35,609 | 3% |
| Total equity | 30,550 | 14,439 | 112% |

Chairperson and Managing Director's message



Helping marginalised, vulnerable people with their legal problems lies at the heart of what we do and this year we once again provided services to more than 80,000 Victorians – people who are socially and economically isolated; families in dispute or crisis; people with a disability or mental illness and those who live in remote areas.

We remain absolutely committed to providing access to justice to as many people as possible while acknowledging the reality that we operate on limited funding, which we must spend responsibly, effectively and appropriately.

In 2012–13 competing demands on our limited resources forced us to make significant changes to our eligibility guidelines. These changes prioritised our most vulnerable clients, including those in custody, people with a mental illness or disability and applicants for family violence intervention orders. As anticipated, this year we assisted fewer clients, prioritising people with the most complex needs facing the most serious consequences and reserving legal representation – our most intensive and costly form of assistance – for those most vulnerable.

Our high quality duty lawyer and preventative services are now providing assistance to more people. Our duty lawyers resolved more matters in Magistrates' courts, our staff legal practice took on more complex, time-consuming work, including more in-court advocacy, and there was more continuity of representation for clients and less briefing of external counsel.

We made modest investments in the expansion of some of our services to meet demand. Additional staff in our Legal Help telephone service enabled us to answer almost 12,500 more calls, providing effective early intervention. A significant expansion of our Mental Health and Disability Advocacy program means we can now offer representation to vulnerable clients facing involuntary psychiatric treatment from our Melbourne, Dandenong, Geelong and Bendigo offices.

In November 2013 we relaxed our family law trial guideline to enable more people to continue to be represented at their family law trial. We resolved in June 2014 to further relax this guideline, effective from 1 September 2014, representing people where there is existing evidence of family violence.

Our finances

The *National Partnership Agreement on Legal Assistance Services* was 'rolled over' in June 2014 for 12 months to enable negotiations on its replacement to take place. The federal government budget saw us lose an expected \$3.5 million in the 2014–15 year, but our core funding was continued, which means our immediate financial future remains stable.

Following two years of operating deficits, we have this year recorded a surplus. This is due to the changes to eligibility guidelines introduced in 2012–13, unspent one-off Commonwealth funds and other efficiency measures. The surplus has allowed us to stabilise cash reserves at more prudent levels, equivalent to six weeks' operating costs. Without further funding the surplus is temporary. We anticipate increasing demand on our services resulting from government initiatives to make communities safer and to combat family violence and strengthen child protection.

Increased consultation and engagement

Consultation and engagement – with government, stakeholders and the community – was a strong focus of our work this year. We consulted closely with justice sector partners as part of our Delivering High Quality Criminal Trials review. Responding to community concerns, we also began a review of our criminal appeals guidelines, including consulting with victims of crime and the families of offenders. We will announce results of both these reviews in late 2014.

We made two submissions and gave oral evidence to a ‘once in a generation’ inquiry into Access to Justice by the Productivity Commission. It was pleasing to note that the Commission’s preliminary report and assessment is that legal aid commissions are an essential service and a worthwhile investment.

Thank you

We would like to express our sincere thanks to the Victoria Legal Aid Board of Directors, our staff and our community and justice sector partners for their tireless commitment to our clients during a period of considerable change.

We also thank the Attorney-General of Victoria, the Hon. Robert Clark MP, the Attorney-General of the Commonwealth of Australia, the Hon. Senator George Brandis QC, and former Attorney-General of the Commonwealth of Australia, the Hon. Mark Dreyfus QC, for their ongoing commitment to legal aid.

During the year we farewelled our former Chief Counsel, Saul Holt. We thank Saul for his valuable contribution to Victoria Legal Aid and the Victorian justice system.

Future outlook

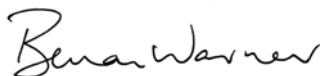
Prudent financial management will continue to be a focus for the Board to ensure we balance financial sustainability with responding to demand for our services. We do, however, plan to improve the way we provide family violence legal services and focus on effective preventative interventions. We will also investigate whether we can afford to offer legal aid to more people who currently miss out because of our stringent means test.

Our performance audit by the Victorian Auditor-General validated many aspects of our work while calling for better reporting on our statutory objectives. We will continue to improve our efforts on this front.

Finally, our strategic plan is due to expire at the end of 2014 and we are taking this opportunity to ask important foundational questions about our contribution and role in the community, the values that inform our decisions and how we can best meet the objectives of the *Legal Aid Act 1978* (Vic). Our future direction will be informed by comprehensive research and consultation with our staff, stakeholders and the broader community.



Andrew Guy
Chairperson



Bevan Warner
Managing Director

Financial year overview

We finished the year with a surplus on transactions, our day-to-day business, of \$15.3 million, a positive result when compared to last year's \$6.5 million deficit. The comprehensive surplus was \$16.1 million, compared to a \$9.3 million deficit last year.

The improvement in the operating result is due to increased Commonwealth and state income and lower case-related professional payments.

During 2012–13 we implemented strategies to reduce our deficit and as a result the number of grants of legal assistance decreased last year. There is a lag between when a grant of legal assistance is approved and when the work is done and the payment made, so this year we saw the impact of the reduction.

The year end cash balance was \$32.2 million, which is above the targeted \$12.0 million minimum cash balance we hold to ensure we meet fluctuations in annual payments.

In line with financial sustainability ratios recommended by the Victorian Auditor-General's Office, the Board will target a \$20.0 million cash buffer for the next financial year to ensure we can meet fluctuations in annual payments in light of future demand and cost pressures.

The 2013–14 financial statements record:

- Victorian Government income of \$83.0 million
- Commonwealth Government income of \$49.4 million
- Public Purpose Fund income of \$25.7 million
- \$61.9 million spent on case-related private practitioner payments
- \$22.9 million funding provided to community legal centres (this includes \$9.0 million in Commonwealth funds passed directly to community legal centres and not recognised as income or expenditure in our financial statements)
- an operating surplus of \$15.3 million
- a comprehensive surplus of \$16.1 million.

See 'Our finances' (p. 99) for the financial year in review and financial statements, including the Auditor-General's report.

Our clients

WE HELPED **81,400**
CLIENTS THIS YEAR



25%

HAD
NO INCOME*



55%

WERE RECEIVING SOME
FORM OF **GOVERNMENT**
BENEFIT



30%

WERE LIVING IN **REGIONAL**
OR **RURAL VICTORIA**



22%

WERE FROM **CULTURALLY**
AND **LINGUISTICALLY**
DIVERSE BACKGROUNDS**



5%

REQUIRED THE
ASSISTANCE OF AN INTERPRETER



9%

WERE IN **CUSTODY,**
DETENTION OR PSYCHIATRIC CARE



12%

WERE **YOUNGER THAN**
19 YEARS OF AGE



22%

DISCLOSED HAVING A
DISABILITY OR
MENTAL ILLNESS



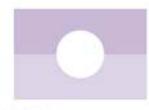
3%

WERE **EXPERIENCING**
HOMELESSNESS



3%

WERE OF **ABORIGINAL**
OR **TORRES STRAIT ISLANDER**
BACKGROUND



Figures are based on the total number of unique clients (81,400). Unique clients are individual clients who accessed one or more of Victoria Legal Aid's legal services. This does not include people for whom a client-lawyer relationship was not formed, who received telephone, website or in-person information at court or at public counters, or participated in community legal education – we do not create an individual client record for these people.

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

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

Client profile

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

Of those receiving some form of government benefit or pension:

- 31% disclosed having a disability or mental illness
- 4% required the assistance of an interpreter.

Of those living in regional or rural Victoria*:

- 6% were from Aboriginal or Torres Strait Islander backgrounds
- 1% required the assistance of an interpreter.

Of those requiring the assistance of an interpreter:

- 5% were experiencing homelessness.

Of those in custody, detention or psychiatric care:

- 6% were younger than 19 years of age
- 7% were from Aboriginal or Torres Strait Islander backgrounds.

Of those younger than 19 years of age:

- 5% were from Aboriginal or Torres Strait Islander backgrounds
- 3% were experiencing homelessness.

Of those with a disability or mental illness:

- 8% were in custody, detention or psychiatric care
- 5% were younger than 19 years of age.

Of those experiencing homelessness:

- 26% disclosed having a disability or mental illness.

Of those from Aboriginal or Torres Strait Islander backgrounds:

- 26% disclosed having a disability or mental illness.

In helping address our clients' complex needs, we sometimes refer them to another service when we are unable to provide the help they need, or if they would benefit from other help. This year we referred 84,603 matters to external agencies.

* Clients with no nominated home address are not included.

Our clients across Victoria

Our clients are among the most disadvantaged people in Victoria.

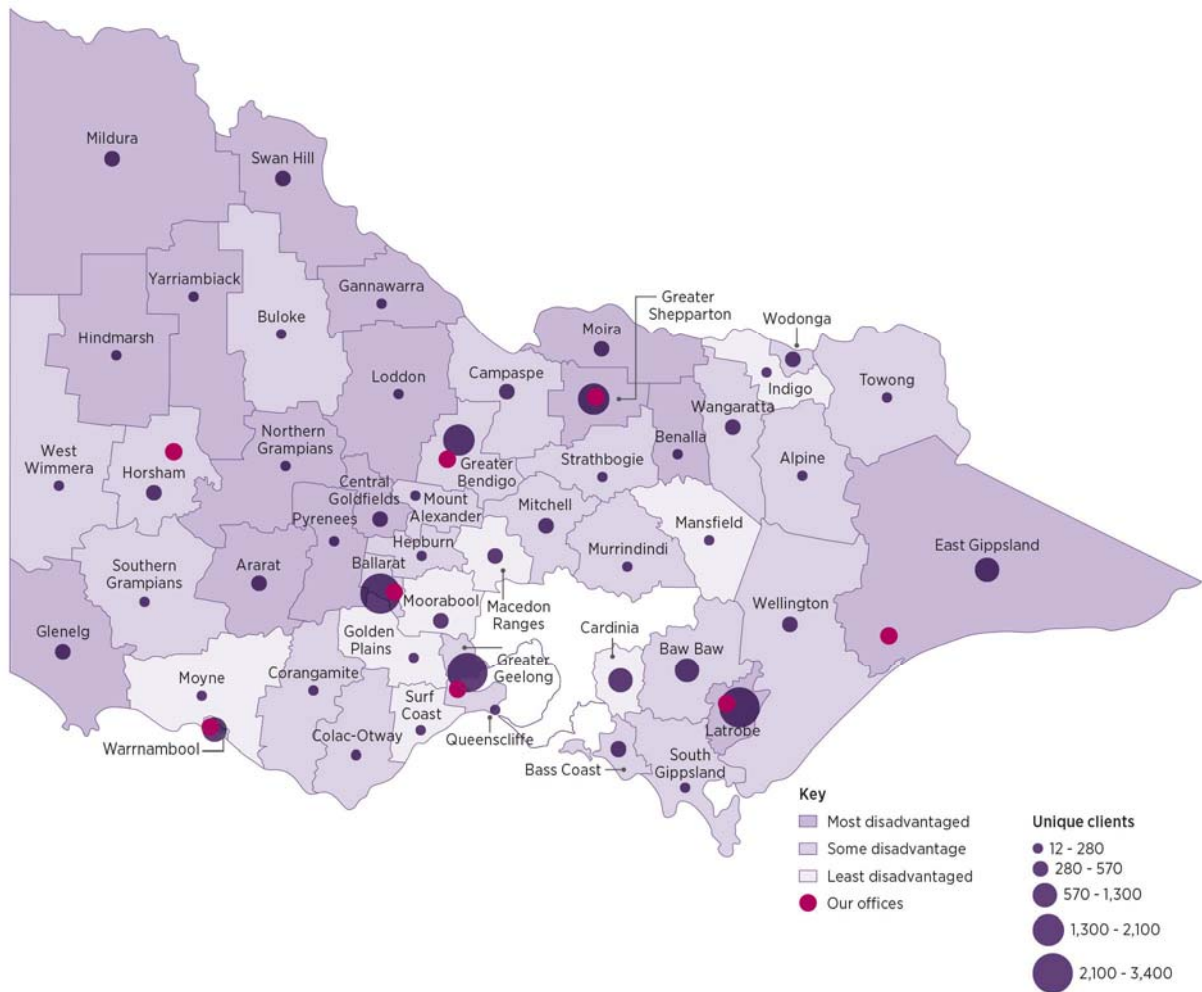
The following maps indicate the number of unique clients we helped in each local government area in 2013–14. They are represented as a proportion of the total 81,400 clients we helped across Victoria.

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

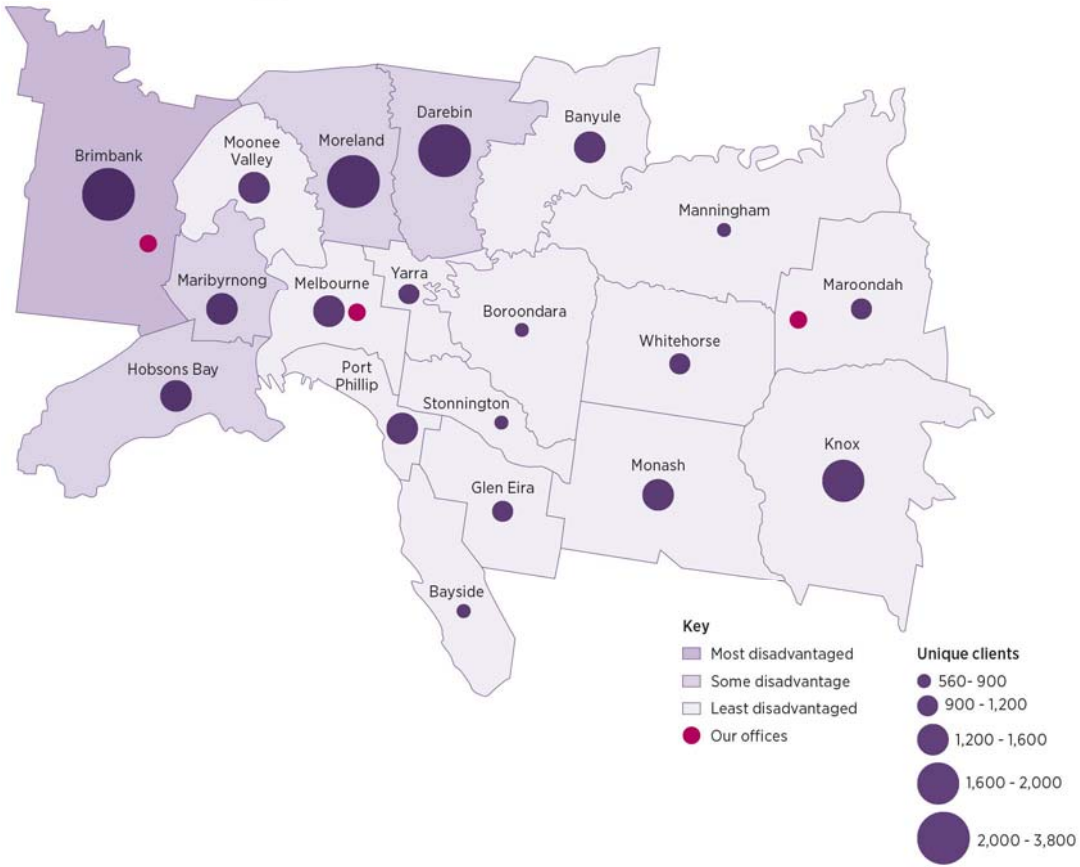
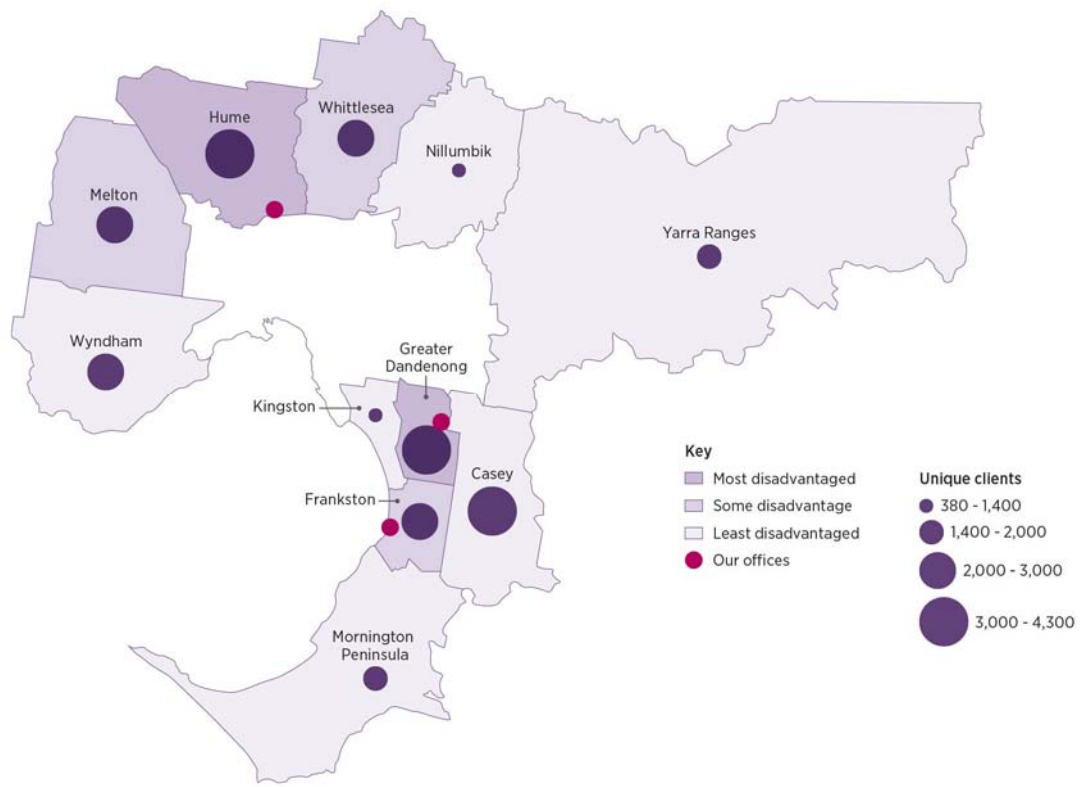
The maps also show the relative socio-economic disadvantage of each area, using the Australian Bureau of Statistics' 2011 Index of Relative Socio-Economic Disadvantage. The Australian Bureau of Statistics broadly defines relative socio-economic advantage and disadvantage in terms of 'people's access to material and social resources, and their ability to participate in society'.

See p. 168 for a list of our office locations.

Regional and rural Victoria



Metropolitan Melbourne



How we help our clients

Every day our lawyers work with clients from a multitude of backgrounds, many of whom have faced significant challenges in their lives, which have often contributed to their legal problems.

Find out about the positive impact different forms of legal assistance had on some of our priority clients this year.

Diverting a teenage boy from the system

'He was a young boy dealing with very personal trauma who made a series of bad decisions. Without diversion, he could have ended up with a criminal record impacting significantly on the rest of his life.'

Lawyer, Youth Crime



About our client

Vince* had suffered physical abuse by his father and was angry with his mother whom he felt had not done enough to protect him.

The Department of Human Services became involved and removed Vince from his family home.

While living in foster care, he got himself into trouble with the law.

Vince was 13, hostile and defiant in his attitude when he was picked up for shoplifting and found to be in possession of aerosol cans commonly used for graffiti.

Three months after being charged, he faced the Criminal Division of the Children's Court of Victoria, feeling scared and apprehensive about what was in store for him.

The legal case

Our lawyer was concerned about the negative impact entering the criminal justice system at such a young age would have on Vince.

She convinced the police that Vince should attend a diversion program known as ROPES – a one-day climbing course where trust is built between young offenders and police and discussion about the consequences of offending is integral.

The police were persuaded by our lawyer's account of the compelling circumstances that led to Vince offending. They took into consideration that he had no prior convictions and recommended the ROPES program for him.

Since attending, Vince's attitude towards life improved and his prospects along with it. He enrolled at a new school and when we last spoke to him he felt much more settled at home and at school.

What this case shows

Research shows that children like Vince, who have entered the child protection system following family violence, are at risk of experiencing legal problems for many years. For this reason, early intervention and prevention is a key focus of our work.

Vince's response to the ROPES program shows that diversion can be a positive alternative in helping young offenders avoid a criminal record that could impact on their future endeavours, such as getting a job.

Because the ROPES program operates in only a handful of places in Victoria, Vince benefited not only from the representations of his lawyer and the attitude of the police involved, but also from where he was residing at the time of his arrest.

This case highlights an inequity that exists in Victoria as the only state without a formal approach to diversionary programs for children.

We have called for a statewide scheme that allows young offenders to access support early on to avoid the stigma of a criminal record. We have put our views forward in a submission to a Department of Justice discussion paper on improving diversion for young people in Victoria.

* We have changed our client's name to protect his privacy and the image used is of a model.

Helping a victim of crime overcome her trauma

'By representing Margaret at the Victims of Crime Assistance Tribunal, we were able to help her have her trauma recognised, which was very significant for her emotionally.'*

Lawyer, Social Inclusion



About our client

Margaret suffered from insomnia, nightmares, distress and suicidal feelings. Her ability to deal with the cause of her anxiety was exacerbated by an intellectual disability, bi-polar disorder and a history of self-harming.

One thing she thought might make a real difference was a new bed. It would allow her to get rid of the one in which she alleged she had been raped, and relieve her of her restless nights on the couch.

The legal case

When Margaret came to us, the person she alleged raped her had been acquitted and the case was behind her, but Margaret's trauma was far from over.

It was clear that at the trial Margaret had difficulty understanding the questions asked of her by defence counsel, despite the judge making every effort to assist her.

According to the jury, there was still reasonable doubt about whether Margaret had agreed to sex and whether the alleged offender should have known she was not consenting at the time.

Margaret wanted help from us to make a claim to the Victims of Crime Assistance Tribunal for financial help in getting over the trauma – assistance that would, among other things, help her buy a new bed.

The tribunal wanted to know why it should find Margaret had not consented 'on the balance of probabilities', given the court finding and acquittal.

Our lawyer asked the tribunal to consider Margaret’s allegations, the way her disability and mental illness would have affected the ‘appropriateness’ of her responses and her declining mental health following the alleged offence.

The tribunal was also asked to consider the largely therapeutic purpose of the *Victims of Crime Assistance Act 1996* (Vic) in making its decision.

The tribunal did so, and gave Margaret the highest available award for special financial assistance involving a serious offence under the Act. Margaret was relieved and felt that this decision acknowledged her trauma.

What this case shows

Helping vulnerable people with a disability or mental illness to have a voice in the legal system is a strong focus of our work.

This case shows the challenges that people living with disabilities and mental health problems can have in dealing with courts.

It also shows the difficulties that victims of crime can face in seeking compensation when courts have acquitted alleged offenders. In this case, a jury had not been able to determine that the victim did not consent, in part because of her disability.

However, by pursuing an award from the Victims of Crime Assistance Tribunal, Margaret was able to receive practical assistance in dealing with her anxiety.

* We have changed our client’s name to protect her privacy and the image used is of a model.

Helping a vulnerable teenager take charge of her life

‘Without an advocate who was able to explain the law and the options to her, she may not have had the confidence to express what she wanted for herself and regain control of her life.’

Lawyer, Mental Health and Disability Advocacy



About our client

As a child, Tricia* lived with a parent with a chronic mental illness. Growing older, the suicide of that parent never really left her thoughts.

When she was a teenager she moved out of home to live with John*. Although John told her he loved her, she was soon overwhelmed by his drug dependence and the violence she suffered at his hands.

Tricia avoided using drugs, but became depressed and tried to self-harm. She received some counselling but it did not prevent her from being found wandering the streets dehydrated and confused. She was admitted to a psychiatric unit.

Being diagnosed with a mental illness was particularly frightening for Tricia who was anxious about her future because of her family history of mental health issues.

The legal case

Tricia came to us for information and advice about involuntary mental health treatment, in particular in relation to a hearing before the Mental Health Review Board.

Our lawyer argued that Tricia would accept voluntary treatment, but the Board was concerned that she may not follow through with it because she didn't accept that she had a mental illness.

Involuntary treatment is only supported if certain conditions are met. Under the *Mental Health Act 1986* (Vic) these included a patient being a risk to themselves or others and that the person could not receive treatment in a less restrictive way.

Our lawyer worked with Tricia to give her the confidence to express her thoughts.

She was able to show the Board that she desperately wanted to get her life back on track, that she had fears of becoming itinerant and wanted to re-engage with education and pursue work. She valued the support of the treating team in helping her take the first step, but she wanted to work with them rather than be treated involuntarily.

The Board listened to Tricia and her lawyer, and decided Tricia could receive treatment voluntarily.

Tricia has now returned to study and feels positive about finding work in the future.

What this case shows

People suffering a mental illness can become further distressed by the need to accept involuntary treatment.

This case shows that therapeutic advocacy, where a lawyer approaches the issues holistically, can achieve positive results.

In this case, Tricia was meaningfully involved in determining whether she could accept treatment voluntarily. Through the process she developed a new confidence. She noted after the hearing that she would not have been able to express her views without the support of her lawyer.

* We have changed some elements of this story including our client's name to protect her privacy, and the image used is of a model.

Helping a separated couple agree on the best parenting plan for their son

'At Roundtable Dispute Management we help parents to make good decisions for their children, including using Kids Talk where needed. Kids Talk gives children a say and helps parents make arrangements that will then work for their children.'

Case manager, Roundtable Dispute Management



About our clients

After Abdul* and Sara* separated, their 11-year-old son David* remained living with Sara and saw Abdul irregularly. As Abdul and Sara could not agree on the amount of time David should spend with Abdul, Abdul saw a lawyer who applied for family dispute resolution at our Roundtable Dispute Management (RDM) service.

A case manager at RDM interviewed Abdul and Sara separately. Abdul wanted to spend time with his son but Sara said that David and Abdul had a poor relationship and that David was having counselling to manage anxiety and fears that his father would kidnap him.

The way forward

Following the interviews, Abdul and Sara had an RDM conference, chaired by a family dispute resolution practitioner, where they agreed for David to spend some supervised time with his father.

Abdul and Sara also agreed for David to take part in our Kids Talk program, where a child consultant meets with the children at the centre of their parents' dispute and talks to them about their current situation. The child consultant then gives feedback to the parents about the experiences, needs and wishes of their children. The aim of Kids Talk is for the parents to use this information to help them make safe, child-focused and practical parenting arrangements for their children.

The Kids Talk discussion with David revealed that he had started to feel more comfortable in his father's company, and that he was willing to spend more time with him.

At a second RDM conference, David's parents signed a new parenting plan, with the feedback from David's Kids Talk session a strong influence in the negotiations.

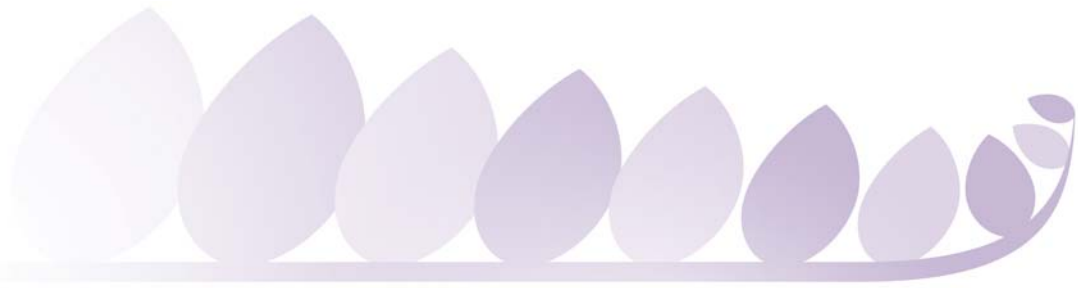
Abdul's time with David progressed to unsupervised time and they began to spend longer periods together.

What this case shows

By providing a safe environment and opportunities for thoughtful discussion, Roundtable Dispute Management can help parents work through conflict to achieve a child-focused parenting agreement.

Kids Talk provides a way for a child's voice to be at the heart of the discussions at an RDM conference. It can help parents make decisions that are in the best interests of their children.

* We have changed our clients' names to protect their privacy and the image used is of a model.



Our services

Preventative services for all Victorians

What we do

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

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

Our services

Our preventative services are free and include:

- our Legal Help telephone service, the main entry point to legal aid services, which provides legal information, advice and referrals
- our face-to-face information and referral service, available at all Victoria Legal Aid offices
- online and printed information through our website and publications
- targeted community legal education to increase people's knowledge of their legal rights and responsibilities and mitigate the escalation of legal disputes.

Key achievements

Improved assessment and referral by our Legal Help telephone service

This year we completed the transition of our Legal Help telephone service to a new and expanded triage model. We have transformed the way we assess client queries, adding more legal advice services upfront and connecting clients seamlessly with duty lawyer services and specialist advice sessions.

In 2013–14 the Legal Help telephone service took more calls than ever before. By the end of the financial year, we were providing referrals to legal aid services to more than 1000 people each month, matching clients with the right service on their first contact and removing the need for them to re-tell their stories at multiple entry points. Of the 94,151 callers helped this year, 8,917 received legal advice (an increase of 52%).

Our bilingual lawyers provided help in 18 different languages, increasing the number of callers helped in their own language without the need for an interpreter by 43%.



Consistent triage at all Victoria Legal Aid offices

We implemented our new triage model at our regional offices, ensuring that wherever people first contact us, they are consistently assessed and referred to the most appropriate Victoria Legal Aid service or to external legal or non-legal help. This more targeted process enables us to better focus our more intensive services where we can have the most impact, and to provide our less intensive services, such as information or referral, to appropriate clients sooner. It has seen an increase of over 30% in our telephone and face-to-face assessment and information services.



Collaborating to maximise impact in legal education

What's the law? Australian law for new arrivals, an education kit for use in the Adult Migrant English Program, was nominated for a Prime Minister's Migration Council Award for innovation and excellence. This project, started by Footscray Community Legal Centre, is part of a national strategy involving all legal aid commissions. We provide support and training for the kit's delivery nation-wide.

We continued to roll out Sex, Young People and the Law, a community legal education program addressing sexting, cyberbullying and consent, in schools across Victoria. This program, which began as a collaboration with Loddon Campaspe Community Legal Centre, has reached 2,369 students, teachers and youth workers. It has also been adopted by Legal Aid Western Australia.

We provided training to settlement agencies and collaborated with them to deliver 93 sessions of our Settled and Safe project to community groups. Settled and Safe is a family violence prevention project that uses community development principles to educate new and emerging communities about family law and family violence.



Embracing new media

We have reduced expenditure on print materials in order to focus more on digital media. We partnered with other organisations to develop e-learning resources and a smartphone app.

We launched Below the Belt, a smartphone app for young people on sexting, cyberbullying, consent and age of consent. Below the Belt, which was developed as part of a national project working with interstate legal aid commissions and community legal centres, has unique interactive features that appeal to young people.



Increased access to online legal information

The 'Find legal answers' pages of our website received over 2.5 million page views, providing plain language solutions to people with legal problems across Victoria. The pages also facilitated over 115,000 online referrals to other agencies for issues not dealt with by Victoria Legal Aid. Our 'Writing a character reference' page received over 100,000 views in 12 months, meeting a previously unmet legal need in the community. This is a leading example of a self-help resource that is available to everyone, allowing us to target our more intensive services for clients most in need.



Challenges

Accessibility of our Legal Help telephone service

Continued increase in caller demand meant that providing an accessible service at Legal Help was again a challenge throughout 2013–14. Accessibility improved in the second half of the financial year with more staff and as the new service model became more embedded.

In 2014–15 we expect to see continuing increases in demand for our Legal Help telephone service.

Outlook

In 2014–15 we will:

- improve accessibility to our Legal Help telephone service through increased and more flexible staffing and improved call centre technology
- continue to make use of technology to offer diverse community legal education tools and strategies that benefit and strengthen vulnerable communities
- provide resources and training to other service providers, such as medical practitioners and educators, to whom people often go for help with legal problems
- continue to embed our triage processes across the state
- continue to look for opportunities to provide online self help for people capable of managing their legal problems.

Preventative services: facts and figures

Performance against target* – community legal education and information services

Our performance this year against our target for providing legal information services either over the telephone or face-to-face (by number of matters) and via community education activities (by number of sessions) is as follows:

| 2013–14 target | 2013–14 outcome | % variance |
|----------------|-----------------|------------|
| 88,000 | 112,020 | +27.3 |

The significant variance can be largely attributed to the increased number of matters dealt with by our Legal Help telephone service and is consistent with the prevention and early intervention policy directions under the *National Partnership Agreement on Legal Assistance Services*.

* The 2013–14 Victorian State Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3 Service Delivery*. Victoria Legal Aid falls within the portfolio of the Department of Justice.

Legal Help telephone service

In 2013–14 our Legal Help telephone service dealt with:

- 94,151 calls (up by 15%)
- 109,327 matters (up by 22%) **NPA**

With investment in staffing and more streamlined systems, there has been an increase in calls and matters handled this year. This includes a 43% increase in calls through our expanded language lines, which offer help in 18 different languages.

Call wait time and call duration over two years

| Year | Average call wait time | Average call duration |
|---------|------------------------|-----------------------|
| 2013–14 | 3 minutes 28 seconds | 7 minutes 38 seconds |
| 2012–13 | 4 minutes 12 seconds | 8 minutes 45 seconds |

Average call wait time decreased steadily throughout the year, and in May and June we reached our target of people waiting on hold for an average of less than three minutes.

Average call duration also decreased steadily throughout the year due to the more efficient assessment and triage process. The result reflects speedier external and internal referrals on the one hand, balanced against more detailed advice and assistance on the other.

Legal information provided over two years*

| Year | Civil Law | Criminal Law | Family, Youth and Children's Law |
|------------|-----------|--------------|----------------------------------|
| 2013–14** | 47,325 | 23,750 | 40,501 |
| 2012–13*** | 39,260 | 18,016 | 32,187 |

* This data excludes legal information provided via our website, publications and targeted community legal education sessions. Data for these delivery methods is provided below.

** Data for 2013–14 covers information provided by telephone and face-to-face, and includes information provided in our regional offices.

*** Data for 2012–13 covers information provided by our Legal Help telephone service only, and does not include information provided in our regional offices. The change in reporting is a result of changes to data capture made through the implementation of our new triage model.

Top five legal information service matters*

| Matter type | Number of matters |
|-------------------------------------|-------------------|
| Spending time with children | 8,827 |
| Family violence intervention orders | 8,086 |
| Property settlement | 6,539 |
| Infringements | 6,038 |
| Who children live with | 4,550 |

* This data covers information services provided by telephone and face-to-face, and includes services provided in our regional offices.

Top five non-English languages

The top five non-English languages spoken by people contacting our legal information services by telephone or in person were:

- Mandarin
- Vietnamese
- Arabic
- Cantonese
- Hindi.

Client access and referrals

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

Our services referred 84,603 matters to appropriate external agencies (up by 19%). [NPA](#)

The top five referrals were to:

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

We also referred clients to non-legal services, including family relationship centres, Consumer Affairs Victoria, drug and alcohol counselling, dispute resolution, financial counselling and social welfare services.

For referrals from our website, see below.

Website and publications

We had 1,104,264 visits to our website (up by 4%), resulting in nearly 4.5 million page views.*

The top five online legal information matters were:

- going to court for a criminal charge
- traffic offences
- criminal offences
- family violence intervention orders
- powers of attorney and guardianship.

Our website pages also facilitated 115,774 online referrals to other agencies. The top five online referrals were to:

- Federation of Community Legal Centres – Find a CLC
- Fitzroy Legal Service Law Handbook – Wills
- Law Institute of Victoria – Find Your Lawyer Referral Service
- Women’s Legal Service Victoria
- Family Law Courts – Application for Divorce Kit.

We distributed 399,814 publications, 35% fewer than last year. This reduction is a result of discontinuing some publications and limiting the total number of publications that could be ordered via our website at any one time. These changes reflect new methods we have adopted for delivering legal education material, such as using apps for easy access on mobile devices, reaching many more people than conventional hard-copy publications as well as saving costs.

* A visit, also called a session, is a single visit to any part of a website by an individual visitor. A visitor may view several pages in one visit. A page view is a single view of any page by any visitor to the site.

Community legal education

We delivered 444 community legal education sessions to community groups, workers and educators (up by 27%), reaching 16,542 participants (up by 30%). [NPA](#)

We increased training activities to build the capacity of legal and non-legal staff to use our community education tools, reaching 3,197 workers and educators this year.

Early intervention services

What we do

Our lawyers provide free early intervention services to help people resolve their legal problems as early as possible and in some circumstances avoid the need for litigation.

Our services

Early intervention services include:

- legal advice sessions over the telephone or face-to-face at our offices or via outreach services
- minor assistance and advice (which includes advocacy services) when there is a need for some ongoing assistance and there is a tangible benefit for the client – such as looking over documents, providing written advice, making telephone calls, negotiating on a person's behalf or making a simple appearance before a court or tribunal.

Facts and figures

We provided 46,178 early intervention services (down by 11%) to 29,925 unique clients* (down by 12%).

The decrease in early intervention services is due to the significant steps we have taken over the last two years to improve efficiency and target services to people who need them most. We have continued to:

- support the in-house practice to do their own in-court advocacy and help resolve clients' legal problem(s) as early as possible, avoiding duplication of services
- prioritise clients according to their personal circumstances and level of disadvantage as well as their legal issue.

* These are clients who accessed one or more early intervention services during the year.

Performance against target*

Our performance this year against our target for providing legal advice (by number of distinct advice sessions) and minor assistance (by number of work files) is as follows:

| 2013–14 target | 2013–14 outcome | % variance |
|----------------|-----------------|------------|
| 47,000 | 46,178 | -1.7 |

The small variance is due to the deliberate policy decision to prioritise people most in need by taking into account personal circumstances, level of disadvantage and the nature of their legal problem.

* The 2013–14 Victorian State Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3 Service Delivery*. Victoria Legal Aid falls within the portfolio of the Department of Justice.

Legal advice and minor assistance over two years

| Year | Legal advice | Minor assistance | Total |
|---------|--------------|------------------|--------|
| 2013–14 | 40,090 | 6,088 | 46,178 |
| 2012–13 | 41,970 | 9,628 | 51,598 |

Key achievements

Earlier and more effective intervention

We have continued to invest in early intervention services that help people understand and deal with legal issues before they compound and escalate. Experiencing difficulty finding and accessing the right legal service – often called ‘getting stuck on the referral roundabout’ – can be a major barrier to someone resolving their legal problems.

With the statewide rollout of our triage model, including a new approach to assessment, intake and referral, we are starting to see positive results. We are able to identify priority clients earlier and better assess their legal and non-legal needs. This reduces reassessment and enables properly targeted legal advice at the earliest possible opportunity, saving costs elsewhere in the justice system.

The triage model ensures a consistent, efficient and person-centred approach to assessing clients’ needs across all Victoria Legal Aid offices.



Outreach services in the north-east suburbs

Following the closure of our Preston office in June 2013, we have been providing outreach services in Melbourne’s north at Whittlesea Community Connections. These services cover criminal, civil and family, youth and children’s legal matters. This arrangement, which is the first of its kind between Victoria Legal Aid and a community legal centre, recognises the significant and growing legal need in the Whittlesea region.



Challenges

Co-ordinating and targeting services across Victoria

Forecasting demand by geographical areas of disadvantage to appropriately co-ordinate and target services that focus on early resolution has been and will continue to be a significant challenge. We will persist in using innovative ways to increase our service coverage, such as providing outreach services alongside other community services, targeting areas where legal need is unmet for reasons such as changes in socio-economic conditions, population growth and a lack of legal infrastructure.

Outlook

In 2014–15 we will:

- develop a more rigorous approach to planning, implementing and evaluating outreach services
- continue to implement organisation-wide approaches targeting early intervention services consistently and equitably across the state.

Family dispute resolution services

What we do

We help parents and other adult family members resolve substantial family disputes about:

- parenting arrangements and children's issues
- division of property (where parents have superannuation or a home mortgage)
- partner maintenance
- child support or adult child maintenance.

Our service

Our family dispute resolution service is provided through Roundtable Dispute Management (RDM). This service involves a family dispute resolution practitioner chairing a conference to discuss the family's dispute and help them make decisions that are in the best interests of the children.

Each party usually has a lawyer to help them make decisions and to provide legal advice. Clients may have to pay for their lawyer's fees if they do not have a grant of legal assistance. In some cases RDM can access a lawyer for a client under arrangements we have with the Family Law Legal Service.

Most RDM conferences occur at an early stage in family law matters, avoiding the need to go to court. However, in appropriate matters, conferences can also occur during court proceedings (called litigation intervention conferences) to help settle the dispute before a final hearing.

Facts and figures

We provided 1,190 family dispute resolution conferences (down by 2%) with a settlement rate* of 88%. This has grown from 810 conferences five years ago.

* Settlement rate is based on settlement of some or all issues in a dispute on an interim or ongoing basis.

Family dispute resolution services over two years

| Year | Number of services | Settlement rate |
|---------|--------------------|-----------------|
| 2013–14 | 1,190 | 88% |
| 2012–13 | 1,217 | 88% |

The slight decrease in the number of conferences this year reflects the changes to our eligibility guidelines that took effect in April 2013. However, we continue to conduct a significant number of conferences overall and demand for services remains high.

Key achievements

High volume of conferences in complex cases

With our family dispute resolution services increasingly targeted to people most in need, we have been handling some of the most complex cases that have ever come through RDM. Case management, risk assessment and referral ensure that these cases (commonly involving family violence and mental health issues) are appropriately managed. We are seeing a greater number of

cases referred during litigation, including a limited number of urgent, high-conflict Hague Convention (child abduction) disputes.



Successful client referrals to child-focused information sessions at Family Relationship Centres

Following the establishment of a client referral arrangement with Family Relationship Centres across Victoria in late 2012–13, 135 RDM clients accessed child-focused information sessions run by the centres this year. Feedback from client surveys has been very positive, with many parents saying the sessions helped them to focus more on their children’s needs during their RDM conference.



Challenges

Increasing client access while maintaining the timeliness of services

While changes to eligibility guidelines and the expanded membership of the RDM Chairpersons Panel have improved the timeliness of our family dispute resolution services, our ongoing challenge is to increase client access without jeopardising this timeliness.

Outlook

In 2014–15 we will continue to provide timely and high quality family dispute resolution services in both early intervention and litigation intervention conferences facilitated by our experienced chairpersons.

We aim to increase efficiency and client access through:

- investing in significant upgrades to information and communication technology systems to streamline and integrate data entry, case management and conference bookings, to help increase caseload capacity
- source additional venues for running family dispute resolution conferences in regional areas.

Duty lawyer services

What we do

We have lawyers on 'duty' at many courts and tribunals across Victoria. These duty lawyers help people who are at court for a hearing but do not have their own lawyer.

Our services

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

Facts and figures

We provided 71,944 duty lawyer services (up by 10%). Duty lawyers may be Victoria Legal Aid staff or private lawyers we fund.

Victoria Legal Aid staff lawyers provided 65,727 services (up by 12%) to 44,451 unique clients* (up 6%).

* These are clients who accessed one or more duty lawyer services during the year.

Performance against target*

Our performance this year against our target for providing duty lawyer services (by number of sessions provided by Victoria Legal Aid lawyers and private practitioners accredited to provide duty lawyer services on our behalf) is as follows:

| 2013–14 target | 2013–14 outcome | % variance |
|----------------|-----------------|------------|
| 74,000 | 71,944 | -2.8 |

The small variance to target is due to a number of changes to duty lawyer services across a number of jurisdictions implemented during 2012–13, which continued to influence service delivery during 2013–14. The final outcome, however, is an increase in duty lawyer services (10%) compared to 2012–13.

* The 2013–14 Victorian State Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3 Service Delivery*. Victoria Legal Aid falls within the portfolio of the Department of Justice.

Duty lawyer services over two years

| Year | Victoria Legal Aid lawyers | Private lawyers | Total |
|---------|----------------------------|-----------------|--------|
| 2013–14 | 65,727 | 6,217 | 71,944 |
| 2012–13 | 58,581 | 6,722 | 65,303 |

The increase in duty lawyer services is a result of changes to the eligibility guidelines implemented during 2012–13. We now provide duty lawyer services to clients who in the past would have been eligible for a grant of legal assistance, ensuring that people most in need are prioritised for grants.

Key achievements

More duty lawyer services for more priority clients in summary crime

This year we consolidated and embedded changes to the adult summary crime duty lawyer services implemented in 2012–13. These changes ensure that people facing the most serious charges and those most in need are prioritised. This year we achieved improvements in service capacity and staff skills to help clients with more complex needs, and have seen an increase in access to our services by priority clients.



Collaboration delivers family violence duty lawyer services in Shepparton

Following a review of family violence duty lawyer services in the Shepparton Magistrates' Court, lawyers from our Shepparton office and the Goulburn Valley Community Legal Centre now provide the services. Lawyers from both practices see a mix of applicants and respondents. They have also undertaken specific training in child contact disputes between parents, resulting in an even higher standard of service, with more cases settling early and better outcomes for families.



Revised income test for duty lawyer services

This year we aligned the income test for eligibility for our duty lawyer services with the income test for a Commonwealth Government Low Income Health Care Card. This also makes it consistent with the income test for our advice and minor assistance services. The common income test supports consistent client triage and ensures people living on a low income are prioritised for our duty lawyer and advice services.

As they are among our priority client groups, children and anyone in detention (including psychiatric settings, prison and police custody) are not subject to the income test. The income test also does not apply to duty lawyer services for family violence intervention orders and urgent family law matters.



Challenges

Preventing escalating court proceedings in family violence cases

Preventing further or escalating court proceedings in family violence cases continues to be a challenge. Effective and appropriate referrals to behavioural change programs or to the Men's Referral Service are a critical step in helping clients stay out of other jurisdictions, such as criminal or family law courts.

Responding to increased demand for summary crime duty lawyer services

We are anticipating greater demand on our summary crime duty lawyer services as a consequence of increased police and court activity. We also expect the depth and breadth of current legislative reform to create additional pressure on our duty lawyer services, possibly resulting in resourcing implications.

Outlook

In 2014–15 we will continue to assist as many clients as possible, focusing on priority clients and providing less intensive services, such as information and advice, for people who are able to represent themselves at court.

We will continue to aim to resolve matters on the first day a person comes into contact with the service, unless it is impractical or unreasonable to do so.

Grants of legal assistance

What we do

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

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

Grants are provided for certain criminal, family and civil law matters.

Our service

We receive applications for grants of legal assistance and determine whether the applicant is eligible based on:

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

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

Facts and figures

We provided 33,463 grants of legal assistance (down by 16%) to 25,842 unique clients* (down by 13%).

* These are clients who accessed one or more grants of legal assistance during the year.

Performance against targets*

Our performance this year against our target for providing grants of legal assistance is as follows:

| 2013–14 target | 2013–14 outcome | % variance |
|----------------|-----------------|------------|
| 40,500 | 33,463 | -17.4 |

The variance is due to the reduction in approvals for grants being greater than forecast as a result of our eligibility guidelines changes.

Our performance this year against our target for processing applications for legal assistance within 15 days is as follows:

| 2013–14 target | 2013–14 outcome | % variance |
|----------------|-----------------|------------|
| 95% | 89% | -6.0 |

The changes to our eligibility guidelines mean that only increasingly complex matters qualify for grants of legal assistance. As a result of this targeted approach, an increasing proportion of grants are more resource intensive. The above outcome also reflects a focus this year on increased compliance activity, with more compliance checks conducted on our in-house lawyers and on private practitioners on our specialist panels, to ensure the correct application of our funding guidelines.

* The 2013–14 Victorian State Budget sets a number of output performance measures and targets for departments and their agencies and statutory bodies in *Budget Paper 3 Service Delivery*. Victoria Legal Aid falls within the portfolio of the Department of Justice.

Grants of legal assistance over two years

| Year | Victoria Legal Aid lawyers | Private lawyers* | Total |
|---------|----------------------------|------------------|--------|
| 2013–14 | 9,760 | 23,703 | 33,463 |
| 2012–13 | 10,227 | 29,555 | 39,782 |

* This includes grants of legal assistance to community legal centres.

The decrease in grants of legal assistance reflects the impact of changes to the eligibility guidelines for family, civil and criminal law matters that came into effect in early 2013.

Key achievements

Opening of our specialist panels

This year we reached a milestone in our Panels Project when we opened our section 29A Indictable Crime, Summary Crime, Independent Children’s Lawyer and Child Protection panels to private law firms and community legal centres. The Child Protection Panel replaces the Children’s Court (Family Division) Panel.

These panels are exclusive, which means that grants for matters covered by each one can only be allocated to members of that panel. This ensures that clients are represented by practitioners with the appropriate skills, capacity and experience to be doing high quality work on the types of matters covered by each panel. It also increases our ability to monitor the quality of work done and improves knowledge of and confidence in the professional competence of practitioners who act for legally aided clients.

The introduction of the Youth Crime Subset of the Indictable Crime and Summary Crime panels recognises the specific skills and knowledge practitioners require to meet the unique needs of this client group.



Challenges

Ensuring compliance with grants guidelines

One of our key challenges is to ensure that practitioners on our specialist panels continue to correctly apply our eligibility guidelines, comply with panel membership conditions, and obtain and retain sufficient documentary proof in support of their decisions to recommend a grant of legal assistance. We need to support these practitioners to make appropriate recommendations for legal assistance in accordance with the changes to the eligibility guidelines made last year.

This year we reviewed our framework for conducting compliance checks of practitioners' files. Given our limited funding, we must continue to ensure that legal assistance is granted to people who are most at risk and vulnerable. Conducting checks to ensure compliance with our eligibility guidelines and panel membership requirements is part of the effective and economic management of the Legal Aid Fund.

Outlook

We remain committed to ensuring that quality legal aid services are delivered to our clients. In 2014–15 we will:

- ensure that our practice standards and the requirements for membership on our specialist panels continue to be met
- continue to provide support and assistance to firms and practitioners to ensure compliance with our eligibility guidelines and funding requirements, and to identify and resolve any potential issues before they escalate
- ensure compliance checks are targeted to firms and practitioners that have previously demonstrated non-compliance, with fewer checks required of firms that have demonstrated strong compliance.

Victoria Legal Aid Chambers

What we do

We provide high quality advocacy for legally aided clients in civil, criminal and family, youth and children's law matters. We also conduct strategic litigation to remedy a legal problem or change a policy or process to benefit an individual client and the broader community.

Our services

Victoria Legal Aid Chambers:

- provides high-level in-court advocacy for clients with a grant of legal assistance in civil, criminal and family, youth and children's law
- advises on and conducts strategic and test case litigation to challenge the law
- provides merits advice on complex applications for grants of legal assistance
- co-ordinates briefing and advocacy across Victoria Legal Aid's legal practice
- implements initiatives to ensure quality advocacy for legally aided clients, including the Trial Counsel Development Program and Block Briefing pilot project.

Chambers' advocates are also involved in justice and law reform activities.

Facts and figures

- Our advocates appeared in approximately 2,000 cases, including 91 County Court criminal trials (23 in regional Victoria) and 13 Supreme Court criminal trials (one in regional Victoria).
- 49% of significant cases were briefed to female barristers (down by 3%).
- Our Trial Counsel Development Program funded 15 criminal trials. In 11 of those trials, junior counsel was a female member of the Victorian Bar.

Key achievements

Co-ordinated briefing in serious criminal cases

We developed and implemented co-ordinated briefing practices, ensuring that all serious criminal cases undertaken by our staff practice pass through Victoria Legal Aid Chambers for briefing to one of our advocates or, if none are available, to the private Bar.

This has had the dual effect of ensuring that our advocates are effectively used by the staff practice and that external advocates are suitably chosen. As a result we can more effectively develop talented counsel and promote good briefing practices.



Continuous improvement to ensure clients receive high quality advocacy in court

With the co-operation of the County Court, we implemented an advocacy performance review process, in which our advocates nominate a piece of their oral advocacy, such as a plea in mitigation or a closing address in a trial, for peer review. The County Court supplies a DVD recording of the

advocate's performance, which the advocate and another senior advocate from Victoria Legal Aid Chambers watch together, exploring the approaches, style and structure of the performance.

The emphasis on quality is underscored by a commitment to efficiency, with Victoria Legal Aid Chambers achieving 97% total cost recovery for the period.



Helping regional Victorians with quality representation and timely justice

We completed our Block Briefing pilot and evaluated the project. Under the pilot, a single barrister was retained for the entirety of a regional County Court criminal circuit. The barrister was briefed by solicitors from our staff practice and by private practitioners in receipt of a grant of legal assistance, and appeared in criminal trials, plea hearings and appeals.

The pilot received strong and favourable judicial feedback, with judges reporting that it increased the efficiency of the circuit and provided a single point of contact for all matters. The evaluation demonstrated that the cost of a block-briefed circuit was comparable to the cost of the same circuit briefed in the conventional manner. The pilot will continue in 2014–15 in different regional courts. Over the next year, we will increase data collection and experiment with different methods of providing advocates to continue to maximise the efficient use of circuit court time while increasing the quality of services provided.



Challenges

Co-ordinated briefing in family law and civil justice matters

Developing and deploying a co-ordinated briefing policy in family law and civil justice matters will be a challenge in 2014–15. It will require careful analysis to determine the areas of legal need in which our advocates would be best placed to assist clients, followed by policy development and implementation across the staff practice.

Outlook

In 2014–15 we will:

- continue to embed Victoria Legal Aid Chambers within the staff practice by increasing its capacity to assist clients in family law and civil justice matters
- increase the role of Victoria Legal Aid Chambers in developing the skills within the staff practice to deliver quality advocacy for clients, through both direct mentoring and role-modelling of best practice in advocacy
- continue to provide advocates to assist regional practitioners
- continue to work collaboratively with the courts to develop and deliver innovative solutions to reduce delay in regional criminal circuits and ensure timely justice for clients.

Strategic advocacy

What we do

We are committed to working on the justice system as well as within it. Under the *Legal Aid Act 1978* (Vic) we are required to seek innovative means of providing legal assistance to reduce the need for individual legal services. We are also required to provide the community with improved access to justice and legal remedies. One way of achieving this is by pursuing improvements in law and policy that result in better outcomes for our clients and the community more broadly.

Our services

We work to address systemic problems and improve the operation of the justice system through strategic litigation and casework, law reform submissions and engagement with stakeholders and the media.

This work is informed by our broad practice in civil, criminal and family, youth and children's law. Our extensive practice experience means we are uniquely placed to identify patterns that expose opportunities for reform.

Based on the issues faced by our clients, our priority areas in 2013–14 were:

- vulnerable people and fines
- better administrative decision-making
- access to justice for people with a mental illness or disability
- appropriate interventions for children and young people.

Facts and figures

We continued to assist governments and reviewing bodies in making improvements to the law by providing high quality, evidence-based submissions on issues affecting our clients. This year we made 23 law reform submissions, seven of which were made jointly with National Legal Aid.

For the full list of submissions, see Appendix 3 (p. 158–159).

Key achievements

Contributions to the Productivity Commission inquiry into Access to Justice Arrangements

A particular focus of our work this year has been our contribution to the Productivity Commission's inquiry into Access to Justice Arrangements in Australia.

Although the inquiry is far-reaching, we consider it to be a 'once in a generation' opportunity for authoritative economic modelling to determine how much extra investment is needed to meet the legal needs of disadvantaged Australians. In light of this, we have contributed extensively to the inquiry, both as an individual organisation and as part of National Legal Aid, and participated in the public hearings.

Our submissions highlighted the:

- significant benefits associated with investment in the legal assistance sector
- importance of the mixed model of service delivery (comprising private practitioners, community legal centres and a Victoria Legal Aid staff practice)
- efficiency and effectiveness of well-executed strategic advocacy
- financial pressures that have resulted in restricting access to justice to some disadvantaged Victorians.

The Productivity Commission's draft findings validated a number of our assertions, particularly around the net benefit associated with investment in the legal assistance sector and the perspective that strategic advocacy should be considered as core business by legal aid commissions and community legal centres. We look forward to considering the Productivity Commission's final report in September.



Working with clients to highlight the problem of pregnancy discrimination

We invited clients to tell their personal stories of pregnancy discrimination as part of the Australian Human Rights Commission's National Review of Pregnancy and Return to Work. Our submission used these compelling stories to highlight barriers our clients faced when seeking fair outcomes in cases where they had been discriminated against in the workplace due to their pregnancy. The stories also demonstrated the significant impact the discrimination had on our clients' lives.

We supported the submission with a targeted and successful media strategy that focused on print, broadcast and online media to help bring wider community recognition to the problems experienced by our clients. We also sought opportunities to provide expert commentary and to support stakeholder initiatives to highlight the extent of pregnancy discrimination.

The Australian Human Rights Commission report was released outside the financial year on 25 July 2014. It adopted a number of our recommendations, including those relating to legislative amendments to require employers to make reasonable adjustments for pregnant employees and to reasonably accommodate flexible working arrangements for employees with family responsibilities. The report also reflected our emphasis on the importance of employers and employees having access to information about their rights and obligations.



Recommendations to the review of the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997 (Vic)*

We are one of the primary providers of legal services for people subject to processes under the *Crimes (Mental Impairment and Unfitness to be Tried) Act 1997 (Vic)*. The Act balances the need to safeguard the rights of an accused person to a fair and just outcome with the need to protect the community from the acts of mentally impaired offenders.

In our contributions to the Victorian Law Reform Commission's review, we recommended improved pathways to treatment, rehabilitation and reintegration to the community through the greater use of civil supervision and treatment regimes as an alternative to existing orders. We also suggested a number of changes to simplify and streamline processes under the Act, to improve the efficiency of

proceedings and reduce delays in a manner that upholds the rights of accused people who are mentally impaired.

The report was tabled in parliament outside the financial year on 21 August 2014. The report accepted a number of our recommended changes to the Act, including extending the operation of the Act to the Magistrates' Court, improving the suitability of the Act for people with an intellectual disability or cognitive impairment and streamlining processes to see the Act operate more effectively and efficiently for people who are unable to understand or control the behaviour that led to their involvement in the criminal justice system.



Strategic litigation to clarify the law around involuntary treatment orders

When appropriate, we take on individual cases to test or challenge the law, with the dual purpose of helping our individual client and addressing a broader systemic issue. This can benefit many people in a single action by helping others in similar circumstances to our client and by preventing legal problems from arising in the first place.

This year we initiated proceedings on behalf of an involuntary psychiatric patient who was discharged from involuntary orders by the Mental Health Review Board (MHRB), only to be recertified for involuntary treatment by a psychiatrist just hours later, despite no material change in the client's circumstances. This case, which is ongoing, is seeking to clarify the circumstances in which the MHRB's orders can be set aside by a treating psychiatrist. It has the potential to help thousands of Victorians who are ordered into involuntary psychiatric treatment every year when they are detained or treated against their will.



Working with stakeholders and the media

A key pillar to our strategic advocacy is working with our partners in the justice and social sectors to advance an issue of mutual concern and using the media to communicate our work to the broader community. See 'Engaging with the community and stakeholders' (p. 88–89) for more about our consultation and engagement processes.

In his presentation to the [International Conference on Access to Justice and Legal Services](#) in June this year, our Managing Director, Bevan Warner, spoke of the benefit of broadcasting the outcomes of strategic advocacy to ensure taxpayers understand the value of our work beyond representing individual clients.

Bevan outlined the importance of engaging the media to help the community understand how to obtain the protection of the law or how to hold government agencies or private interests to account for unfair decisions or practices. More broadly, his paper described how effective strategic advocacy can deliver significant improvements to the operation of laws in a cost-effective way, citing a number of examples where Victoria Legal Aid achieved beneficial systemic change for clients and the broader community.



Civil Justice program

What we do

Our work in civil and administrative law aims to contribute to a fairer, more inclusive and rights-respecting community.

We deal with matters such as social security, mental health, guardianship and administration, infringements, immigration, tenancy, debt, discrimination, sexual harassment and victims of crime.

Our services

The Civil Justice program's objectives are to:

- 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 courts, tribunals and review boards.

Clients

- 12,113 unique clients* (down by 11%)
- 19% presented with two civil law problems and 11% with three to five
- 3,865 or 32% from culturally and linguistically diverse backgrounds**
- 210 or 2% from Aboriginal or Torres Strait Islander backgrounds

We provided less one-off advice on a broad range of civil law issues and more duty lawyer services and grants of assistance in our specialist practice areas. Many people who would previously have received one-off advice instead received tailored legal information and an appropriate referral from our assessment and information services, but are not included as unique clients.

* These are clients who accessed one or more services during the year, including early intervention services, duty lawyer services and grants of legal assistance.

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

Gender and age profile

| Age | Male | Female | Total |
|-------|-------|--------|-------|
| 0–15 | 78 | 57 | 135 |
| 16–24 | 867 | 554 | 1,421 |
| 25–34 | 1,997 | 1,430 | 3,427 |
| 35–44 | 1,764 | 1,281 | 3,045 |
| 45–54 | 1,190 | 959 | 2,149 |
| 55–64 | 671 | 514 | 1,185 |
| 65+ | 434 | 317 | 751 |

Program operating expenditure*

| Income sources | Expenditure | % expenditure |
|----------------|-----------------------|-----------------------------------|
| Commonwealth | 4.7 million | 11.2% of Commonwealth expenditure |
| State | 7.2 million | 7.9% of state expenditure |
| Total | \$11.9 million | 9.0% of total expenditure |

* This excludes expenditure for community legal centres.

Key achievements

Increasing access to justice for clients with a mental illness

We helped more clients with a mental illness through a significant increase in representations (via duty lawyer services and grants of legal assistance) before the Mental Health Review Board (MHRB), undertaking 653 representations (up by 31%). This included an 18% increase in representations for clients living in regional areas. We also provided 2129 legal advice sessions in relation to MHRB matters (up by 26%), including a 38% increase in advice to clients living in regional areas.

We were able to represent more people due to the growth of our Mental Health and Disability Advocacy program, made possible by a three-year grant from the Victorian Government and re-investment of savings made in other areas. We now have specialist lawyers in our offices in Dandenong, Geelong, Bendigo and Melbourne, and provide extra support to our lawyers in other regional offices. We have also expanded our practice to include clients on community treatment orders and set up pilot clinics in community mental health facilities.



Better civil law help in regional areas

Responding to the lack of specialist civil law services in regional and outer-suburban areas, we:

- placed specialist mental health lawyers in Bendigo, Dandenong and Geelong for the first time
- continued to provide outreach legal advice services across Victoria with a focus on clients with Centrelink problems
- established new civil law outreach services at the Victorian Aboriginal Legal Service in Preston and Whittlesea Community Connections in Epping
- continued to run equality law roadshows in suburban and regional areas, raising awareness among partner organisations of anti-discrimination law and our services
- began providing migration law services in Bendigo (see below).



Helping families reunite

Working with the Bendigo Community Health Service, we piloted a service providing family reunion migration advice and casework assistance to newly arrived communities in the Bendigo area. This included a number of community legal education sessions on family reunion rights, individual advice appointments, and, in some cases, help with preparing visa applications. We are evaluating the

service to determine whether it provides a model for improving community understanding of family reunion migration rights and options.



Preparing for effective legal responses to disaster

We built on our experience following the Black Saturday bushfires to prepare an effective legal response to disaster. This included working with our partners in Disaster Legal Help Victoria to ensure that well-prepared volunteers are available to provide tailored advice on insurance claims as part of disaster recovery.

We provided advice to clients affected by the January and February 2014 bushfires at community meetings in Laharum and Romsey.



Challenges

Lack of civil law services in outer-suburban and regional areas

Our submission to the Productivity Commission's inquiry into Access to Justice Arrangements in Australia identified unmet legal need in civil law matters as an ongoing issue to be resolved. We noted that many deserving clients miss out on civil law services because they fall short of eligibility requirements such as the means test, and that gaps in civil law services are particularly acute in regional and outer-suburban areas.

Future challenges

In 2014–15 we expect to see:

- a significant increase in the number of hearings before the new Mental Health Tribunal under the new Mental Health Act
- increased demand for legal advice and representation in relation to mental health matters as we better establish and communicate our services for clients on community treatment orders
- increased demand for legal advice on a range of migration matters, with changes in the law and a reduction in funded services in other parts of the legal assistance sector
- significant changes to the law in relation to Centrelink payments, announced in the Commonwealth Budget, that may increase demand for our services
- an increase in National Disability Insurance Scheme matters at the Administrative Appeals Tribunal.

Outlook

We will continue to expand our Mental Health and Disability Advocacy program and tailor our services in response to the new Mental Health Act, which commenced on 1 July 2014.

We will consolidate and focus our civil law practice across the state, providing greater consistency in our network of offices, while allowing for local responses to local legal need.

Civil Justice sub-programs

Commonwealth Entitlements

We assist eligible people to access income support and entitlements and challenge unfair administrative decisions by Centrelink and the Department of Veterans' Affairs by providing quality legal advice and representation, and by encouraging agencies to administer systems that treat clients fairly and respectfully.

We also assist people to navigate the social security prosecution system, and aim to influence the system to be efficient, fair and respectful to accused people.

Equality

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

Mental Health and Disability Advocacy

We aim to 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 rights of people to participate in decisions that affect them.

Migration

We assist new migrant citizens and asylum seekers and other vulnerable non-citizens by providing community legal education to understand the law, and appropriate legal assistance and other forms of advocacy to obtain just outcomes.

Social Inclusion

We contribute to the alleviation of poverty and social exclusion by providing advocacy to help resolve problems that would otherwise lead to entrenched disadvantage, including problems relating to debt, tenancy, infringements and experience as a victim of crime.

Sub-program operating expenditure

| Sub-program | Operating expenditure | % of total expenditure |
|---------------------------------------|-----------------------|------------------------|
| Commonwealth Entitlements | \$2.8 million | 2.1% |
| Equality | \$1.6 million | 1.2% |
| Mental Health and Disability Advocacy | \$2.4 million | 1.8% |
| Migration | \$2.0 million | 1.6% |
| Social Inclusion | \$3.1 million | 2.3% |
| Civil Justice program | \$11.9 million | 9.0% |

Civil Justice services: facts and figures

Assessment and information services

Our telephone and face-to-face assessment and information services dealt with 47,203 civil law enquiries (up by 25%), covering 49,267 civil law matters (up by 25%). [NPA](#)

Referrals

We referred 34,928 matters* to appropriate external agencies (up by 17%). [NPA](#)

The top five referrals were:

- generalist community legal centres
- specialist community legal centres
- the Law Institute of Victoria
- private practitioners
- Victorian courts.

We also referred clients to non-legal services, including Consumer Affairs Victoria, financial counsellors, other state government departments, and housing, health and employment services.

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

Free legal advice

We provided 14,581 legal advice, minor assistance and advocacy services (down by 12%). [NPA](#)

The reduction reflects a shift to provide people with tailored legal information and appropriate referrals where possible, rather than one-off advice, so we can focus more on providing intensive services, such as duty lawyer services and grants of legal assistance, to people who need them most.

Number of duty lawyer services for civil matters [NPA](#)

| Legal provider | Number of services | % change* |
|----------------------------|--------------------|---------------|
| Victoria Legal Aid lawyers | 4,423 | 12% up |
| Private practitioners | 2 | 50% down |
| Total | 4,425 | 12% up |

* Percentage change is based on comparison with 2012–13.

Civil in-house duty lawyer services

- 68% of duty lawyer services were provided for infringement cases, of which 63% were handled by our regional offices.
- 8% of duty lawyer services were provided at the Victorian Civil and Administrative Tribunal, of which 74% dealt with tenancy disputes.

Number of grants of legal assistance for civil matters NPA

| Legal provider | Number of grants | % change* |
|----------------------------|------------------|--------------|
| Victoria Legal Aid lawyers | 791 | 13% up |
| Private practitioners | 236 | 14% down |
| Community legal centres | 85 | 12% up |
| Total | 1,112 | 6% up |

* Percentage change is based on comparison with 2012–13.

Number of grants by sub-program

| Sub-program | Number of grants | % change* |
|---------------------------------------|------------------|--------------|
| Commonwealth Entitlements | 126 | 20% up |
| Equality | 75 | 1% down |
| Mental Health and Disability Advocacy | 134 | 35% up |
| Migration | 77 | 25% down |
| Social Inclusion | 700 | 5% up |
| Total program | 1,112 | 6% up |

* Percentage change is based on comparison with 2012–13.

Services provided by private practitioners

- Private practitioners received 21% of the grants of legal assistance for civil matters.
- 69% of these cases were assigned to 20 private practitioner firms.
- Total expenditure for civil law matters paid to private practitioners was \$0.5 million.
- 80% of the total private practitioner expenditure was by 20 private practitioner firms.

Top five matters*

| Matter type | Number of matters |
|-------------------------------|-------------------|
| Infringements | 11,059 |
| Tenancy | 4,274 |
| Miscellaneous civil matters** | 3,785 |
| The law in general*** | 2,371 |
| Other contract matters**** | 2,242 |

* This includes matters for our telephone service, early intervention services, duty lawyer services and grants of legal assistance.

** Miscellaneous civil matters includes civil litigation at the Magistrates' Court, consumer matters, civil claims at the Victorian Civil and Administrative Tribunal, Working with Children Checks and freedom of information requests.

*** The law in general includes issues such as commercial law, wills and trusts – we do not fund representation for these matters, but receive requests for information and advice about them.

**** Other contract matters may include building disputes, employment contracts, insurance, loans or consumer disputes.

Criminal Law program

What we do

We provide high quality legal advice and representation for people charged with criminal offences who cannot otherwise afford it and who meet our eligibility criteria, focusing on people who are disadvantaged or at risk of social exclusion. We also:

- influence the criminal justice system to provide timely justice, the fair hearing of charges and appropriate outcomes
- ensure that people charged with offences are treated with dignity, are well-informed and are guided appropriately through the criminal justice system
- improve community understanding of criminal justice and behavioural issues.

Our services

The Criminal Law program's core services are to provide:

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

Clients

- 46,016 unique clients* (down by 5%)
- 23% presented with two criminal law problems and 18% with three to five
- 9,795 or 21% from culturally and linguistically diverse backgrounds**
- 1,759 or 4% from Aboriginal or Torres Strait Islander backgrounds

* These are clients who accessed one or more services during the year, including early intervention services, duty lawyer services and grants of legal assistance.

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

Gender and age profile

| Age | Male | Female | Total |
|-------|--------|--------|--------|
| 0–15 | 1,206 | 407 | 1,613 |
| 16–24 | 10,500 | 2,646 | 13,146 |
| 25–34 | 10,671 | 2,823 | 13,494 |
| 35–44 | 7,741 | 2,376 | 10,117 |
| 45–54 | 3,827 | 1,262 | 5,089 |
| 55–64 | 1,368 | 365 | 1,733 |
| 65+ | 687 | 137 | 824 |

Program operating expenditure*

| Income sources | Expenditure | % expenditure |
|----------------|-----------------------|-----------------------------------|
| Commonwealth | \$3.9 million | 9.4% of Commonwealth expenditure |
| State | \$66.3 million | 72.6% of state expenditure |
| Total | \$70.2 million | 52.7% of total expenditure |

* This excludes expenditure for community legal centres.

Key achievements

Working collaboratively to ensure our summary crime services continue to reach those most in need

We continued to embed our new approach to adult summary crime duty lawyer services, which has seen an increase in access to our duty lawyer services by those most in need and facing the most serious charges. The introduction of new client appointment guidelines has also provided greater clarity and consistency, prioritising those facing serious penalties or experiencing acute disadvantage.

We worked quickly and productively with the Magistrates' Court of Victoria, Victoria Police Prosecutions and the Department of Justice to commence a pilot of weekend remand hearings. This has reduced delays and uncertainty for our clients and has eased some of the pressure on our staff, custodial services and the courts.



Delivering high quality criminal trials

Our Delivering High Quality Criminal Trials project seeks to ensure our major expenditure on jury trials delivers high quality legal services for clients facing serious criminal charges, efficiency for the courts and value for money for the community.

The project has involved extensive engagement with a broad range of justice stakeholders through the development of a consultation paper and public submissions process. We have also had ongoing discussions with the courts, the Victorian Bar and the Law Institute of Victoria. The consultation process is focusing on how to improve the quality of preparation and advocacy, and to address systemic challenges that contribute to delay, longer trials and late resolution.

The consultation paper was downloaded 627 times from our website. Following analysis of public submissions and further consultation with key stakeholders, we expect to announce the outcomes of this project in late 2014.



Reviewing higher court appeal processes

We commenced a review of legally aided appeals against sentence and the outcomes of these appeals for the 2013 calendar year. This review will determine whether there should be changes to guidelines or internal processes to ensure we only fund appeals with merit. Our aim is to ensure that our higher court appeal processes strike the right balance between community concerns, the court's needs and the rights of accused people. We expect to release a public report on the review in late 2014.

We continue to be actively involved in reforms that have resulted in fewer appeals and shorter appeals processes. This means less trauma for victims of crime and their families, certainty for accused people and swifter justice at a reduced cost to the community.



Promoting best practice and advocating for youth diversion

We delivered intensive day-long training sessions to over 100 private practitioners, promoting best practice in the delivery of holistic legal services to young people and supporting the opening of Victoria Legal Aid's more rigorous youth crime panels. The training allowed us to consolidate relationships with existing private practitioners and to establish important connections with new practitioners, particularly in regional and remote areas.

We have also prioritised our strategic advocacy to promote the need for a properly legislated and funded youth diversion scheme that seeks to divert young people from the justice system. Assisting young people to address the underlying causes of their offending gives them the best chance of being positive and law-abiding members of the community.



Challenges

Increased demand on criminal law services

Increased policing and legislative reform around family violence, together with new summary and indictable offences and a reformed sentencing framework, means that more people need our services and the practice of criminal law has become more complex. This is further compounded by increased trial duration, resulting from greater complexity and volume of prosecution evidence, particularly in relation to drug and fraud cases, and greater legal and procedural complexity of sexual offence trials.

This year we embedded the summary crime eligibility changes of 2012–13. The full implementation of these difficult changes has been successful and allowed for a more financially sustainable model of service delivery that has already yielded quality, capacity and cost gains.

Ensuring consistent access to services statewide

Our changed approach to duty lawyering, triaging and client appointments has positioned us to be more responsive to our priority clients on a more consistent basis, particularly in regional Victoria.

However, the challenge to reduce the gap between city and regional justice remains, as does our commitment to bridging that gap in collaboration with our justice stakeholders. For example, regional clients continue to have inconsistent access to bail support services, particularly those services that act to prevent clients from re-offending or breaching bail, such as accommodation and drug, alcohol and other psychological counselling.

Future challenges

Our challenges in 2014–15 are to:

- continue to deliver quality services to clients in the face of increasing costs due to greater complexity and longer trial duration, and increasing pressures from rising demand for our services
- improve the monitoring of all of our services to ensure a financially sustainable future

-
- deliver high quality, cost-effective criminal law services that respond to client needs more holistically and address systemic inefficiencies
 - explore new and innovative ways to increase access to our services for clients across Victoria.

Outlook

In 2014–15 we will continue to deal with the consequences of increased police and court activity, which impact on all of our criminal law services. We will continue to consolidate our service improvements from 2013–14 and build on our gains in capacity, cost and quality in order to plan for the rising demand in the criminal justice system. Our focus will remain on prioritising those most in need, particularly young people and those experiencing disadvantage such as mental illness, cognitive impairment or homelessness.

Our extensive consultation with the courts, profession and prosecuting agencies has led to significant consensus around the need to introduce greater accountability and quality measures around trial preparation and advocacy standards. As a result of this consultation and a review of many of our criminal trial and higher court appeal processes, we will announce changes that will seek to improve the quality and efficiency of criminal trials in the long term.

Criminal Law sub-programs

Appellate Crime

We strive to maintain client and public confidence in the criminal justice system by ensuring that cases demonstrating legal errors and miscarriages of justice can be tested by higher courts through expert representation and by contributing to the development of the law through senior appellate courts.

Indictable Crime

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

Sexual Offences

We provide specialist legal advice and representation to people facing sexual offence charges in all courts, specialist duty lawyer services at the Melbourne Magistrates' Court and expert assistance to people who are responding to applications pursuant to the *Serious Sex Offender (Detention and Supervision) Act 2009* (Vic). We also apply our specialist knowledge and experience to law reform and policy development, to promote fair and just outcomes in sexual offence cases.

Summary Crime

We help people charged with summary crimes to achieve timely and appropriate outcomes by targeting finite resources to a range of interventions based on need, and by influencing the criminal justice system to be efficient, fair and respectful to accused people.

Youth Crime

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

Operating expenditure

| Sub-program | Operating expenditure | % of total expenditure |
|-----------------------------|-----------------------|------------------------|
| Appellate Crime | \$2.9 million | 2.2% |
| Indictable Crime | \$19.0 million | 14.3% |
| Sexual Offences | \$7.2 million | 5.4% |
| Summary Crime | \$32.4 million | 24.3% |
| Youth Crime | \$8.7 million | 6.5% |
| Criminal Law program | \$70.2 million | 52.7% |

Criminal Law services: facts and figures

Assessment and information services

Our telephone and face-to-face assessment and information services dealt with 24,807 criminal law enquiries (up by 49%), covering 30,106 criminal law matters (up by 67%). [NPA](#)

Referrals

We referred 19,473 matters* to appropriate external agencies (up by 6%). [NPA](#)

The top five referrals were:

- private practitioners
- courts
- generalist community legal centres
- police and other law enforcement agencies
- the Law Institute of Victoria.

We also referred clients to non-legal services, including drug and alcohol counselling, financial advice services, social welfare services and health services.

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

Free legal advice

We provided 18,138 legal advice, minor assistance and advocacy services (down by 12%). [NPA](#)

We also provided legal advice at court for people who needed it most through our duty lawyer services.

Number of duty lawyer services for criminal matters NPA

| Legal provider | Number of services | % change* |
|----------------------------|--------------------|---------------|
| Victoria Legal Aid lawyers | 46,595 | 15% up |
| Private practitioners | 5,025 | 4% down |
| Total | 51,620 | 13% up |

* Percentage change is based on comparison with 2012–13.

Criminal in-house duty lawyer services

- 92% of duty lawyer services were provided in the Magistrates' Court of which 7% dealt with breaches of family violence intervention orders.
- 7% of duty lawyer services were provided in the Children's Court of which 33% dealt with theft offences.

Number of grants of legal assistance for criminal matters NPA

| Legal provider | Number of grants | % change* |
|----------------------------|------------------|-----------------|
| Victoria Legal Aid lawyers | 6,497 | 9% down |
| Private practitioners | 12,660 | 25% down |
| Community legal centres | 199 | 24% down |
| Total | 19,356 | 21% down |

The 15% increase in our criminal duty lawyer services reflects the changes to eligibility guidelines introduced in 2012–13, which prioritise the most vulnerable people facing the most serious consequences for grants of legal assistance. As a result our duty lawyer service is helping more people who are no longer eligible for a grant of legal assistance. While there was a decrease in the number grants for criminal matters, the complexity and intensity of services provided by our in-house practice to priority clients increased.

* Percentage change is based on comparison with 2012–13.

Number of grants by sub-program*

| Sub-program | Number of grants | % change* |
|----------------------|------------------|-----------------|
| Appellate Crime | 947 | 9% down |
| Indictable Crime** | 2,144 | 10% down |
| Sexual Offences | 898 | 5% down |
| Summary Crime** | 11,911 | 24% down |
| Youth Crime | 3,456 | 20% down |
| Total program | 19,356 | 21% down |

* Percentage change is based on comparison with 2012–13.

** This does not include sexual offences or youth crime matters dealt with by our Sexual Offences and Youth Crime sub-programs respectively.

Services provided by private practitioners

- Private practitioners received 65% of the grants of legal assistance for criminal matters.
- 57% of these cases were assigned to 20 private practitioner firms.
- Total expenditure for criminal law matters received by private practitioners was \$28.2 million (down by \$8.4 million).
- 60% of the total private practitioner expenditure was by 20 private practitioner firms.

Top five matters*

| Matter type | Number of matters |
|--|-------------------|
| Drive while licence suspended | 6,115 |
| Common assault** | 6,105 |
| Theft | 5,825 |
| Breach of family violence protection order | 5,263 |
| Miscellaneous criminal offences*** | 4,595 |

* This includes matters for our telephone service, early intervention services, duty lawyer services and grants of legal assistance.

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

*** Miscellaneous criminal offences include defamation and libel, offences against privacy, public health and safety offences, and illicit drug offences.

Family, Youth and Children's Law program

What we do

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

Our services

The Family, Youth and Children's Law program's core services are to provide:

- duty lawyer, legal advice, representation and information services at the Commonwealth Family Law Courts, including in family law financial matters (formerly child support), parenting disputes and family violence matters
- lawyer-assisted and child-inclusive family dispute resolution to help settle disputes without going to court
- independent children's lawyers who promote the interests of children at risk and help judicial officers make good decisions
- duty lawyer, legal advice, representation and information services to children and parents in the Children's and Magistrates' courts of Victoria, including in child protection and family violence matters
- legal advice and education in the community.

Clients

- 30,737 unique clients* (down by 7%)
- 17% presented with two family law problems and 9% with three to five
- 5,463 or 18% from culturally and linguistically diverse backgrounds**
- 1,172 or 4% from Aboriginal or Torres Strait Islander backgrounds

* These are clients who accessed one or more services during the year, including early intervention services, duty lawyer services, dispute resolution services and grants of legal assistance.

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

Gender and age profile

| Age | Male | Female | Total |
|-------|-------|--------|-------|
| 0–15 | 2,047 | 2,096 | 4,143 |
| 16–24 | 2,002 | 2,507 | 4,509 |
| 25–34 | 3,686 | 4,622 | 8,308 |
| 35–44 | 4,192 | 3,987 | 8,179 |
| 45–54 | 2,193 | 1,631 | 3,824 |
| 55–64 | 711 | 494 | 1,205 |
| 65+ | 363 | 206 | 569 |

Program operating expenditure*

| Income sources | Expenditure | % expenditure |
|----------------|-----------------------|-----------------------------------|
| Commonwealth | \$33.4 million | 79.4% of Commonwealth expenditure |
| State | \$17.8 million | 19.5% of state expenditure |
| Total | \$51.2 million | 38.3% of total expenditure |

* This excludes expenditure for community legal centres.

Key achievements

Preventing family violence in new and emerging communities

People from new and emerging communities often face significant barriers accessing legal help. Our Settled and Safe family violence prevention project, funded by the Legal Services Board, uses targeted training and information sessions to increase knowledge of family law, family violence and child protection laws within these communities.

We provided training to settlement agencies and collaborated with them to deliver 93 culturally tailored legal education sessions to community groups from our Morwell, Shepparton, Ringwood, Dandenong and Melbourne offices. The sessions also provided us with insights to improve our services for people from new and emerging communities with family-related legal issues.

We produced a training package that Victoria Legal Aid and other legal service providers can use to continue to engage with local communities about family violence and related legal issues. We will continue this important work as part of a strengthened focus on delivering family violence legal services that not only benefit individual clients but also contribute to the overall prevention of family violence.



High quality services for children

Children are often the subject or focus of serious legal proceedings and we continue to regard the provision of high quality legal help to this vulnerable client group as a top priority. In addition to our expert staff practice, this year we opened specialist panels for Child Protection and Independent Children's Lawyers to applications from firms and practitioners.

Our expertise was also highlighted in our involvement in two important test cases involving children. Our independent children's lawyer in the *Re Jamie* case represented the best interests of 'Jamie'. In this case the Full Court of the Family Court of Australia considered and set the law about the scope of parental responsibility when deciding on a child's treatment for gender identity dysphoria.

The *Re Beth* case was the first of its kind in the *parens patriae* jurisdiction of the Supreme Court of Victoria. The case considered why, how and for how long a vulnerable child can be detained by the state on the grounds of the child's best interests. Our lawyers represented the separate interests of 'Beth' and the case set a significant precedent in terms of defining the nature and role of judicial oversight of children in detention, and the role of a separate representative for the child in such proceedings.



Expanding our reach for family law clients

Families in regional areas often face extra financial hardship and can have limited access to services. We continued to expand our regional outreach program for child support legal help, establishing regular outreach services in Geelong, in response to the Barwon region's rapidly growing population and high proportion of single parent families.

People from culturally and linguistically diverse backgrounds can also face difficulties accessing the legal system. This year we established a new collaboration with inTouch Multicultural Centre Against Family Violence, providing funding to enable them to continue to offer legal services to female victims of violence in a culturally sensitive way. As part of the collaboration, when inTouch is unable to assist with a legal problem, they refer the client to our family lawyers.



Supporting the statewide rollout of non-adversarial processes in the child protection jurisdiction

We continued to collaborate with the Children's Court of Victoria and the Victorian Department of Human Services to implement conciliation conferences (previously known as new model conferences) across Victoria, following recommendations in the *Report of the Protecting Victoria's Vulnerable Children Inquiry*.

These conferences facilitate the early resolution of child protection applications through non-adversarial processes. The aim is to involve parents and other significant people from a child's family to find a resolution that is in the best interests of the child.

We worked with the court and the department to create and deliver a skills-based workshop for practitioners within the system. Conciliation conferences are now implemented in metropolitan Melbourne and the Grampians, Hume, Gippsland, Wimmera Mallee and Barwon South Western regions.



Challenges

Meeting the high demand for family and children's law assistance

In early 2013, in the face of rising demand and increased costs, we made some difficult decisions to reduce eligibility for a range of family and children's law legal aid services. This led to a reduction in grants of legal assistance, particularly for family mediation via Roundtable Dispute Management and for some clients with family law court proceedings. During the year we monitored the impact of these changes in terms of both financial sustainability and impact on our clients.

In late 2013 we increased eligibility for legal assistance for representation at family law trials for some of our most vulnerable clients – those with an intellectual disability, acquired brain injury or mental illness, or whose matters are being heard in the Magellan Program of the Family Court, which deals with serious cases involving allegations of abuse of a child. In late June 2014 we made a further decision to re-extend legal assistance for family law trial representation to clients in cases where there is existing evidence of family violence. This comes into effect on 1 September 2014.

We remain conscious of the ongoing high demand for legal help in family law, family violence and child protection matters. New government initiatives in these areas will have a positive impact but will also increase demand for legal help – a challenge we will continue to contend with.

Future challenges

In 2014–15 we expect to see:

- ongoing high demand for family violence legal services and the need for us to respond in a way that meets both individual client needs and community expectations more broadly
- ongoing high and increasing demand for child protection legal services, reflecting increased funding to and activity by child protection authorities
- large-scale engagement with our stakeholders and the community about what family law legal aid services should look like into the future.

Outlook

In 2014–15 we will complete a comprehensive review of Commonwealth family law legal aid services, seeking input from a wide range of stakeholders and setting our direction for the delivery of client-focused, sustainable, high quality and effective family law services in the coming years.

We will also review and develop a new strategic approach to our delivery of family violence-related legal services, of which we are the largest provider in the state. As well as continuing to support consistent and high quality services, we will focus on preventative work and providing strong support to our staff in this challenging area.

To increase our capacity to mediate family law disputes in a sustainable, long-term way, we will be investing in technology upgrades and associated processes that support the operation of our family dispute resolution service, Roundtable Dispute Management.

While undertaking these projects, we will continue to face high demand for family and children's law services. We will continue to implement measures designed to improve the quality of the legal help we provide, including making our newly exclusive specialist panels in Child Protection, Family Violence and general Family Law operational in 2014–15.

Family, Youth and Children's Law sub-programs

Child Protection

We assist children, young people and parents responding to child protection applications by the state by helping to ensure that any legal intervention is limited to that which is necessary to promote the child's or young person's health, safety and wellbeing.

We provide legal information, advice and representation, as well as community legal education designed to help protect and promote the rights of children, young people and parents before, during and after child protection proceedings.

Family Law Financial Support

We work to ensure that children of separated parents are financially supported in accordance with the law. In cases where a separated person is unable to adequately support themselves, and their former partner has capacity to pay, we work towards a solution of financial support and the fair distribution of assets and liabilities.

We also ensure that liable parents have access to independent legal advice and representation where appropriate.

Family Violence

We contribute to the safety of adults and children impacted by family violence and assist in reducing the incidence of family violence by providing legal information, advice and representation to affected adults and children. This includes acting for clients at the Family Law Courts, the Children's Court and the Magistrates' Court of Victoria.

We also contribute to public debate about policies and practices of Australian courts and governments in relation to family violence.

Independent Children's Lawyers

We provide assistance in Family Law Court proceedings to children at risk of harm due to the conduct of one or both parents. We aim to ensure that judicial officers make good decisions based on the best available evidence and that arrangements ordered by the court are in the children's best interests.

Parenting Disputes

We provide information, advice and representation to separating or separated couples who are in dispute about their children's living and care arrangements.

For high-conflict families who have been unable to resolve children's issues through family dispute resolution services, we may assist with access to the Family Law Courts.

Our aim is to achieve safe, workable and sustainable living and care arrangements for children.

Roundtable Dispute Management

We provide timely, legally assisted family dispute resolution services to vulnerable people. We assist separated families to meet the best interests of their children by providing case management, assessment, preparation and referral (including to our child-inclusive Kids Talk program where appropriate), and by holding conferences facilitated by experienced chairpersons.

Operating expenditure

| Sub-program | Operating expenditure | % of total expenditure |
|---|-----------------------|------------------------|
| Child Protection | \$16.2 million | 12.1% |
| Family Law Financial Support | \$1.9 million | 1.4% |
| Family Violence | \$3.3 million | 2.5% |
| Independent Children's Lawyers | \$7.4 million | 5.5% |
| Parenting Disputes | \$9.7 million | 7.3% |
| Roundtable Dispute Management | \$12.7 million | 9.5% |
| Family, Youth and Children's Law program | \$51.2 million | 38.3% |

Family, Youth and Children’s Law services: facts and figures

Assessment and information services

Our telephone and face-to-face assessment and information services dealt with 39,157 family, youth and children’s law enquiries (up by 37%), covering 46,345 family, youth and children’s law matters (up by 44%). [NPA](#)

Referrals

We made 30,202* referrals to appropriate external agencies (up by 30%). [NPA](#)

The top five referrals were:

- private practitioners
- generalist community legal centres
- family relationship centres
- the Law Institute of Victoria
- courts.

We also referred clients to non-legal services, including dispute resolution services, other government agencies, health services and family violence services.

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

Free legal advice

We provided 13,459 legal advice, minor assistance and advocacy services (down by 6%). [NPA](#)

We also provided legal advice at court for people who needed it most through our duty lawyer service.

Number of duty lawyer services for family, youth and children’s law matters [NPA](#)

| Legal provider | Number of services | % change* |
|----------------------------|--------------------|--------------|
| Victoria Legal Aid lawyers | 14,709 | 4% up |
| Private practitioners | 1,190 | 21% down |
| Total | 15,899 | 1% up |

* Percentage change is based on comparison with 2012–13.

In-house duty lawyer services for family, youth and children’s law

- 72% of duty lawyer services were provided for family violence intervention orders matters, of which 3% were in the Children’s Court and 87% were handled by our regional offices.
- 10% of duty lawyer services were provided for child protection matters, of which 56% were handled by our regional offices.
- 78% of duty lawyer services were provided in the Magistrates’ Court, 13% in the Children’s Court, 8% in the Family Law Courts, and 1% in the Neighbourhood Justice Centre.

Number of grants of legal assistance for family, youth and children's law matters NPA

| Legal provider | Number of grants | % change* |
|----------------------------|------------------|----------------|
| Victoria Legal Aid lawyers | 2,472 | 4% up |
| Private practitioners | 10,374 | 12% down |
| Community legal centres | 149 | 3% up |
| Total | 12,995 | 9% down |

* Percentage change is based on comparison with 2012–13.

Number of grants by sub-program*

| Sub-program | Number of grants | % change* |
|--------------------------------|------------------|----------------|
| Child Protection | 6,193 | 2% down |
| Family Law Financial Support | 595 | 5% down |
| Family Violence | 1,861 | 14% down |
| Independent Children's Lawyers | 892 | 13% up |
| Parenting Disputes | 1,517 | 10% down |
| Roundtable Dispute Management | 1,937 | 30% down |
| Total program | 12,995 | 9% down |

* Percentage change is based on comparison with 2012–13.

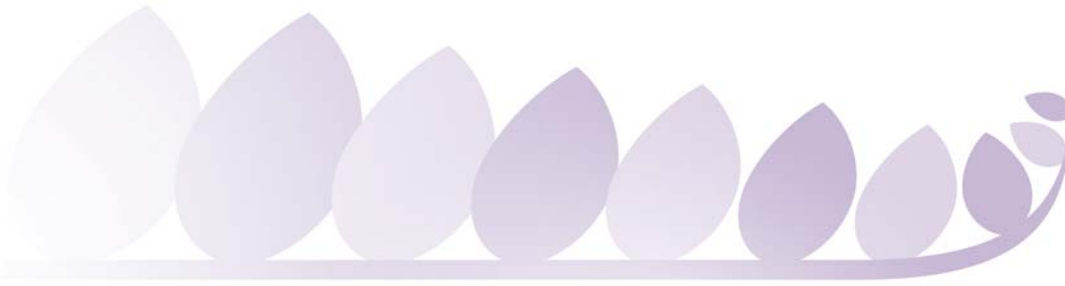
Services provided by private practitioners

- Private practitioners received 80% of the grants of legal assistance for family law matters.
- 45% of these cases were assigned to 20 private practitioner firms.
- Total expenditure for family law matters received by private practitioners was \$24.3 million (down by \$5.7 million).
- 43% of the total private practitioner expenditure was by 20 private practitioner firms.

Top five matters*

| Matter type | Number of matters |
|-------------------------------------|-------------------|
| Family violence intervention orders | 21,021 |
| Spending time with children | 12,189 |
| Child protection | 6,842 |
| Property settlement | 6,551 |
| Who children live with | 6,178 |

* This includes matters for our telephone service, early intervention services, duty lawyer services and grants of legal assistance.



Our organisation

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 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* (Vic). We are funded by Commonwealth and Victorian governments but operate independently of government.

Our statutory objectives¹ are to:

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

In so doing, we may²:

- co-operate with social service or social welfare organisations
- undertake research

¹ Section 4 *Legal Aid Act 1978*

² Section 6 *ibid*

-
- 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 need it the most.

³ Sections 7 and 8 ibid

Governance and organisational structure

Governing legislation

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

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

We are also required to perform functions according to any specific written direction given by the Victorian Attorney-General. No ministerial directions were given during 2013–14.

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

National Partnership Agreement

Our strategic directions are guided by the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services* (NPA). The NPA is an agreement between the Commonwealth and the states and territories, which commenced on 1 July 2010 and expires on 30 June 2015. It forms the basis of Commonwealth funding to all legal aid commissions and aims to drive nationally significant reform across the legal assistance sector.

The NPA focuses on providing assistance to disadvantaged people to resolve legal problems before they escalate and, where appropriate, avoid the need for litigation. It also promotes increased collaboration and co-operation with other service providers, and between legal assistance providers themselves, to ensure better targeting of legal assistance services for clients.

NPA We have used this icon where we have reported against legal aid services provided under the NPA.

Strategic planning

Our *Strategic Plan 2011–14* prioritises assistance for people who are poor and cannot afford the protection of the law and:

- face detention by the state or having decisions made for them
- are exposed to risk of violence or harm
- are marginalised or vulnerable to exploitation and unfair treatment.

In line with our commitments under the NPA, our strategic plan also focuses on services that:

- uphold rights and due process
- focus on early intervention and prevention
- build the capacity of clients to resolve their future problems without legal assistance
- deliver a wide benefit to the community.

The services we provide and our initiatives are guided by the themes and goals we have committed to in our strategic plan:



Access and inclusion

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



Relationships and collaboration

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



Organisational responsiveness

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

As our current strategic plan expires in 2014, we are consulting with staff, stakeholders, clients and the community in the development of a unifying new strategy for the delivery of legal aid and our ongoing role as a significant contributor within the justice system. Our strategic plan from 2015 will also renew the values that define our work and culture.

Our strategic planning environment



Our commitments

Our commitments help us to achieve the goals in our *Strategic Plan 2011–14* over a three-year period. In 2013–14 we:

- provided 161,798 people with information, advice, community legal education and other early intervention services (see p. 15–22)
- helped 2,778 regional and rural Victorians with civil law issues (see p. 36–41)
- provided 84,603 client referrals (see p. 19)
- had 66 accredited specialists helping clients (see p. 74–75)
- briefed 49% of significant cases to female barristers (see p. 31–32).

The Board

Our Board of Directors is responsible for ensuring Victoria Legal Aid meets its statutory objectives and carries out its functions and duties in accordance with the Act.

The Board met eight times in 2013–14.

Board members

The Board has five directors nominated by the Victorian Attorney-General and appointed by the Governor-in-Council. At least one member must have experience in financial management and one must have experience in business or government operations. One of the directors is our Managing Director.

Andrew Guy, Non-Executive Director and Chairperson



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

Bevan Warner, Managing Director



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

Catherine McGovern, Non-Executive Director



Catherine McGovern has extensive experience in merchant banking, government relations and public affairs. She was previously the General Manager, Government and Public Affairs at Medibank Private and the industry adviser for the then Minister of Industry, Science and Resources, Senator the Hon. Nick Minchin. Catherine is also a board member of Melbourne City Mission. Catherine was appointed in September 2011.

Virginia Rogers, Non-Executive Director



Virginia Rogers has extensive legal and board experience with a diverse range of organisations. A former Chairperson of the Equal Opportunity Commission of Victoria, she is currently a member of the Victorian Board of the Nursing and Midwifery Board of Australia and Chairperson of Marriott Support Services. Virginia was appointed in May 2012.

David Thompson, Non-Executive Director



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

Audit committee

The Audit Committee assists the Board to fulfil its oversight responsibilities relating to:

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

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

Members

The Audit Committee membership comprised:

David Thompson

Chairperson of Audit Committee

Andrew Guy

Non-executive Audit Committee member

Catherine McGovern

Non-executive Audit Committee member

Virginia Rogers

Non-executive Audit Committee member.

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

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

These representatives receive a copy of the meeting papers and minutes.

The Audit Committee met five times in 2013–14.

Internal audit

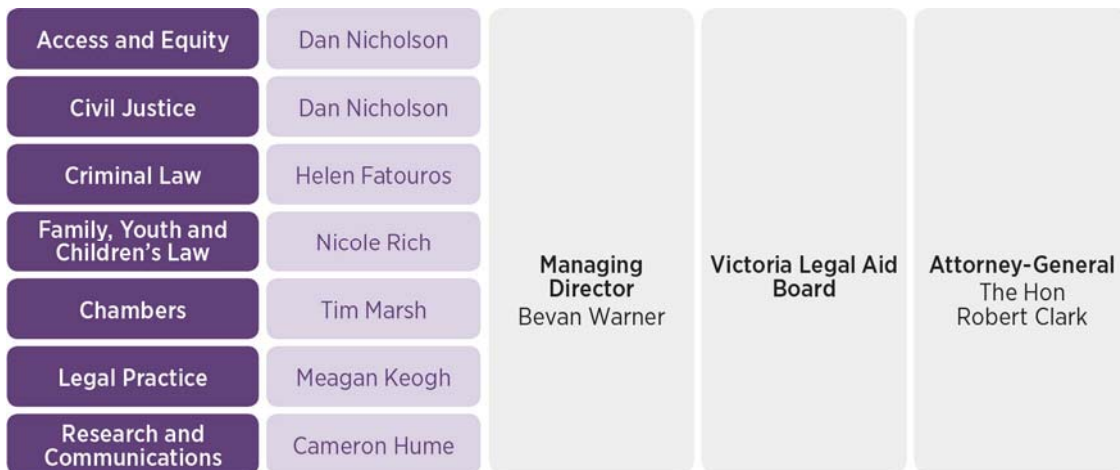
KPMG provides our internal audit services. Our internal auditing procedures assist the Audit Committee through examining our control and risk management practices, and determining whether they are effective, efficient and economical in assisting us to achieve our objectives. Where necessary, improvements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

Reports

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

- Financial Management Act compliance
- payroll processes
- cash management and working capital
- data management and record keeping
- grants management.

Organisational structure



Agency executive

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

Bevan Warner

Managing Director



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

Kristen Hilton

Director Civil Justice, Access and Equity (maternity leave from December 2013)

Director for Barwon and South Coast regions



Kristen was previously the Executive Director of the Public Interest Law Clearing House and has extensive knowledge of current civil law and human rights issues and the needs of marginalised and disadvantaged individuals. Kristen has practised in the private profession and in a number of community legal centres, and is currently completing a Master of Laws at the University of Melbourne. Kristen commenced as Director Civil Justice, Access and Equity in November 2009.

Dan Nicholson

Director Civil Justice, Access and Equity (from December 2013)

Director for Barwon and South Coast regions



Dan Nicholson joined Victoria Legal Aid as the Associate Director of Access and Equity in May 2012. Prior to joining Victoria Legal Aid he managed the Human Rights Unit at the Victorian Department of Justice, was Associate to Justice Maxwell, President of the Court of Appeal, and worked at Fitzroy Legal Service. He has also worked on a range of human rights issues in Cambodia and East Timor.

Helen Fatouros

Director Criminal Law

Director for Goulburn region and North Western suburbs



Helen was appointed Director Criminal Law in January 2013 and has an extensive criminal law background, having been the Directorate Manager of the Specialist Sex Offences Unit at the Office of Public Prosecutions. She has also appeared as a Legal Prosecution Specialist in many complex indictable matters. Helen led the profession-wide implementation of the Sexual Offences Interactive Legal Education Program in 2012, earning her the Law Institute of Victoria's 2013 President's Award for Government Lawyer of the Year. Helen was appointed Council Director of the Sentencing Advisory Council by the Victorian Attorney-General in mid-2013.

Nicole Rich

Director Family, Youth and Children's Law

Director for Westernport, Peninsula and Gippsland regions



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

Tim Marsh

Chief Counsel

Director for Loddon–Campaspe and North West regions



Tim joined Victoria Legal Aid as a Senior Public Defender in 2011, after eight years at the Criminal Bar. Tim was also formerly a solicitor at the Office of Public Prosecutions. Tim appears regularly in Supreme Court and County Court trials and appeals, and has developed an extensive practice in mental impairment and unfitness matters. Tim is a member of the steering committee for the Victorian Law Reform Commission reference into mental impairment, and is a past legal member of the Mental Health Review Board. Tim commenced as Chief Counsel, Victoria Legal Aid Chambers in August 2013.

Meagan Keogh

Director Legal Practice

Director for Western and Outer Eastern suburbs



Meagan oversees implementation of quality practice standards throughout the Victoria Legal Aid network. Meagan has experience in private practice and community legal centres, and with the Commonwealth Director of Public Prosecutions. She is an Accredited Criminal Law Specialist and was previously the Managing Lawyer of our Preston office. Meagan is currently a member of the Law Institute of Victoria Accredited Specialisation Board and the Legal Practices Committee of the Legal Services Board. Meagan commenced as Director Legal Practice in October 2010.

Cameron Hume

Director Research and Communications

Director for Central Highlands and Wimmera regions



Cameron was appointed Director Research and Communications in October 2013. He has worked at the Department of Justice, Victoria, in project, policy and operations management roles relating to law reform and administration of the justice system. He also spent several years as a management consultant working across research and evaluation, strategic planning, and organisational and operational reviews. This work spanned a range of social policy and operational portfolios including justice, human services and the community sector. Cameron holds a Masters of Public Policy and Management.

Corporate Services

Anna Palmer, Associate Director People and Culture; Elizabeth Jennings, Chief Financial Officer; and Hans Wolf, Chief Information Officer, all report to the Managing Director and participate directly in the activities of the executive team.

Independent review

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

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

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

Independent review of decisions

Review or reconsideration of decisions relating to a grant of legal assistance

| Result of review | 2013–14 | 2012–13 |
|---|------------|------------|
| Independent reviewer agreed with our decision | 161 | 129 |
| Independent reviewer changed our decision | 38 | 32 |
| Total | 199 | 161 |

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

| Result of review | 2013–14 | 2012–13 |
|---|----------|----------|
| Independent reviewer agreed with our decision | 0 | 0 |
| Independent reviewer changed our decision | 0 | 0 |
| Total | 0 | 0 |

Independent reviewers

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

- John Nixon (Chairperson)
- Brook Hely
- Carmel Morfuni.

Community Consultative Committee

By providing advice and recommendations about various matters referred to it by our Board, our Community Consultative Committee helps us identify ways to better meet the needs and expectations of the community. The committee also helps us identify opportunities for cross-sectoral collaboration to improve access to justice.

This year the committee met three times and discussed:

- a scan of key factors that are currently impacting or will impact on our clients and on our services in the near future
- our proposed strategic advocacy priorities for 2013–14
- the background to a review of our higher court appeal process and the proposed consultation methods
- how we can engage the broader community in designing our new organisational strategy, following the expiry of our *Strategic Plan 2011–14*.

Members

The committee is made up of representatives from a wide range of organisations we work with, or that are impacted by our work. Committee members are appointed by the Board and must include a Victoria Legal Aid staff member and a person nominated by the Federation of Community Legal Centres.

The Community Consultative Committee is chaired by the Chairperson of the Victoria Legal Aid Board, Andrew Guy. Members in 2013–14 were:

Professor Marie Connolly

Chairperson and Head of Social Work, Melbourne School of Health Sciences, University of Melbourne

Nicky Friedman

Head of Pro Bono and Community Programs, Allens

Dr Stefan Gruenert

Chief Executive Officer, Odyssey House Victoria

Peter Norden AO

Vice Chancellor's Fellow, University of Melbourne; Adjunct Professor, RMIT University; Director, Norden Directions

Alan Wu

Non-Executive Director, Oxfam Australia; former Chairperson, Australian Youth Affairs Coalition

Denis Nelthorpe AC

Manager, Footscray Community Legal Centre (Federation of Community Legal Centres nominee)

Dr Beth Wilson AM

Former Victorian Health Services Commissioner

Tracey Cocks

President of the Foster Carers Association

Inghard Ehrenberg

Superintendent, Victoria Police

Aimee Cooper

Senior Lawyer, Equality Law Program, Victoria Legal Aid (staff representative).

Our people

We are committed to fostering workplace diversity, fairness, cohesion, professionalism and practice expertise.

Employment practices

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

Employment and conduct principles

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

To strengthen understanding and commitment to these values and principles, this year we focused greater attention on the content of the code of conduct, requiring all staff to attend respectful workplace behaviours training and to participate in other mandatory information and learning activities.

We also released a new respectful workplace behaviours policy, which encompasses our previous sexual harassment, discrimination and bullying policies. The new policy includes a streamlined complaints procedure that improves access to avenues of redress while emphasising the benefit of early, informal resolution of issues.

Employee benefits

Our employees have access to a broad range of flexible working options that support work–life balance. Twenty-two per cent of our staff work part-time and the vast majority access flexible working hours.

Our parental leave provisions continue to support staff retention. Forty-seven staff accessed paid maternity leave entitlements this year and nine staff accessed paid parent/partner leave.

Maternity leave absence often extends beyond 12 months and our staff can request part-time work arrangements until each child reaches school age. We expect maternity leave absences to remain at relatively high levels due to our current staff profile, which is 79% female, of which 61% are between 23 and 40 years of age.

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

Employee engagement and development

With Victoria Legal Aid's current strategic plan expiring at the end of 2014, we commenced extensive engagement with staff to inform decisions about our strategic direction from 2015. Nearly 300 staff participated in workshops to discuss our current and desired organisational values, purpose and priorities.

Staff also had significant input in the renewal of our employee performance assessment, review and development program, VLA and Me.

VLA and Me will be supported by the Learning Hub, our new online system for administering and co-ordinating learning and development activity. This system allows us to deliver and track formal workshops, online policy and training modules, and professional legal education.

Workforce data

This year we continued our commitment to aligning people resources to priority client service delivery, improving efficiencies and achieving financially sustainable employment levels for the longer term.

Our vacancy rate has reduced and staffing levels have increased reflecting new work demands and our commitment to prioritising roles that work directly with clients and the community or support direct service provision. The number of active staff in direct or indirect service delivery roles has increased by 43.7 or 8.7%. We have also maintained our commitment to limiting corporate service roles, which have decreased by 7.5 or 11%.

We continue to allocate 90% of our people resources to direct or indirect service delivery, ensuring prudent use of limited legal aid resources. The 'Workforce distribution' table below shows distribution of staff across direct and indirect client service roles and corporate service roles.

Productive workforce

Comparative staffing levels across two years are expressed below as full-time equivalent (FTE) staff on our payroll and labour hire or agency staff engaged short term to perform the work of vacant budgeted positions.

We have excluded 11 FTE maternity leave absences from the table below as these positions are usually backfilled by contract staff who are included in the count. We have continued to maintain relatively low levels of agency or labour hire staff.

| Productive workforce | 2014 | 2013 | Variance |
|---|--------------|--------------|-------------|
| FTE staff on payroll | 595.4 | 546.5 | 48.9 |
| Agency staff by headcount (labour hire) | 8 | 6 | 2 |
| Total | 603.4 | 552.5 | 50.9 |

Workforce distribution

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

| Workforce distribution | 2014 | 2013 | Variance |
|-----------------------------|--------------|--------------|-------------|
| Direct service delivery* | 428.9 | 403 | 25.9 |
| Indirect service delivery** | 117 | 99.2 | 17.8 |
| Corporate*** | 60.5 | 68 | -7.5 |
| Total | 606.4 | 570.2 | 36.2 |

* Direct client service delivery roles involve direct client interaction.

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

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

Full-time equivalent* staffing trends from 2010 to 2014

| 2014 | 2013 | 2012 | 2011 | 2010 |
|-------|-------|-------|------|------|
| 606.4 | 570.2 | 596.5 | 583 | 554 |

* Based on active FTE, meaning people who attend work or are paid during the last full pay period of the financial year, including ongoing, maximum-term and casual employees and maternity leave absences, and excluding labour hire or agency staff

Gender breakdown of ongoing employees*

| Gender | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|--------------|----------------|----------------|-----------------|-----------------|
| Male | 128 | 123 | 124.5 | 118.7 |
| Female | 442 | 436 | 392.1 | 380.5 |
| Total | 570 | 559 | 516.6 ** | 499.2*** |

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

** Includes 11 maternity leave FTE

*** Includes 23.3 maternity leave FTE

Gender breakdown of maximum term/casual employees*

| Gender | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|--------------|----------------|----------------|----------------|--------------|
| Male | 20 | 18 | 19.1 | 16.5 |
| Female | 81 | 62 | 70.7 | 54.5 |
| Total | 101 | 80 | 89.8 ** | 71*** |

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

** Includes 0.0 maternity leave FTE

*** Includes 0.4 maternity leave FTE

Age breakdown of ongoing employees*

| Age | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|--------------|----------------|----------------|--------------|--------------|
| Under 25 | 1 | 9 | 1 | 8 |
| 25–34 | 183 | 183 | 170.9 | 167.5 |
| 35–44 | 171 | 162 | 150.6 | 139.3 |
| 45–54 | 118 | 125 | 104.4 | 110.4 |
| 55–64 | 82 | 68 | 75.7 | 62.4 |
| Over 64 | 15 | 12 | 14 | 11.6 |
| Total | 570 | 559 | 516.6 | 499.2 |

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

Age breakdown of maximum term/casual employees*

| Age | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|--------------|----------------|----------------|-------------|-----------|
| Under 25 | 6 | 6 | 5.2 | 6 |
| 25–34 | 59 | 45 | 52.9 | 40.6 |
| 35–44 | 26 | 18 | 23.1 | 15.5 |
| 45–54 | 7 | 6 | 6.2 | 5 |
| 55–64 | 2 | 2 | 1.8 | 2 |
| Over 64 | 1 | 3 | 0.6 | 1.9 |
| Total | 101 | 80 | 89.8 | 71 |

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

Classification breakdown ongoing employees*

| Classification | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|----------------|----------------|----------------|--------------|--------------|
| VLA 1 | 0 | 1 | 0 | 1 |
| VLA 2 | 126 | 132 | 109.2 | 109 |
| VLA 3 | 207 | 192 | 188.1 | 172.5 |
| VLA 4 | 149 | 155 | 134.6 | 139.7 |
| VLA 5 | 67 | 59 | 63.8 | 57 |
| VLA 6 | 13 | 14 | 13 | 14 |
| Executive | 8** | 6** | 7.9 | 6 |
| Total | 570 | 559 | 516.6 | 499.2 |

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

** The number of executive positions was consistent at seven across both years but occupancy of positions fluctuated – in 2013 one position was vacant at 30 June, and in 2014 one executive was on paid maternity leave at 30 June.

Classification breakdown of maximum term/casual employees*

| Classification | 2014 headcount | 2013 headcount | 2014 FTE | 2013 FTE |
|----------------|----------------|----------------|-------------|-----------|
| VLA 1 | 1 | 2 | 1 | 2 |
| VLA 2 | 23 | 16 | 20.1 | 12 |
| VLA 3 | 55 | 41 | 49 | 38.2 |
| VLA 4 | 17 | 12 | 14.7 | 10.4 |
| VLA 5 | 2 | 6 | 2 | 5.4 |
| VLA 6 | 3 | 3 | 3 | 3 |
| Executive | 0 | 0 | 0 | 0 |
| Total | 101 | 80 | 89.8 | 71 |

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

Executive officers at 30 June 2014

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

We have one executive Board member, the Managing Director, and six executive staff leading our services and functions.

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

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

Number of ongoing executive officers

| Class | Headcount 2014 | Variation 2013 |
|---------------|----------------|----------------|
| EO-1 | 0 | 0 |
| EO-2 | 1 | -1 |
| EO-3 | 7 | 3 |
| Total* | 8 | 2 |

* The number of executive positions was consistent at seven across both years but occupancy of positions fluctuated – in 2013 one position was vacant at 30 June, and in 2014 one executive was on paid maternity leave at 30 June.

There were no special projects executive officers.

Breakdown of executive officers into gender

| Class | Male | Variation 2013 | Female | Variation 2013 |
|---------------|----------|----------------|----------|----------------|
| EO-1 | 0 | 0 | 0 | 0 |
| EO-2 | 1 | -1 | 0 | 0 |
| EO-3 | 3 | 3 | 4 | 0 |
| Total* | 4 | 2 | 4 | 0 |

* The number of executive positions was consistent at seven across both years but occupancy of positions fluctuated – in 2013 one position was vacant at 30 June, and in 2014 one executive was on paid maternity leave at 30 June.

There were no special projects executive officers.

Reconciliation of executive numbers

The workforce data tables above include executive officers active in the last full pay period of the financial year, whereas the Financial statement Note 15 includes any individual employed as an executive officer or with executive officer responsibility (as defined in FRD 21B) at any time during the financial period.

| | Reconciliation of executive numbers | 2014 | 2013 |
|------|---|-------------|-------------|
| | Executives with total remuneration over \$100,000 | 9* | 7* |
| | Executives employed with total remuneration below \$100,000 | 0 | 1 |
| | Sub-total (as reported in Financial statement Note 15) | 9 | 8 |
| Add | Vacancies | 0 | 1 |
| | Accountable Officer (Managing Director) | 1 | 1 |
| Less | Separations | 1 | 2 |
| | Non-executive role | 1 | 1 |
| | Executive role removed | 0 | 1 |
| | Total executive numbers at 30 June** | 8 | 6 |

* Includes one non-executive

** The number of executive positions was consistent at seven across both years but occupancy of positions fluctuated – in 2013 one position was vacant at 30 June, and in 2014 one executive was on paid maternity leave at 30 June.

Staff wellbeing

Vicarious trauma continues to be a significant risk in terms of the number of staff impacted by the challenging nature of our work. This risk is mitigated by our ongoing wellbeing strategy.

Staff are supported by access to a 24-hour employee assistance program providing counselling for personal and work-related issues. Regular on-site counselling is also provided for work-related concerns. Critical incident debriefing occurs where necessary.

These services are important in maintaining the psychological health of staff who are exposed to disturbing case-related material and the inherent pressures associated with legal aid work.

Occupational health and safety

We are well advanced on implementing the outcomes of the review of our occupational health and safety management system. The system includes roles, procedures, policies, forums, committees, programs and risk management frameworks. This work builds on our commitment to striving for a safety culture and will further support legislative compliance and evidence-based safety practices.

Improved staff awareness resulted in more incidents being reported this year, providing additional data for analysing trends in health and safety risk, and informing our ongoing review of occupational health and safety practice and issue resolution. We upgraded security features at two regional offices (Bendigo and Morwell) and will be making further security upgrades in 2014–15.

We responded to the challenges presented by poor air quality caused by the Hazelwood mine fire in Morwell by monitoring publicly available information, arranging air quality testing in our Morwell office and maintaining regular contact with affected staff. Although the office remained a safe work environment, the persistent poor air quality made working conditions unpleasant and tested staff resilience.

We temporarily relocated our Morwell administrative staff to Warragul, while legal staff continued to provide client services from the Latrobe Valley Magistrates' Court and limited services from the Morwell office. During the temporary relocation we upgraded security features and improved office

accessibility in line with our *Disability Action Plan 2012–14*. All staff have now returned to a safer working environment with improved facilities.

We acknowledge the patience and support of the Morwell community and the assistance of our temporary hosts in the Gippsland Business Centre, Warragul.

Performance against occupational health and safety measures

Incidents

| Performance indicator | 2013–14 | 2012–13 | 2011–12 |
|-----------------------|---------|---------|---------|
| Number of incidents | 46 | 30 | 40 |
| Rate per 100 FTE | 7.59 | 5.26 | 6.25 |

Claims

| Performance indicator | 2013–14 | 2012–13 | 2011–12 |
|--------------------------------------|---------|---------|---------|
| Total WorkCover claims | 5 | 3 | 2 |
| Number of standard claims* | 4 | 1 | 0 |
| Rate per 100 FTE | 0.66 | 0.02 | 0 |
| Number of lost time claims* | 4 | 1 | 0 |
| Rate per 100 FTE | 0.66 | 0.02 | 0 |
| Number of claims exceeding 13 weeks* | 1 | 0 | 0 |
| Rate per 100 FTE | 0.16 | 0 | 0 |

* Data was sourced from WorkSafe Victoria's authorised agent. A claim is standard when the employer liability period (10 days lost and/or medical expenses of \$642 indexed annually) has been exceeded.

Other measures

| Performance indicator | 2013–14 | 2012–13 | 2011–12 |
|---|---------------|---------|---------|
| Fatality claims | 0 | 0 | 0 |
| Average cost per standard claim* | \$22,135.92** | N/A | N/A |
| Percentage of claims with return to work plan less than 30 days | 100% | N/A | N/A |

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

** This average cost is significantly affected by a single claim of 12 months' duration.

Staff achievements

Senior Lawyer, Mental Health and Disability Advocacy, Sophie Delaney and Lawyer, Commonwealth Entitlements, Michael Freedman were shortlisted for the Law Institute of Victoria's 2013 Legal Awards. Michael was a finalist in the Government Lawyer of the Year category while Sophie was ultimately successful in the Access to Justice category. Sophie's win recognises her work with marginalised clients such as in the Court of Appeal case of Taha and Brookes, which resulted in a ruling that magistrates have a duty to make reasonable enquiries about whether people coming before them in infringements matters have special circumstances.

Senior Costs Advisor Bill Trumble was honoured with a Certificate of Service in the Law Institute of Victoria's 2013 Legal Awards.

Lawyer, Indictable Crime, Alison Whitford was selected for a six-month internship with the Office of the Prosecutor of the International Criminal Court of the Hague in the Netherlands.

Senior Lawyer, Mental Health and Disability Advocacy, Eleanore Fritze was awarded the Jack Brockhoff Foundation Churchill Fellowship to travel to the USA, UK and Hungary to investigate the use of innovative legal services to better protect the human rights and dignity of people with disabilities who are detained and subjected to compulsory treatment in closed environments.

Director Family, Youth and Children's Law Services, Nicole Rich was appointed Chairperson of CHOICE, Australia's largest consumer organisation. CHOICE is the publisher of the well-known *CHOICE magazine* and CHOICE online at www.choice.com.au.

Director Criminal Law Services, Helen Fatouros was appointed Council Director of the Sentencing Advisory Council, which advises the Attorney-General on sentencing issues.

Specialist accreditation

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

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

In 2013 we supported lawyers to participate in family law accreditation and the new administrative law assessment program. All lawyers we supported who attempted the specialisation exams were successful.

Number of lawyers supported through the Accredited Specialisation program in 2013

| Area of law | Victoria Legal Aid lawyers | External lawyers* | Victoria Legal Aid lawyers who passed | External lawyers* who passed |
|--------------------|----------------------------|-------------------|---------------------------------------|------------------------------|
| Family law | 3 | 4 | 3 | 4 |
| Administrative law | 2** | 9 | 1 | 9 |

* This includes community legal centre and private lawyers.

** One Victoria Legal Aid lawyer withdrew.

At 30 June 2014 we have:

- 36 accredited criminal law specialists
- 9 accredited family law specialists
- 19 accredited children's law specialists
- 1 accredited immigration law specialist
- 1 accredited administrative law specialist.

In 2014 we supported lawyers to undertake children's law and criminal law specialist accreditation. Further reflecting our support of the program, entry requirements for our section 29A indictable crime panels now allow a more streamlined application pathway for accredited specialists.

Number of lawyers supported through the Accredited Specialisation program in 2014*

| Area of law | Victoria Legal Aid lawyers | External lawyers** |
|----------------|----------------------------|--------------------|
| Children's Law | 2 | 10 |
| Criminal Law | 7 | 27 |

* Exams will be conducted in July and August 2014.

** This includes community legal centre and private lawyers.

Supporting quality services

We are committed to delivering high quality, client-centred services throughout Victoria.

Practice standards

All lawyers doing legal aid work must comply with our practice standards for:

- casework
- duty lawyer services
- legal advice.

This year we:

- implemented a new training module for our in-house law practice to help our lawyers better meet their professional and ethical responsibilities
- standardised the information provided when briefing barristers to support communication of important case details and to facilitate payment
- oversaw a review of the minor assistance we provide to clients, including the types of matters, the intensity of service, and the process for making decisions
- began preparations to help our in-house law practice comply with the incoming Legal Profession Uniform Law and Victorian Solicitor Conduct Rules.

Panels Project

The Panels Project is reviewing how our section 29A specialist panels operate to ensure that quality services continue to be delivered to clients.

This year we:

- consulted with stakeholders to finalise the new entry requirements for the Summary Crime, Child Protection, Family Law and Family Violence panels
- opened the Independent Children's Lawyer, Indictable Crime, Summary Crime and the Child Protection panels
- substantially completed assessment of the first round of applications to the Independent Children's Lawyer and Indictable Crime panels
- commenced work on drafting a quality monitoring model to check the quality of work done by private practitioners on legally aided matters
- developed a suite of draft practice standards and associated measures for legally assisted matters, which will be the principal tool of the quality monitoring model, and commenced internal consultation of these standards, with external consultation planned for early 2014–15.

Training, development and support

Professional development

We provide training, development and support for our lawyers (and other staff who work directly with clients, where appropriate) through:

- professional support lawyers (including precedents, legislative updates and practice resources)
- ongoing professional legal education
- specialist accreditation support (see p. 74–75).

Professional legal education includes training on priority topics for each practice area, as well as topics that span the compulsory fields of continuing professional development. In 2013–14 our Legal Practice Essentials program, a foundational skills training program focused on the needs of priority clients, became compulsory for all our lawyers.

We also provide targeted internal and external training opportunities to our lawyers, with selected activities extended to community legal centres and panel practitioners.

This year we continued to work with the Department of Justice, the Children’s Court, and the Department of Human Services to deliver multi-disciplinary training and development events. This training assists child protection practitioners and lawyers to perform more effectively and accords with recommendations from both the Protecting Victoria’s Vulnerable Children Inquiry and the 2011 Child Protection Proceedings Task Force.

New Lawyers Program

Our New Lawyers Program provides first and second-year lawyers with comprehensive training and development within Victoria Legal Aid. With a focus on clients and the commonalities experienced across all of our practice areas, the program reinforces the idea of ‘one practice’ and the delivery of a responsive and holistic service.

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

Since the first intake in September 2010, 44 lawyers have participated in the New Lawyers Program, with an average retention rate of 82%. The majority of participants are now in ongoing roles in our offices across Victoria.

Of the 28 participants who completed the 2012 program, 18 are in ongoing roles at Victoria Legal Aid. The remaining eight are on contracts while we identify appropriate ongoing roles.

New lawyers recruited in 2013 participated in placements across our programs and offices, including our Horsham, Warrnambool, Ballarat and Geelong offices.

Law student opportunities and training placements

We continued to meet our statutory obligation to provide opportunities for law students to obtain experience in legal aid work.

Students we hosted this year include:

- three students from Monash University Law School in short placements in which they investigated and reported on agreed research topics
- 258 students from the Leo Cussen Centre for Law who spent half a day observing our duty lawyers at work in courts, tribunals, hospitals and client interviews across the state
- four students from the Leo Cussen Centre for Law in their three-week professional placements
- 20 student interns from the University of Melbourne who worked with infringements clients who had raised 'special circumstances' regarding their unpaid fines
- 28 students from the University of Melbourne and Victoria University in family law internships, with interns clerking at court, drafting documents and conducting legal research
- 40 law students from Victoria University who assisted duty lawyers and court clerks at the Sunshine and Werribee Magistrates' courts
- 28 law students from Victoria University who assisted duty lawyers and court clerks at the Melbourne Magistrates' courts
- 14 law students from Deakin University who assisted duty lawyers and court clerks at the Dandenong Magistrates' Court and the Moorabbin Justice Centre
- one Aboriginal law student from Deakin University in a work experience placement to develop practical legal skills and form mentor relationships through our Winter Aboriginal Clerkship Program, which runs for three weeks over the university winter break.

We also presented workshops to University of Melbourne Masters of Law students on using demographic data to research local legal need.

Information systems and online services

We develop, maintain and protect information technology assets to ensure our systems are reliable, effective and responsive to organisational and client service needs. This year we:

- completed the rollout of digital dictation to our regional offices
- introduced the Learning Hub, an online learning system providing staff with access to training and professional development modules, and enabling learning activities to be monitored and tracked
- continued to test infrastructure required for the implementation of mobile lawyering in 2014–15, including virtual desktops, softphones and mobile devices
- commenced migrating Victoria Legal Aid's precedent collection to an online document automation system
- expanded the functionality in ATLAS, our online grants management system, to facilitate client assessment and referral processes resulting from our new client triage model
- created our first online annual report for less cost than the print equivalent, with re-use of the technical infrastructure for the 2013–14 annual report compounding return on investment
- received recognition for our redeveloped, more user-friendly website as joint winner of the Victorian Government category in the Australian Web Industry Association 2013 Web Awards.

Information and records management

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

This year we:

- reviewed and authorised destruction of more than 100,000 inactive files in accordance with section 12 of the Public Records Act
- continued the rollout of an electronic document management system to our corporate staff, with rollout to our legal practice teams anticipated in 2014–15.

Our partnerships

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

National Legal Aid

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

This year we worked closely with other state and territory legal aid commissions in contributing to the Productivity Commission inquiry into Access to Justice Arrangements in Australia. Collectively, we highlighted the important role that legal aid commissions and community legal centres play in providing access to justice to vulnerable and marginalised Australians. National Legal Aid made two submissions to the review and also gave evidence at the public hearing in Hobart.

We also worked together in responding to parliamentary inquiries on issues such as child support, evidence law and access to justice for people with a disability.

More information: www.nationallegalaid.org

Legal assistance forums

Australian Legal Assistance Forum

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

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

More information: www.nationallegalaid.org

Victorian Legal Assistance Forum

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

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

VLAFF also meets with the Commonwealth Attorney-General's Department and the Victorian Department of Justice in formal consultations on the National Partnership Agreement on Legal Assistance Services.

This year we:

- were involved in VLAF working groups on the National Disability Insurance Scheme, prisoners, evaluation of projects and plans, and online legal information
- participated in legal assistance forums in Shepparton on therapeutic justice, and in the western suburbs on homelessness and its links to the criminal justice system
- hosted a VLAF roundtable discussion about issues affecting prisoners
- continued to co-ordinate the legal sector's response to disasters and emergencies.

More information: www.vlaf.org.au

Private practitioners

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

Private practitioners providing duty lawyer services

Private practitioners help us to deliver duty lawyer services at a number of courts and tribunals across Victoria. Nine per cent of duty lawyer services were provided by private practitioners through the support of local law associations.

Private practitioners receiving grants of legal assistance

In 2013–14, 70% of all grants of legal assistance were assigned to private practitioners on our panels. This included:

- 65% of criminal law grants
- 80% of family law grants
- 21% of civil law grants.

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

Some private firms are assigned over 900 cases per year, while others are assigned as few as one. The duration and complexity of individual cases also influences the number of cases that each firm can undertake.

Private practitioner firms receiving the highest aggregate payments for legal aid cases in 2013–14

| Rank | Private practitioner firm | Amount paid \$ (GST exclusive) | Number of new cases assigned |
|------|--|--------------------------------|------------------------------|
| 1 | Robert Stary Lawyers Pty Ltd | \$2,968,821 | 896 |
| 2 | Revill & Papa Lawyers | \$1,548,854 | 910 |
| 3 | James Dowsley & Associates | \$1,359,029 | 928 |
| 4 | Emma Turnbull Lawyers Pty Ltd | \$1,356,235 | 332 |
| 5 | Doogue O'Brien George | \$1,255,629 | 629 |
| 6 | Dowling McGregor Pty Ltd | \$1,214,503 | 661 |
| 7 | Gorman & Hannan | \$1,152,731 | 634 |
| 8 | Leanne Warren & Associates | \$1,019,713 | 317 |
| 9 | Valos Black & Associates | \$878,853 | 135 |
| 10 | Cathleen Corridon & Associates Family Lawyers | \$692,270 | 292 |
| 11 | Heinz & Partners | \$687,881 | 204 |
| 12 | Lampe Family Lawyers | \$659,736 | 226 |
| 13 | C Marshall & Associates | \$631,118 | 260 |
| 14 | Claudia Grimberg | \$572,994 | 281 |
| 15 | Ann Valos Criminal Law | \$546,696 | 296 |
| 16 | Nicole Amad | \$546,450 | 230 |
| 17 | Tyler Tipping & Woods | \$546,177 | 415 |
| 18 | Melasecca Kelly & Zayler Barristers & Solicitors | \$532,424 | 226 |
| 19 | Tait Lawyers | \$530,551 | 191 |
| 20 | Howard G Draper | \$523,278 | 219 |

Expenditure includes fees paid to third parties, such as barristers, and disbursements. Disbursements include court fees, interpreters' fees, service fees and those that have prior written approval of Victoria Legal Aid (for example, fees for investigations and professional/expert reports, transcripts of evidence, plans and photographs). Expenditure may include cases from previous years.

Barristers

Barristers make an important and specialist contribution to the provision of legal aid. This year we implemented changes to assist with equitable briefing practices and other quality initiatives in our work with barristers.

In previous years barristers were briefed and paid directly by solicitor firms, with funds provided for this purpose under a grant of legal assistance. This meant payment records were not collected or held by Victoria Legal Aid.

In September 2013 Victoria Legal Aid commenced direct payment to barristers, once private practitioners authorised and submitted online claims that work had been performed. In November 2013 this practice became mandatory and, following the support of the Law Institute of Victoria, has been adopted by practitioners.

Comprehensive payment records about which barristers are making themselves available for, and are being briefed to appear in, legally aided matters, will be collected during 2014–15 and shared with the profession.

Community legal centres

Community legal centres are independent community organisations that provide free advice, casework and legal education to their communities. There are currently 51 centres in Victoria. Some specialise in particular areas of law.

More information: www.communitylaw.org.au

We grant and administer funding for the Federation of Community Legal Centres and 39 centres, ensuring that centres meet obligations under their service agreements. We are increasingly focusing on working with the sector to understand and respond to legal need collaboratively through joint legal needs assessment projects.

This year we continued to implement our guiding principles for community legal centre funding, adopted by the Victoria Legal Aid Board in December 2012. These principles ensure that we target geographical areas of relatively high unmet need, and promote continuous improvement in the community legal centre sector.

This year we supported four community legal centres in Melbourne's west to explore options for greater collaboration and efficiency. Three of the centres have agreed in principle to amalgamate, and we will continue to work with them to implement the amalgamation in 2014–15.

We provided project funding to the following centres:

- Women's Legal Service to continue their Skype-based pilot program for remote service delivery (\$70,000)
- inTouch Multicultural Centre Against Family Violence to continue to develop their specialist legal service for women from culturally and linguistically diverse backgrounds experiencing family violence (\$66,660)
- Whittlesea Community Connections to continue their family violence prevention and education program in recently arrived and culturally and linguistically diverse communities in Melbourne's northern growth suburbs (\$67,653)
- Eastern Community Legal Centre to develop a new branch office and outreach service in the Yarra Ranges (\$70,000).

We also provided \$200,000 project funding to the Goulburn Valley Community Legal Centre.

We again ensured that community legal centres were given appropriate additional funds to increase staff salaries under the Social and Community Services Award Equal Remuneration Order. This additional investment totalled \$1,221,048 in 2013–14.

Community Legal Centre performance outputs

| Activity | 2013–14 | 2012–13 | % change |
|--|---------|---------|-----------|
| Information | 54,057 | 51,877 | 4.2% up |
| Advice | 52,113 | 49,978 | 4.3% up |
| Face-to-face | 39,969 | 36,758 | 8.7% up |
| Telephone calls | 11,333 | 12,528 | 9.5% down |
| Other (e.g. email and TTY) | 777 | 692 | 12.3% up |
| Cases* opened | 23,697 | 23,780 | – |
| Community legal education projects delivered | 1,121 | 938 | 19.5% up |
| Law reform and legal policy submissions | 145 | 161 | 9.9% down |

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

Explanatory notes for performance outputs

Figures are from a database used by 35 of the 40 community legal centres funded through the Community Legal Services Program in 2013–14, but also include manual figures (for both 2012–13 and 2013–14) for Emma House Domestic Violence Services. The figures do not include client service and community and law reform activities undertaken by the following funded centres: Aboriginal Family Violence Prevention and Legal Service (Vic), Homeless Law (Justice Connect), Job Watch and Refugee and Immigration Legal Clinic. These community legal centres do not use the common database. Figures do not include client advice provided by the Tenants' Union of Victoria, which records this activity on a separate database.

Service activity figures for the Mental Health Legal Centre are included in the 2012–13 figures but are not included in the 2013–14 figures. This is because the Mental Health Legal Centre was funded by Victoria Legal Aid in 2012–13 but not in 2013–14.

Funding

We granted and administered funding to the Federation of Community Legal Centres and 39 community legal centres across Victoria. Funding is provided by the Commonwealth and Victorian governments and by Victoria Legal Aid out of its state funding allocation.

| Community legal centre | Commonwealth funding* (\$) | State funding (\$) | Total payments (\$) |
|---|-----------------------------------|---------------------------|----------------------------|
| Aboriginal Family Violence Prevention and Legal Service (Vic)** | 0 | 194,911 | 194,911 |
| Barwon Community Legal Service | 459,773 | 470,310 | 930,083 |
| Brimbank Melton Community Legal Centre, Community West | 231,739 | 508,956 | 740,695 |
| Broadmeadows Community Legal Service | 175,151 | 283,145 | 458,296 |
| Casey Cardinia Legal Service | 287,436 | 254,361 | 541,797 |
| Central Highlands Community Legal Centre | 255,148 | 307,738 | 562,885 |
| Consumer Action Law Centre** | 261,112 | 912,891 | 1,174,003 |
| Darebin Community Legal Centre | 181,596 | 430,475 | 612,071 |
| Disability Discrimination Legal Service** | 308,521 | 47,494 | 356,015 |
| Eastern Community Legal Centre | 359,015 | 730,263 | 1,089,278 |
| Emma House Domestic Violence Service | 56,906 | 73,664 | 130,569 |
| Environment Defenders Office (Victoria)** | 232,385 | 166,562 | 398,947 |
| Federation of Community Legal Centres (Vic)** | 0 | 719,507 | 719,507 |
| Fitzroy Legal Service | 184,862 | 427,379 | 612,240 |
| Flemington and Kensington Community Legal Centre | 97,632 | 231,035 | 328,667 |
| Footscray Community Legal Centre | 88,735 | 369,598 | 458,333 |
| Gippsland Community Legal Service, Anglicare Victoria | 329,415 | 241,909 | 571,323 |
| Homeless Law, Justice Connect** | 158,326 | 292,956 | 451,282 |
| Hume Riverina Community Legal Service, Upper Murray Family Care | 445,120 | 234,483 | 679,604 |
| Job Watch** | 0 | 432,528 | 432,528 |
| Loddon Campaspe Community Legal Centre, Advocacy and Rights Centre (including Goulburn Valley Community Legal Centre) | 108,764 | 729,886 | 838,650 |
| Monash Oakleigh Legal Service | 203,859 | 27,322 | 231,181 |
| Moonee Valley Legal Service | 88,003 | 239,534 | 327,537 |
| Moreland Community Legal Centre | 101,492 | 211,108 | 312,600 |

| Community legal centre | Commonwealth funding* (\$) | State funding (\$) | Total payments (\$) |
|--|------------------------------------|-------------------------------------|---------------------|
| Murray Mallee Community Legal Service, Mallee Family Care | 461,649 | 155,845 | 617,494 |
| North Melbourne Legal Service | 214,517 | 208,451 | 422,969 |
| Peninsula Community Legal Centre | 694,835 | 895,666 | 1,590,502 |
| Refugee and Immigration Legal Centre** | 0 | 150,874 | 150,874 |
| Senior Rights Victoria, Council on the Ageing** | 75,842 | 525,431 | 601,273 |
| Social Security Rights Victoria | 206,277 | 41,005 | 247,282 |
| Springvale Community Aid and Advice Bureau** | 77,844 | 3,728 | 81,572 |
| Springvale Monash Legal Service | 429,861 | 229,100 | 658,961 |
| St Kilda Legal Service | 104,038 | 279,392 | 383,431 |
| Tenants Union of Victoria** | 115,543 | 570,446 | 685,989 |
| West Heidelberg Community Legal Service | 97,593 | 179,138 | 276,731 |
| Western Suburbs Legal Service | 95,455 | 170,618 | 266,022 |
| Whittlesea Community Legal Service, Whittlesea Community Connections | 237,908 | 412,850 | 650,759 |
| Women's Legal Service Victoria** | 1,006,474 | 454,687 | 1,461,161 |
| Wyndham Legal Service | 239,206 | 474,298 | 713,503 |
| Youthlaw, Young People's Legal Rights Centre** | 87,413 | 152,373 | 239,786 |
| Total | 8,759,445 (39.5%) | 13,441,917 (60.5%) | 22,201,362 |

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

** Specialist community legal centre

Explanatory notes for funding

These funding amounts include core grants, grants for one-off projects and grants to specific centres, as well as contributions from the Commonwealth and Victorian governments to assist funded community legal centres to meet increased staff salaries under the Social and Community Services Award Equal Remuneration Order.

Victoria Legal Aid's 'Comprehensive operating statement' (see p. 105) excludes Commonwealth grants (core and one-off) to community legal centres because we do not control these funds and we do not make the decisions that enable these investments in the centres. As such, these Commonwealth grants cannot be considered Victoria Legal Aid revenue.

Educational institutions

We have established relationships with many educational institutions, including almost all the major universities in Victoria.

We provide opportunities for students to undertake placements within our organisation to gain practical experience, including hosting law, research, business and criminal justice administration students.

This year we hosted students from:

- Deakin University
- Leo Cussen Centre for Law
- Monash University
- University of Melbourne
- Victoria University.

See 'Supporting quality services' (p. 77–78) for more about student training placements this year.

Engaging with the community and stakeholders

The Victorian community and our stakeholders in both legal and non-legal sectors are important partners and resources in helping us to meet our objectives and to deliver services effectively.

Engaging with the community and stakeholders enables us to:

- harness knowledge and experience to help us improve our services
- test policies, ideas and directions
- identify and, where possible, address issues of concern.

This year we consulted and collaborated with the community and our stakeholders on a number of activities and projects. The input we received influenced our decision-making and is contributing to the continuous improvement of our services.

Seeking community and stakeholder views to help shape our future directions

At the end of 2014 Victoria Legal Aid's current strategic plan will expire, giving us the opportunity to consider how we can better fulfil our purpose.

We are undertaking research and consultation with staff, stakeholders and the broader community to ensure we have the best possible knowledge on which to base decisions about the future of legal aid in Victoria. This includes asking foundational questions about our role in the community, the values that inform our decisions and how we can best meet the objectives of the *Legal Aid Act 1978 (Vic)*.

For the first time ever, we are gauging community views on awareness and understanding of legal aid, attitudes towards and expectations of Victoria Legal Aid, and opinions about our future directions.

We are also engaging extensively with stakeholders, including representatives from government, community organisations and the justice sector, through forums, an online survey and one-on-one meetings.

With the assistance of the community and stakeholders, we will create a unifying new strategy for the delivery of legal aid and for our ongoing role as a significant contributor within the broader justice system. We will publish the results of our community research and our future strategic directions in 2014–15.

Community engagement through legal education

One of our key community engagement activities is legal education, which varies from running education sessions for community members and community workers, to participating in events such as festivals and expos.

Legal education helps people identify and act on legal problems they may face. It is an important prevention and early intervention strategy, which also allows us to learn more about the experiences and needs of particular groups, and to feed this back into service delivery improvements.

We design and deliver education programs to engage with disadvantaged or vulnerable groups, including young people, newly arrived communities and people experiencing intellectual disability. This includes developing resources and often collaborating with community sector partners to deliver sessions.

This year we delivered 444 legal education sessions to community groups, workers and educators, and expanded our reach across Victoria – 278 sessions were delivered from our outer-suburban and regional offices.

A key feature of our work in the past year has been our Settled and Safe project: a family violence prevention project that uses community development principles to educate new and emerging communities about family law and family violence. This project accounts for just over one quarter of all sessions delivered this year, with nearly all of them run in outer-suburban Melbourne and regional Victoria.

We also trained 3197 legal and non-legal community workers to use our community education tools. We are increasingly developing targeted legal education products for delivery by educators and community workers who often need to provide legal education but lack the tools or confidence to do so. Communities respond well when education is delivered by people they know and trust. This also allows us to reach more people and prevent problems before they arise.

See 'Preventative services for all Victorians' (p. 15–20) for more about our community legal education projects this year.

Learning from complaints

This year we implemented a new complaint handling process that makes it easier for individuals to raise complaints and to have them addressed and resolved quickly and fairly.

The new process encourages all staff to take responsibility for resolving complaints as they arise, to learn from complaints, and to apply lessons learned to client interaction and service delivery. Our complaints team helps private practitioners, staff and complainants to resolve more complex matters and ensures that, where appropriate, individual complaints act as a catalyst for broader service improvements.

In the first six months of the new process, 28 of the 108 complaints received about our staff and services were handled by the relevant staff in the first instance, without the need to escalate the matter to our complaints team. This is a good result because it means more complaints are being handled quickly and fairly by those best placed to address the complaint. We hope that over half the complaints received next year will be resolved in this way as staff become more familiar with the new process.

We have already made service improvements as a result of the new process. Providing information that is accurate and easy to understand is an important aspect of delivering quality services. We introduced changes to our template letters based on feedback from clients that they could be clearer, and made changes to our website to ensure it accurately reflects our services.

See 'Complaints' (p. 90–92) for more information about how we handle complaints.

Consultation to improve processes and service delivery

We commenced three large projects this year to help refine our processes and improve our service delivery. These projects, which include significant stakeholder and community engagement, involve:

- reviewing our appeals process in response to community concerns – this has included consultation with agencies that work with victims of crime and with the families of offenders. For more information see 'Key achievements' under 'Criminal Law program' (p. 43–44)
- critically assessing how we prepare criminal trials to ensure a high standard from commencement of proceedings through to verdict in our Delivering High Quality Criminal Trials project. For more information see 'Key achievements' under 'Criminal Law program' (p. 43)
- reviewing our Commonwealth family law services to prioritise clients with the most pressing family law needs, to focus on quality, consistency and efficacy, and to deliver services in a financially sustainable way. For more information, see 'Outlook' under 'Family, Youth and Children's Law services' (p. 52).

Statutory reporting responsibilities

This report has been prepared in accordance with all relevant legislation. See Appendix 1 (p. 149–151) for the disclosure index that identifies our compliance with statutory disclosure requirements.

Complaints

We have taken a proactive approach to complaints, believing they can tell us much about what we do and help us to improve.

Our website explains what people can expect from us when they use our services. It also explains how to make a complaint if we do not meet expectations. Anyone can make a complaint about services provided by our staff, about private practitioners representing clients under a grant of legal assistance, or about our services more generally.

We aim to resolve complaints quickly, fairly and without prejudice. We have a complaints process that encourages staff and private practitioners to take responsibility for complaints and to resolve them when they first arise.

This year we received 681 complaints and enquiries compared to 498 in 2012–13 (up by 36%).

In 80% of cases we met our target of acknowledging a complaint within 48 hours and reaching a resolution within 21 days.

What people complained about

| Nature of complaint | 2013–14 | 2012–13 |
|--|------------|------------|
| Our services | 119 | 59 |
| Services provided by private practitioners | 182 | 165 |
| Services provided by our staff | 111 | 73 |
| Enquiries | 269 | 201 |
| Total | 681 | 498 |

The average complaint was:

- initiated by telephone (39%)
- about a service provided by a private practitioner (37%)
- about lack of communication by a private practitioner (13%)
- resolved within 22.4 days
- resolved by providing the complainant with information or an explanation (30%).

Complaints about our services

Complaints about our services covers complaints about all aspects of our services except complaints about individual staff members and services provided by private practitioners on behalf of Victoria Legal Aid.

We received 119 complaints about our services (up by 102%). The significant increase reflects improvements made in the accuracy of complaint data recorded.

The most common complaints were about:

- eligibility to receive a grant of legal assistance (15%)
- our debt policy (9%)
- the process for applying for a grant of legal assistance (9%).

These complaints were most commonly resolved by:

- providing information or an explanation to the complainant (45%)
- finding that the complaint was unsubstantiated (6%)
- apologising to the complainant when a misunderstanding had occurred (5%).

Complaints about services provided by private practitioners

We received 182 complaints about services provided by private practitioners (up by 10%), including services relating to a grant of legal assistance.

The most common types of complaints were about:

- failure to pay a third-party service provider (26%)
- lack of communication with the client (12%)
- improper requests for payment from a person in receipt of a grant of legal assistance (11%).

These complaints were most commonly resolved by:

- providing information or an explanation to the complainant (19%)
- finding that the complaint was unsubstantiated (10%)
- closing the complaint due to necessary information not being provided (9%).

While the number of complaints received about private practitioners is similar to last year, the most notable increase is the number of complaints about failure to pay a third-party service provider (up by 42%). Third-party providers include barristers and experts who provide reports for clients, such as treating doctors or psychologists.

One practitioner was removed from one of our practitioner panels following notification from the Legal Services Board that the practitioner ceased to hold a practicing certificate.

We referred three complainants to the Legal Services Commissioner as the appropriate authority for investigating misconduct complaints about private practitioners.

Complaints about services provided by our staff

We received 111 complaints about our legal and non-legal staff (up by 50%).

The most common complaints were about:

- the conduct of a staff member (45%)
- dissatisfaction with advice or representation (19%)
- failure to pay a third-party service provider (11%).

These complaints were most commonly resolved by:

- providing information or an explanation to the complainant (24%)
- apologising to the complainant (7%)
- finding that the complaint was unsubstantiated (7%).

The increase in complaints received about staff reflects better recording of complaints under our updated complaints handling process.

Summary of complaints about private practitioners and our staff

The table below shows the total number of complaints we received this year about private practitioners and our staff against our complaint categories. Our staff received the most complaints about service quality and professional conduct, while private practitioners received the most complaints about fee-related matters and professional conduct.

| Complaint category* | Victoria Legal Aid staff | Private practitioners |
|---------------------------------|--------------------------|-----------------------|
| Service quality | 44 | 45 |
| Professional conduct | 42 | 47 |
| Victoria Legal Aid requirements | 3 | 32 |
| Fee-related matters | 12 | 48 |
| Other | 10 | 10 |
| Total | 111 | 182 |

* Complaint categories are defined as:

- Service quality – includes complaints about the regularity of communications with a client, the accuracy of advice provided, the effectiveness of legal representation or how well a client's case was prepared.
- Professional conduct – includes complaints about a possible conflict of interest, a practitioner failing to appear in court, or a practitioner improperly ceasing to act for a client.
- Victoria Legal Aid requirements – includes complaints about breaches of our panel membership obligations, failure to inform Victoria Legal Aid of relevant information for a grant of aid or providing false information.
- Fee-related complaints – includes complaints about a request for payment from a client or from Victoria Legal Aid, or failure to pay a third-party service provider.
- Other – includes where the complainant does not provide enough information to categorise the complaint and decides not to take the matter further upon request for further information.

Enquiries

We received 269 enquiries this year about a range of issues including queries about another person's eligibility for assistance and complaints not related to our services.

These enquiries were mostly resolved by:

- referring to a more appropriate organisation (53%)
- providing information (28%)
- no further action being possible (14%).

Information privacy

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

We comply with the *Information Privacy Act 2000* (Vic) and our policies and processes for dealing with personal information comply with the Information Privacy Principles.

We received one notification of a complaint lodged with Privacy Victoria this year, which alleged that we failed to comply with our privacy obligations. This complaint remains ongoing.

Information about how we handle personal information is available at www.legalaid.vic.gov.au.

Freedom of information

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

We received 12 applications for documents this year. Of these:

- six resulted in documents being released in full
- five resulted in documents being released in part
- one application was refused in full.

We received nine requests for documents that did not meet the requirements for a valid request, but were satisfied outside of the freedom of information process.

Freedom of Information Commissioner

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

This year we received notification of two complaints and two review requests from the Freedom of Information Commissioner. Of these:

- two decisions were upheld
- one complaint was dismissed
- one complaint remains ongoing.

Making a request

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

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

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

Freedom of information requests can be made by:

- telephone on (03) 9280 3789
- email to foi@vla.vic.gov.au
- post to:
Freedom of Information
Victoria Legal Aid
GPO Box 4380
MELBOURNE VIC 3001.

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

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

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

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

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

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

For more information about reporting improper conduct go to www.legalaid.vic.gov.au.

Compliance with the *Disability Act 2006 (Vic)*

Our *Disability Action Plan 2012–14* complies with the *Disability Act 2006 (Vic)* and includes clear timeframes, accountabilities and performance measures.

Key activities under the plan this year included:

- continued law reform advocacy for improvements to the infringements system for people with a disability
- engaging young people with mild intellectual disabilities in the development of e-learning tools for teachers and young people about their legal rights
- improvements to our Bendigo and Morwell offices to make the buildings and facilities more accessible to people experiencing a disability.

Environmental sustainability and performance

We remain committed to reducing our environmental impact. We are reviewing our Environmental and Sustainability Policy to consider processes and measures to further reduce our carbon footprint, including raising staff awareness of environmental issues.

This year we substantially reduced:

- total energy consumption (by 8.7%) with a resulting 6.6% reduction in greenhouse gas emissions, despite an increase in full-time equivalent (FTE) staff
- water consumption (by 22% in real terms, or by 12% if disregarding a water leak in 2012–13), despite an increase in FTE staff
- energy consumption by 16.8% per FTE and by 6.5% per square metre of office space
- air travel for the third consecutive year (by 18.7% compared to 2012–13, and by 47.39% compared to 2010–11).

For more details about our environmental performance see Appendix 2 (p. 152–157).

Consultancies

In 2013–14 we engaged 14 consultancies where the total fees payable to the consultants were greater than \$10,000. The total amount paid in relation to these consultancies was \$365,478.

Contracts

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

Compliance with the *Building Act 1993 (Vic)*

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

An increase in capital funds meant that we were able to undertake minor upgrades at our Ringwood office and major security and accessibility upgrades at our Morwell and Bendigo offices.

We used the temporary relocation of our administration staff from the Morwell office to Warragul due to the nearby Hazelwood coal mine fire to refurbish the office, adding client meeting rooms and improving accessibility for people experiencing a disability.

We also completed the planned refurbishment of our Bendigo office, expanding the facility to include client meeting rooms, and improving accessibility in line with our disability action plan. These upgrades have increased the capacity of our staff to provide services in the region.

The decommissioning of our Preston Office was completed in December 2013.

Industry Participation Policy

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

National Competition Policy

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

Risk management

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

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

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

We developed mitigating strategies and actions to embed planning around identified risks into current activities. Key risk indicators were developed to track and monitor the movement of risks against likelihood and consequence. Reports against the risk profile are provided to our Board and Audit Committee on a quarterly basis.

Identified risks

Risks identified during the year included:

- failure to attain compliance with processes and standards that enable the delivery of quality services to legal aid clients
- failure to secure adequate levels of funding
- community fails to value legal aid services
- failure to develop manager capability to enable Victoria Legal Aid to achieve its objectives
- failure to deliver on and meet targets
- failure to successfully plan and implement key strategic projects impacting Victoria Legal Aid's ability to adapt to change and innovate
- failure to identify, forecast and respond to service pressures
- failure of government decisions and activity to take into account Victoria Legal Aid and other entities
- failure to provide staff with a safe and supportive workplace and work environment, impacting physical or mental wellbeing.

Attestation of compliance with the Australian/New Zealand risk management standard

I, Andrew Guy, certify that Victoria Legal Aid has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard (AS/NZS ISO 31000:2009 or its successor) and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

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



Andrew Guy

Chairperson

on behalf of the Board of Victoria Legal Aid

Attestation for compliance with the Ministerial Standing Direction 4.5.5.1 – Insurance

I, Elizabeth Jennings, certify that Victoria Legal Aid has complied with Ministerial Direction 4.5.5.1 – Insurance.



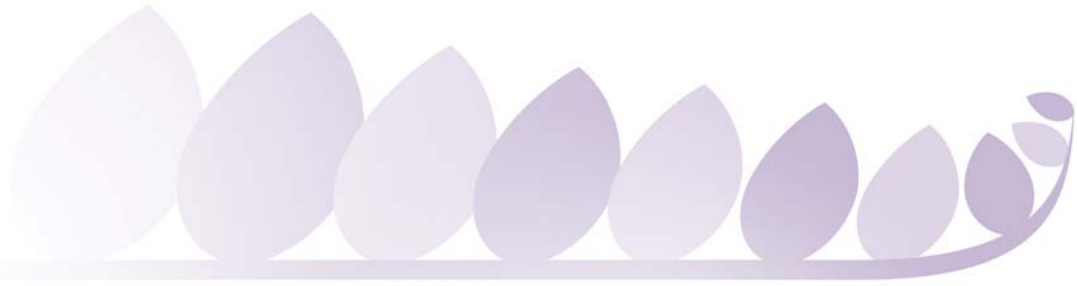
Elizabeth Jennings

Chief Financial Officer

Additional information available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, information relating to the 2013–14 reporting period to be made available to ministers, members of parliament and the public on request and subject to the provisions of the *Freedom of Information Act 1982 (Vic)* include:

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



Our finances

Year in review

We finished the year with a surplus on transactions, our day-to-day business, of \$15.3 million, a positive result when compared to last year's \$6.5 million deficit. The comprehensive surplus was \$16.1 million, compared to a \$9.3 million deficit last year.

The improvement in the operating result is due to increased Commonwealth and state income and lower case-related professional payments.

During 2012–13 we implemented strategies to reduce our deficit and as a result the number of grants of legal assistance decreased last year. There is a lag between when a grant of legal assistance is approved and when the work is done and the payment made, so this year we saw the impact of the reduction.

The year end cash balance was \$32.2 million, which is above the targeted \$12.0 million minimum cash balance we hold to ensure we meet fluctuations in annual payments.

In line with financial sustainability ratios recommended by the Victorian Auditor-General's Office, the Board will target a \$20.0 million cash buffer for the next financial year to ensure we can meet fluctuations in annual payments in light of future demand and cost pressures.

The 2013–14 financial statements record:

- Victorian Government income of \$83.0 million
- Commonwealth Government income of \$49.4 million
- Public Purpose Fund income of \$25.7 million
- \$61.9 million spent on case-related private practitioner payments
- \$22.9 million funding provided to community legal centres (this includes \$9.0 million in Commonwealth funds passed directly to community legal centres and not recognised as income or expenditure in our financial statements)
- an operating surplus of \$15.3 million
- a comprehensive surplus of \$16.1 million.

Five-year financial summary

| Financial summary | 2014 \$000 | 2013 \$000 | 2012 \$000 | 2011 \$000 | 2010 \$000 |
|--|---------------|---------------|---------------|---------------|---------------|
| Income from government and the Public Purpose Fund | 158,071 | 147,842 | 144,872 | 142,093 | 131,197 |
| Total income from transactions | 162,222 | 155,990 | 153,831 | 149,204 | 137,455 |
| Total expenses from transactions | (146,903) | (162,473) | (159,991) | (140,748) | (131,678) |
| Net result from transactions | 15,319 | (6,483) | (6,160) | 8,456 | 5,777 |
| Net result for the period | 16,109 | (9,332) | (3,095) | 2,124 | 6,150 |
| Net cash flow from operating activities | 20,493 | (1,035) | (3,660) | 9,788 | 5,367 |
| Cash at 30 June | 32,185 | 12,893 | 14,560 | 19,913 | 12,508 |
| Total assets | 67,064 | 50,048 | 52,411 | 55,987 | 51,116 |
| Total liabilities | 36,514 | 35,609 | 28,638 | 29,119 | 26,372 |
| Total equity | 30,550 | 14,439 | 23,773 | 26,868 | 24,744 |

Our income

Our operating income is predominantly provided by the Victorian and Commonwealth governments and the Public Purpose Fund.

The Commonwealth Government, through the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services*, provided \$44.9 million (\$44.4 million in 2012–13). The Commonwealth also provided an additional \$3.5 million as one-off funding, \$0.2 million that was allocated to community legal centres, and supplementary funding of \$0.7 million for expensive criminal cases. Direct grants for community legal centres are passed on directly by Victoria Legal Aid and thus are not recognised as income in our financial statements.

The state government provided \$83.0 million (\$75.3 million in 2012–13), including an additional \$3.8 million as funds that will be received on an annual basis.

Funding from the Public Purpose Fund was \$25.7 million – the same amount as was received last year.

The remaining operating income was \$4.2 million (\$8.1 million 2012–13).

Income growth this year was 4%. The increased growth is due to the one-off Commonwealth grant and the increase in ongoing funding from the Victorian Government.

Income five-years (\$ thousand)

| Source | 2013–14 | 2012–13 | 2011–12 | 2010–11 | 2009–10 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Commonwealth grants | 49,366 | 46,875 | 46,345 | 47,228 | 43,643 |
| State grants | 83,042 | 75,304 | 72,864 | 69,096 | 64,054 |
| Public Purpose Fund | 25,663 | 25,663 | 25,663 | 25,769 | 23,500 |
| Client contributions | 1,331 | 5,157 | 5,913 | 4,042 | 3,763 |
| Other income | 2,820 | 2,991 | 3,046 | 3,069 | 2,495 |
| Total income from transactions | 166,222 | 155,990 | 153,831 | 149,204 | 137,455 |
| % income annual growth | 4.0% | 1.4% | 3.1% | 8.5% | 7.9% |

Our expenditure

Our total operating expenditure this year was \$146.9 million, a decrease of 9.6%.

Case-related payments totalled \$61.9 million, a decrease of 20%. These funds are paid to private practitioners, barristers, medical experts and interpreters, as well as to third parties for services rendered on in-house cases. Strategies implemented last year in response to the large increase in demand in 2011–12 have resulted in the decrease in case-related payments. On 1 January 2013 we increased fees by 2% for all private practitioner fees and disbursements.

The other major expense was staffing-related costs totalling \$54.3 million, an increase of 1.3%. Staffing-related costs accounted for 37% of total operating expenditure.

Of the funds provided by the Victorian Government, we allocated \$13.8 million to the Community Legal Centre Funding Program (\$13.2 million in 2012–13).

Expenditure five-years (\$ thousand)

| Source | 2013–14 | 2012–13 | 2011–12 | 2010–11 | 2009–10 |
|---|----------------|----------------|----------------|----------------|----------------|
| Case-related payments | 61,942 | 77,461 | 79,639 | 67,103 | 65,337 |
| Community legal centre payments | 13,335 | 12,855 | 12,367 | 11,527 | 10,408 |
| Employee benefits | 54,294 | 53,577 | 50,305 | 45,546 | 41,147 |
| Depreciation and amortisation | 2,812 | 3,304 | 2,737 | 2,403 | 2,216 |
| Other administration | 14,520 | 15,276 | 14,943 | 14,169 | 12,570 |
| Total expenses from transactions | 146,903 | 162,473 | 159,991 | 140,748 | 131,678 |
| % expenditure annual growth | (9.6%) | 1.6% | 13.7% | 6.9% | 2.1% |

Our operations and financial position

Operations result

The net result from transactions, our day-to-day business, was a surplus of \$15.3 million. The surplus from transactions indicates that the strategies we implemented have enabled us to operate within the resources available.

Financial position

Our comprehensive result was a surplus of \$16.1 million. The comprehensive surplus takes into account year end adjustments of \$0.8 million. The major adjustment was a write back to the impairment provision for client contributions.

The year end cash balance was \$32.2 million, which is above the targeted \$12.0 million minimum cash balance to ensure we meet fluctuations in annual payments.

Future planning

We have implemented strategies to ensure that we operate within the resources we have available. But to do this we have had to prioritise clients and services while containing our operating costs. However, we anticipate increased demand and greater costs that, if not matched by increased income, will make our financial sustainability difficult and challenge our ability to remain effective and efficient in meeting our clients' needs.

Understanding the financial statements

The 'Financial statements' detail our financial performance and overall financial position for the year ended 30 June 2014. They are presented in accordance with Australian Accounting Standards and the requirements set by the Department of Treasury and Finance.

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

Comprehensive operating statement

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

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

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

Balance sheet

This 'Balance sheet' is a snapshot of our financial position as at 30 June 2014 and details what we own (assets) and owe (liabilities). The assets and liabilities are separated into current and non-current. 'Current' indicates that the assets or liabilities are likely to be consumed or fall due within the next 12 months. The 'net assets' value is the residual of assets once the liabilities have been deducted. This represents the net financial worth of Victoria Legal Aid at 30 June 2014.

Statement of changes in equity

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

Cash flow statement

The 'Cash flow statement' summarises our cash receipts and cash payments for the financial year ended 30 June 2014. The values may differ from those shown in the 'Comprehensive income statement' because the income statement is prepared on an accrual accounting basis. This means that income is reported when earned and expenses when incurred not when the physical cash is transacted. Cash in the 'Cash flow statement' refers to bank deposits and other forms of liquid amounts that can readily be converted to cash. Our cash arises from, and is used in, three main areas:

1) Cash flows from operating activities

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

2) Cash flows from investing activities

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

3) Cash flows from financing activities

This is where the receipt and repayment of borrowed funds are recorded, and includes any movement in trust funds from Victorian Government monies held by Victoria Legal Aid. The bottom line of the 'Cash flow statement' is the cash balance at 30 June 2014. This shows the capacity of Victoria Legal Aid to meet its current cash obligations and other liabilities.

Notes to the financial statements

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

Victoria Legal Aid

Financial statements – 30 June 2014

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This financial report covers Victoria Legal Aid as an individual entity

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

Victoria Legal Aid
350 Queen Street
Melbourne VIC 3000

Comprehensive operating statement

For the financial year ended 30 June 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|--|------------|------------------|------------------|
| Continuing operations | | | |
| Income from transactions | | | |
| Government | | | |
| Commonwealth grants | 1(e), 2(c) | 45,866 | 46,875 |
| Commonwealth grants – one-off | 1(e), 2(c) | 3,500 | - |
| State grant | 1(e), 2(c) | 83,042 | 75,304 |
| Public Purpose Fund | 1(e), 2 | 25,663 | 25,663 |
| | | 158,071 | 147,842 |
| Operating | | | |
| Client contributions (secured and unsecured) | 1(e) | 1,331 | 5,157 |
| Costs recovered and appeal cost fund | 1(e) | 1,691 | 1,591 |
| Interest on investments | 1(e) | 924 | 894 |
| Other income | | 205 | 506 |
| | | 4,151 | 8,148 |
| Total income from transactions | | 162,222 | 155,990 |
| Expenses from transactions | | | |
| Case-related professional payments | 1(f) | (61,942) | (77,461) |
| Grants and other payments | 2(b) | (13,335) | (12,855) |
| Employee benefits | 3 | (54,294) | (53,577) |
| Depreciation and amortisation | 1(f), 3 | (2,812) | (3,304) |
| Other expenditure | 3 | (14,520) | (15,276) |
| Total expenses from transactions | | (146,903) | (162,473) |
| Net result from transactions (net operating balance) | | 15,319 | (6,483) |
| Other economic flows included in net result | | | |
| Items that may be reclassified subsequently to net result | | | |
| Net gains/(losses) arising from other economic flows | 1(h), 4 | 790 | (2,849) |
| Total other economic flows included in net result | | 790 | (2,849) |
| Net result from continuing operations | | 16,109 | (9,332) |
| Comprehensive result | | 16,109 | (9,332) |

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

Balance sheet

As at 30 June 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|-----------------------------------|-------------|----------------|----------------|
| Financial assets | | | |
| Cash and cash equivalents | 1(i), 6 | 32,185 | 12,893 |
| Accrued income | | 109 | 417 |
| Receivables | 1(j), 7 | 21,959 | 22,220 |
| Prepayments | | 844 | 918 |
| Total financial assets | | 55,097 | 36,448 |
| Non-financial assets | | | |
| Property, plant and equipment | 1(l), 8 | 6,508 | 7,563 |
| Intangible assets | 1(l), 9 | 5,459 | 6,039 |
| Total non-financial assets | | 11,967 | 13,602 |
| Total assets | | 67,064 | 50,050 |
| Liabilities | | | |
| Payables | 1(n), 10 | 21,574 | 21,916 |
| Provisions | 1(o), 11 | 14,940 | 13,693 |
| Total liabilities | | 36,514 | 35,609 |
| Net assets | | 30,550 | 14,441 |
| Equity | | | |
| Contributed capital | 1(k), 12(a) | 42,194 | 42,194 |
| Accumulated deficit | 12(b) | (11,644) | (27,753) |
| Total equity | | 30,550 | 14,441 |
| Contingent liabilities | 1(v), 20 | | |
| Commitments for expenditure | 1(u), 18 | | |

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

Statement of changes in equity

For the financial year ended 30 June 2014

| | Notes | 2014 \$'000 | 2013 \$'000 |
|--|-------|----------------|----------------|
| Equity at start of financial year | | | |
| Contributed capital | 12(a) | 42,194 | 42,194 |
| Accumulated deficit | 12(b) | (27,753) | (18,421) |
| Total equity at start of financial year | | 14,441 | 23,773 |
| Comprehensive result for the year | | 16,109 | (9,332) |
| Total recognised income and expenses for the year | | 16,109 | (9,332) |
| Total equity at end of financial year | | 30,550 | 14,441 |

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

Cash flow statement

For the financial year ended 30 June 2014

| | 2014 \$'000 (inflow / outflow) | 2013 \$'000 (inflow / outflow) |
|---|---|---|
| Notes | | |
| Cash flows from operating activities | | |
| <i>Receipts from government</i> | | |
| Commonwealth grants | 45,189 | 47,030 |
| Commonwealth grants – one-off | 3,500 | - |
| | 48,689 | 47,030 |
| State | 82,832 | 74,850 |
| Public Purpose Fund | 25,663 | 25,600 |
| Public Purpose Fund – one-off | 2,000 | - |
| | 110,495 | 100,450 |
| <i>Receipts from operating activities</i> | | |
| Client contributions | 2,168 | 2,321 |
| Costs recovered and appeal cost fund | 1,860 | 1,752 |
| Interest on investments | 868 | 959 |
| Goods and services tax recovered from the ATO | 8,439 | 10,609 |
| Other income | 196 | 872 |
| | 13,531 | 16,513 |
| | 172,715 | 163,993 |
| <i>Payments to suppliers and employees</i> | | |
| Case-related professional payments | (70,235) | (83,062) |
| Employee benefits | (52,978) | (52,947) |
| Community legal centres | (14,670) | (14,105) |
| Administration costs | (14,339) | (14,914) |
| | (152,222) | (165,028) |
| Net cash from/(used in) operating activities | 16 20,493 | (1,035) |
| Cash flows from investing activities | | |
| Payments for non-financial assets | (1,262) | (1,607) |
| Proceeds from sale of non-financial assets | 114 | 67 |
| Net cash from/(used in) investing activities | (1,148) | (1,540) |

Cash flow statement (continued)

| | Notes | 2014 \$'000 (inflow / outflow) | 2013 \$'000 (inflow / outflow) |
|---|---------|---|---|
| Cash flows from financing activities | | | |
| Receipts from state government for monies held in trust | | - | 960 |
| Payments on behalf of state government for monies held in trust | | (53) | (52) |
| Net cash from/(used in) financing activities | | (53) | 908 |
| Net increase/(decrease) in cash and cash equivalents held | | 19,292 | (1,667) |
| Cash and cash equivalents at the beginning of the financial year | | 12,893 | 14,560 |
| Cash and cash equivalents at the end of the financial year | 1(i), 6 | 32,185 | 12,893 |

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

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

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

The financial statements were authorised for issue by the Board on 20 August 2014.

(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 circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2014 and the comparative information presented for the year ended 30 June 2013.

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

(c) Objectives

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

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

(d) Scope and presentation of financial statements

Comprehensive operating statement

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

Balance sheet

Items of assets and liabilities in the balance sheet are:

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

Cash flow statement

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

Note 1. Summary of significant accounting policies (continued)

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

Statement of changes in equity

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

(e) Revenue recognition

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

(i) Government grants

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

(ii) Public Purpose Fund

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

(iii) Client contribution revenue

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

As at 1 July 2013 we have changed accounting practise to recognise a more conservative client contribution, which consequently will reduce the requirement to be written down on a face value basis.

(iv) Sale of goods and disposal of assets

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

Note 1. Summary of significant accounting policies (continued)

(v) *Interest*

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

(vi) *Costs recovered and appeal costs fund*

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

(vii) *Other income*

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

(f) **Expenses from transactions**

(i) *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 professional payments fluctuate depending on demand and types of cases funded.

(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 estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. Estimates of useful lives, residual values and depreciation method are reviewed on a regular basis.

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

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

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

Note 1. Summary of significant accounting policies (continued)

(g) Maintenance and repairs

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

(h) Other economic flows included in net result

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

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

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

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

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

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

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

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

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

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

(i) Cash and cash deposits

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

Note 1. Summary of significant accounting policies (continued)

(i) *Monies held in trust*

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

(j) **Receivables**

Granting of legal assistance

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

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

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

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

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

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

(k) **Contribution by owners**

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

(l) **Non-current assets**

Non-current physical assets

Plant and equipment are measured 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 Victoria Legal Aid. Leasehold improvements are measured at cost less accumulated depreciation and impairment (Note 1m).

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

Note 1. Summary of significant accounting policies (continued)

Cultural assets

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

A revaluation of the artworks was performed by the Valuer-General Victoria on the 1 April 2014 for the financial period ending 30 June 2014. The valuation of the artworks was determined by a comparison to similar examples of the artists' work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

A valuation increase of six thousand dollars arose from the differences between the assets' carrying value and fair value. Net valuation increases are recognised in other economic flows – other comprehensive income.

Intangibles assets

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

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

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

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

Intangible assets are measured at cost less accumulated amortisation and impairment, and are amortised on a straight-line basis over their useful lives as 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 4% (2013: 4.25%) 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 higher discount rate of 4.25% was used for 2014 (2013: 4.5%).

Note 1. Summary of significant accounting policies (continued)

(m) Impairment of assets

All assets are assessed annually for indications of impairment.

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

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

(n) Payables

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

Trade creditors

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

Case-related professional payments

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

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

An actuarial assessment was undertaken by Finity Consulting Pty Limited to identify amounts owing to legal creditors for work performed prior to 30 June 2014 but not yet invoiced. The actuarial assessment includes a prudential margin of 10% of the outstanding estimates for criminal law matters (2013: 10% prudential margin applied to outstanding estimates for all criminal law matters). The application of the prudential margin is re-assessed 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 and annual leave expected to be wholly settled within 12 months of the reporting date, are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Note 1. Summary of significant accounting policies (continued)

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 seven or more years of continuous service) is disclosed as a current liability even where Victoria Legal Aid does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave or depart within 12 months.

The components of this current LSL liability are measured at:

- o present value – component that Victoria Legal Aid does not expect to settle within 12 months
- o nominal value – component that Victoria Legal Aid expects to settle within 12 months.
- Non-current liability – conditional LSL (representing less than seven years of continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as another economic flow (refer Note 1h).

(iii) Employee benefits on-costs

Employee benefits on-costs (workers compensation, superannuation, annual leave and LSL accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(iv) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date. Victoria Legal Aid recognises termination benefits when it is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(v) Defined contribution superannuation funds

Contributions to defined contribution superannuation plans are expensed when incurred (see Note 13).

Note 1. Summary of significant accounting policies (continued)

(vi) Defined benefit superannuation funds

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation represents the contribution made by Victoria Legal Aid to the superannuation fund in respect to the current services of current staff of Victoria Legal Aid. Superannuation contributions are made to the plans based on the relevant rules of each plan.

The Department of Treasury and Finance centrally recognises the defined benefit liability or surplus of most Victorian Government employees in such funds.

(p) Provisions

Provisions are recognised when Victoria Legal Aid has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recognised from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(q) Operating leases

Operating leases are those in which the lessor effectively retains all substantial risks and benefits. Payments made in relation to operating leases are charged to the comprehensive operating statement in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(r) Goods and services tax

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

Commitments and contingent assets and liabilities are presented on a gross basis.

(s) Supplies and services

Supplies and services generally represent cost of goods sold and the day-to-day running costs, including maintenance costs, incurred in the normal operations of Victoria Legal Aid. These items are recognised as an expense in the reporting period in which they are incurred.

Note 1. Summary of significant accounting policies (continued)

(t) Events after reporting date

Assets, liabilities, income or expenses arise from past transactions or other past events. Where the transactions result from an agreement between Victoria Legal Aid and other parties, the transactions are only recognised when the agreement is irrevocable at or before balance date. Adjustments are made to amounts recognised in the financial statements for events which occur after reporting date and before the date the statements are authorised for issue, where those events provide information about conditions which existed at the reporting date. Note disclosure is made about events between the balance date and the date statements are authorised for issue where the events relate to conditions which arose after the reporting date and which may have a material impact on the results of subsequent years.

(u) Commitments

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

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. Victoria Legal Aid evaluates these judgements regularly.

- Critical accounting estimates and assumptions

Measurement of payables – case-related professional creditors

Measurement of outstanding payments for case-related professional creditors is based on an actuarial assessment. The actuarial assessment makes reference to historical data.

Measurement of receivables – client contributions

Measurement of receivables for secured client contributions is based on an actuarial assessment which makes reference to annual modelling and historical data on debt recovery.

(x) Going concern

The financial report has been prepared on a going-concern basis. Victoria Legal Aid is funded predominantly by regular appropriations from the Victorian Government and the Commonwealth Government. The appropriation for Commonwealth funding under the National Partnership Agreement for the provision of legal services expires on 30 June 2015. The Victorian Department of Justice provides continued support as indicated in the annual Budget Papers.

These financial statements have been prepared in the reasonable expectation that such funding will continue.

Note 1. Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 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 2014, the following standards and interpretations had been issued but were not mandatory for the financial year ending 30 June 2014. Victoria Legal Aid has not adopted these standards early, and does not intend to.

| Standard / Interpretation | Summary | Applicable for annual reporting periods beginning or ending on | Impact on public sector entity financial statements |
|--|--|--|---|
| AASB 9 Financial Instruments | This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement). | 1 January 2017 | <p>The preliminary assessment has identified that the financial impact of available for sale (AFS) assets will now be reported through other comprehensive income (OCI) and no longer recycled to the profit and loss.</p> <p>While the preliminary assessment has not identified any material impact arising from AASB 9, it will continue to be monitored and assessed.</p> |
| AASB 12 Disclosure of Interests in Other Entities | This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures. | 1 January 2014 (not-for-profit entities) | The new standard is likely to require additional disclosures and ongoing work is being done to determine the extent of additional disclosure required. |

Note 1. Summary of significant accounting policies (continued)

(z) Changes to accounting policies

Subsequent to the 2012–13 reporting period, the following new and revised standards have been adopted in the current period with their financial impact detailed as below.

AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for all fair value measurements. AASB 13 does not change when an agency is required to use fair value, but rather provides guidance on how to measure fair value under Australian Accounting Standards when fair value is required or permitted. Victoria Legal Aid has considered the specific requirements relating to highest and best use, valuation premise, and principal (or most advantageous) market. The methods, assumptions, processes and procedures for determining fair value were revisited and adjusted where applicable. In light of AASB 13, Victoria Legal Aid has reviewed the fair value principles as well as its current valuation methodologies in assessing the fair value, and the assessment has not materially changed the fair values recognised.

AASB 119 Employee Benefits

In 2013–14 Victoria Legal Aid has applied AASB 119 Employee Benefits (Sept 2011, as amended) and the related consequential amendments for the first time.

The revised AASB 119 changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligation and plan assets. As the current accounting policy for Victoria Legal Aid is not to recognise and disclose the state's defined benefit liabilities in its financial statements, changes in defined benefit obligations and plan assets will have limited impact on the agency.

The revised standard also changes the definition of short-term employee benefits. These were previously benefits that were expected to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly within twelve months after the end of the reporting period in which the employees render the related service. Victoria Legal Aid does not consider changes in classification has materially altered its measurement of the annual leave provisions.

Note 2. Funding

(a) The organisation

On 1 July 2010 the Commonwealth and the Victorian Government entered into a National Partnership Agreement for legal assistance services. The agreement specified arrangements for the delivery of Commonwealth-funded services by the state. Funding flows through the Victorian Government to Victoria Legal Aid and is reported as an indirect Commonwealth funding, 2014 \$44.9 million (2013: \$44.3 million). Victoria Legal Aid received a one-off funding of \$3.5 million for legal services to meet Commonwealth priority areas.

Victoria Legal Aid continues to be reimbursed for expensive Commonwealth cases directly, 2014 \$0.8 million (2013: \$2.1 million).

Funding is received from the State Budget for supporting legal processes, 2014 \$83.0 million (2013: \$75.3 million).

Funds are provided from the Public Purpose Fund, the amount distributed each year can vary depending on the performance of the fund and when calls on the fund are made.

(b) Community legal centres

Each year Victoria Legal Aid allocates a portion of its funding and provides certain administration assistance to community legal centres in Victoria. For the year ended 30 June 2014, Victoria Legal Aid allocated \$13.3 million of direct funds (2013: \$12.8 million) and \$0.4 million of project funds (2013: \$0.4 million).

The organisation has disclosed this transaction in its financial statements as the Board of Victoria Legal Aid has discretionary funding choices over the allocation of state grants.

The organisation does not control the allocation of grants received from the Commonwealth Government and consequently does not include these funds in its financial statements as income or expenditure. The total amount received from the Commonwealth for community legal centres to 30 June 2014 was \$9.0 million (2013: \$7.6 million).

| | 2014 \$'000 | 2013 \$'000 |
|---------------------------------------|----------------|----------------|
| (c) Commonwealth grants | | |
| Commonwealth expensive criminal cases | 748 | 2,100 |
| National Partnership Agreement | 44,942 | 44,388 |
| Community legal centre project | 176 | 387 |
| | 45,866 | 46,875 |
| Commonwealth one-off | 3,500 | - |
| State grants | | |
| State base grant | 67,208 | 61,456 |
| State project income | 2,070 | 660 |
| Community legal centre | 13,168 | 12,521 |
| Community legal centre project | 596 | 667 |
| | 83,042 | 75,304 |

Note 3. Expenses from ordinary activities

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| (a) Employee benefits | | |
| Salaries and overtime | 42,043 | 41,652 |
| Annual leave and long service leave expense | 6,253 | 5,627 |
| Superannuation | 4,209 | 4,022 |
| Staff development | 426 | 338 |
| WorkCover | 184 | 151 |
| Temporary employment cover | 589 | 1,019 |
| Other | 590 | 768 |
| Total employee benefits | 54,294 | 53,577 |
| | | |
| Depreciation of property, plant and equipment | | |
| Furniture, fixture and fittings | 68 | 71 |
| Information technology equipment | 207 | 264 |
| Leasehold improvements | 1,509 | 1,926 |
| Motor vehicles | 105 | 110 |
| Office machines and equipment | 110 | 129 |
| Total depreciation | 1,999 | 2,500 |
| | | |
| Amortisation of intangible assets | | |
| Software | 813 | 804 |
| Total amortisation | 813 | 804 |
| | | |
| Total depreciation and amortisation | 2,812 | 3,304 |
| | | |
| Other expenditure from ordinary activities | | |
| Other supplies and services | 4,766 | 5,093 |
| Premises – minimum lease payments | 5,084 | 5,127 |
| Premises – other | 2,602 | 2,643 |
| Information management systems | 1,515 | 1,665 |
| Bad debts | 553 | 748 |
| Total other expenditure from ordinary activities | 14,520 | 15,276 |

Note 4. Other economic flows included in net result

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| (a) Net gains/(losses) on non-financial assets: | | |
| Net gains/(losses) on disposal property, plant and equipment | (69) | 8 |
| Net gains/(losses) on revaluation of cultural assets | 5 | - |
| (b) Net actuarial gains/(losses) on receivable amounts: | | |
| Net actuarial gains/(losses) of secured client contributions receivables – net present value | (7) | (765) |
| Net actuarial gains/(losses) on impairment of unsecured client contributions receivables | 867 | (1,953) |
| Net actuarial gains/(losses) on recognition of outstanding legal receivables | (90) | (125) |
| Total net actuarial gains/(losses) on recoverable amounts | 770 | (2,843) |
| (c) Net actuarial gains/(losses) on amounts payable: | | |
| Net actuarial gains/(losses) on movement in case-related professional payments | (38) | (86) |
| (d) Net gains/(losses) arising from other economic flows: | | |
| Net gains/(losses) arising from revaluation of long service leave liability due to changes in discount bond rates | 122 | 72 |
| Total other economic flows included in net result | 790 | (2,849) |

Note 5. Remuneration of auditors

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| Remuneration of auditors comprises: | | |
| Audit of financial reports: Victorian Auditor-General's Office | 57 | 50 |

Note 6. Cash and cash equivalents

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| Cash at bank and on hand | 1,651 | 2,916 |
| Monies held in trust | 2,192 | 2,238 |
| Term deposits | 28,342 | 7,739 |
| | 32,185 | 12,893 |
| 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 | 32,185 | 12,893 |
| Balance as per statement of cash flows | 32,185 | 12,893 |

Note 7. Receivables

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| (a) Secured | | |
| Secured client contributions receivable | 18,506 | 18,108 |
| Provision for secured client contributions (b) | (6,262) | (6,255) |
| Secured client contributions receivable at net present value | 12,244 | 11,853 |
| Unsecured | | |
| Unsecured client contributions receivable | 5,818 | 7,446 |
| Provision for unsecured client contributions (c) | (2,759) | (3,626) |
| Unsecured client contributions receivable at net present value | 3,059 | 3,820 |
| Secured client contributions receivable on unfinalised matters | 2,096 | 2,355 |
| Total client contributions | 17,399 | 18,028 |
| Sundry receivables | | |
| GST receivable | 4,518 | 4,160 |
| Other | 42 | 32 |
| | 4,560 | 4,192 |
| Total receivables | 21,959 | 22,220 |
| This is represented by: | | |
| Current | 6,944 | 6,466 |
| Non-current | 15,015 | 15,754 |
| | 21,959 | 22,220 |
| (b) Provision for secured client contributions | | |
| Balance at 1 July 2013 | 6,255 | 5,490 |
| Movements in actuarial assessment of secured client contributions receivable | 7 | 765 |
| Balance at 30 June 2014 | 6,262 | 6,255 |
| (c) Provision for unsecured client contributions | | |
| Balance at 1 July 2013 | 3,626 | 5,039 |
| Re-assessments and bad debts written off | - | - |
| Increase/(decrease) in provision for re-assessments and bad debt write-downs | 553 | 743 |
| Movements in actuarial assessment of unsecured client contributions receivable | (1,420) | (2,156) |
| Balance at 30 June 2014 | 2,759 | 3,626 |
| Total provision for client contributions | 9,021 | 9,881 |

Note 7. Receivables (continued)

No interest is charged on receivables.

A provision is made against secured client contributions, determined by actuarial assessment of the recoverable amount. Secured debtors are long term, therefore the balance is measured at the net present value. The recoverable amount estimates the extent of future debts receivable after adjustments and the discount to net present value.

A provision for impairment has been made for unsecured client contributions receivable. The assessment estimates future cash flows receivable after adjustments and bad debts determined by reference to past default experience, and discounts the estimate to the net present value.

Actuarial assessment of the recoverable amount is used.

Note 8. Property, plant and equipment

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| Information technology at cost | 3,197 | 3,366 |
| Less: accumulated depreciation | (2,926) | (2,967) |
| | 271 | 399 |
| Furniture, fixtures and fittings at cost | 818 | 821 |
| Less: accumulated depreciation | (564) | (506) |
| | 254 | 315 |
| Leasehold improvements at cost | 21,361 | 21,761 |
| Less: accumulated depreciation | (15,970) | (15,552) |
| | 5,391 | 6,209 |
| Motor vehicles at cost | 525 | 550 |
| Less: accumulated depreciation | (147) | (189) |
| | 378 | 361 |
| Office machines and equipment at cost | 1,637 | 1,599 |
| Less: accumulated depreciation | (1,530) | (1,421) |
| | 107 | 178 |
| Cultural assets at valuation | 107 | 101 |
| | 107 | 101 |
| Total property, plant and equipment | 27,645 | 28,198 |
| Less: total accumulated depreciation | (21,137) | (20,635) |
| Total written-down value | 6,508 | 7,563 |

Note 8. Property, plant and equipment (continued)

Reconciliation

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

| | At cost information technology \$'000 | At cost furniture, fixtures and fittings \$'000 | At cost leasehold improvements \$'000 | At cost motor vehicles \$'000 | At cost office machines and equipment \$'000 | At fair value (Tier 1) cultural assets \$'000 | Total \$'000 |
|---------------------------------------|--|--|--|--|---|--|-----------------|
| 2014 | | | | | | | |
| Carrying amount at start of year | 399 | 315 | 6,209 | 361 | 178 | 101 | 7,563 |
| Additions | 86 | 17 | 755 | 223 | 39 | - | 1,120 |
| Revaluations | - | - | - | - | - | 6 | 6 |
| Disposals | (7) | (10) | (64) | (101) | - | - | (182) |
| Depreciation/ amortisation expense | (207) | (68) | (1,509) | (105) | (110) | - | (1,999) |
| Carrying amount at end of year | 271 | 254 | 5,391 | 378 | 107 | 107 | 6,508 |
| 2013 | | | | | | | |
| Carrying amount at start of year | 516 | 355 | 6,008 | 389 | 305 | 101 | 7,674 |
| Additions | 147 | 31 | 2,127 | 140 | 2 | - | 2,447 |
| Revaluations | - | - | - | - | - | - | - |
| Disposals | - | - | - | (58) | - | - | (58) |
| Depreciation/ amortisation expense | (264) | (71) | (1,926) | (110) | (129) | - | (2,500) |
| Carrying amount at end of year | 399 | 315 | 6,209 | 361 | 178 | 101 | 7,563 |

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

| | 2014 \$'000 | 2013 \$'000 |
|--------------------------------|----------------|----------------|
| Software at cost | 8,308 | 8,074 |
| Less: accumulated amortisation | (2,849) | (2,035) |
| | <u>5,459</u> | <u>6,039</u> |

Reconciliation

Reconciliations of the carrying amounts of each class of intangible assets at the beginning and end of the current and previous financial year are set out below.

| | 2014 \$'000 | 2013 \$'000 |
|--------------------------------------|----------------|----------------|
| Software | | |
| Carrying amount at beginning of year | 6,039 | 6,554 |
| Additions | 233 | 289 |
| Amortisation | (813) | (804) |
| Carrying amount at end of year | <u>5,459</u> | <u>6,039</u> |

Note 10. Payables

| | 2014 \$'000 | 2013 \$'000 |
|-------------------------------------|----------------|----------------|
| Current | | |
| <i>Unsecured</i> | | |
| Case-related professional creditors | 12,793 | 14,827 |
| Monies held in trust | 2,192 | 2,238 |
| Trade creditors | 3,615 | 2,277 |
| GST payable | 2,974 | 2,574 |
| | <u>21,574</u> | <u>21,916</u> |

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

Note 11. Provisions

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| (a) Provisions | | |
| Current | | |
| Employee benefits: | | |
| - Unconditional and expected to be settled within 12 months: | | |
| - Annual leave | 3,619 | 3,620 |
| - Long service leave | 409 | 445 |
| - Executive officer bonus | 74 | 96 |
| - Unconditional and expected to be settled after 12 months: | | |
| - Long service leave | 4,901 | 4,047 |
| Employee benefits on-costs: | | |
| - Unconditional and expected to be settled within 12 months: | | |
| - Annual leave | 355 | 336 |
| - Long service leave | 51 | 41 |
| - Unconditional and expected to be settled after 12 months: | | |
| - Long service leave | 469 | 376 |
| | 9,878 | 8,961 |
| Non-current | | |
| Employee benefits: | | |
| - Long service leave (conditional) | 2,375 | 2,133 |
| Employee benefits on costs: | | |
| - Long service leave (conditional) | 233 | 198 |
| Decommissioning | 2,454 | 2,401 |
| | 5,062 | 4,732 |
| Aggregate carrying amount of provisions | | |
| Current | 9,878 | 8,961 |
| Non-current | 5,062 | 4,732 |
| | 14,940 | 13,693 |

Note 11. Provisions (continued)

| | 2014 \$'000 | 2013 \$'000 |
|---|----------------|----------------|
| (b) Employee benefits and related on-costs | | |
| Current employee benefits | | |
| Current employee benefits for annual leave, sick leave, executive officer bonus entitlements | 3,693 | 3,716 |
| Current employee benefits for unconditional long service leave entitlements | 5,310 | 4,492 |
| | 9,003 | 8,208 |
| Non-current employee benefits | | |
| Conditional long service leave entitlements | 2,375 | 2,133 |
| Total employee benefits | 11,378 | 10,341 |
| | | |
| Current on-costs | 875 | 753 |
| Non-current on-costs | 233 | 198 |
| Total on-costs | 1,108 | 951 |
| Total employee benefits and on-costs | 12,486 | 11,292 |
| | | |
| (c) Movement in provisions | | |
| Employee benefits on-costs | | |
| Balance at 1 July 2013 | 951 | 904 |
| Additional provisions recognised | 157 | 47 |
| Balance at 30 June 2014 | 1,108 | 951 |
| | | |
| Decommissioning | | |
| Balance at 1 July 2013 | 2,401 | 1,006 |
| Reductions arising from payments | (5) | - |
| Additions/(reductions) | 282 | 1,666 |
| Unwind of discount and effect of changes in the discount rate | (224) | (271) |
| Balance at 30 June 2014 | 2,454 | 2,401 |

The provision for decommissioning represents the present value of future leasehold make-good expense at the end of the lease. The unexpired terms of the leases vary from one month to nine years.

Note 12. Equity and movements in equity

| | 2014 \$'000 | 2013 \$'000 |
|--------------------------------------|-----------------|-----------------|
| (a) Contributed capital | | |
| Balance at the beginning of the year | 42,194 | 42,194 |
| Movement during the year | - | - |
| Balance at the end of the year | <u>42,194</u> | <u>42,194</u> |
| (b) Accumulated deficit | | |
| Balance at the beginning of the year | (27,753) | (18,421) |
| Net result for the year | 16,109 | (9,332) |
| Balance at the end of the year | <u>(11,644)</u> | <u>(27,753)</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 balance sheet for Victoria Legal Aid's share of the state's unfunded superannuation liability. The state's unfunded superannuation liability is reflected in the financial statements of the Department of Treasury and Finance.

This covers former employees of the State Public Solicitor's Office and any employee who joined the organisation after its commencement date and who elected to contribute to superannuation. The Victorian Government operates three schemes for employees.

Paid employer contributions for the year:

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| State Superannuation Fund – new scheme | 155 | 187 |
| State Superannuation Fund – revised scheme | - | 12 |
| VicSuper Pty Ltd | 2,996 | 2,936 |
| Various other | 1,050 | 887 |
| | <u>4,201</u> | <u>4,022</u> |

The employer contribution rate varies between 9.25% and 17% depending on the particular scheme to which the employee subscribes. The employer contribution rate is 9.25% 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.

Note 13. Superannuation funds (continued)

Funds participating during the period ending 30 June 2014:

| Superannuation fund schemes | Employee numbers |
|--|-------------------------|
| State Superannuation Fund – new scheme | 29 |
| State Superannuation Fund – revised scheme | - |
| VicSuper Pty Ltd | 562 |
| Various other | 216 |

(b) Outstanding liabilities

The organisation had no amounts outstanding as at the end of the reporting period to any superannuation scheme. No liability is recognised for Victoria Legal Aid's share of the state's unfunded superannuation liability. There were no loans made between any of the superannuation funds and Victoria Legal Aid during the financial year.

Note 14. Ministers and accountable officers

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994*, the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the above positions in Victoria Legal Aid are as follows:

Responsible ministers

| | | |
|-------------------------------|-----------------------------|-----------------------------------|
| Victorian Attorney-General | The Hon. Robert W Clark MLA | 1 July 2013 to 30 June 2014 |
| Commonwealth Attorney-General | The Hon. Mark Dreyfus QC MP | 1 July 2013 to 17 September 2013 |
| Commonwealth Attorney-General | The Hon. George Brandis QC | 18 September 2013 to 30 June 2014 |

Responsible directors

| | | |
|---|----------------------------|------------------------------------|
| Chairperson | Mr Andrew Guy | 1 July 2013 to 30 June 2014 |
| Managing Director and Accountable Officer | Mr Bevan Andrew Warner | 1 July 2013 to 30 June 2014 |
| Managing Director and Accountable Officer | Ms Meagan Keogh (Acting) | 17 October 2013 to 28 October 2013 |
| Managing Director and Accountable Officer | Ms Helen Fatouros (Acting) | 7 April 2014 to 25 April 2014 |
| Managing Director and Accountable Officer | Ms Meagan Keogh (Acting) | 13 June 2014 to 24 June 2014 |
| Director | Ms Catherine McGovern | 1 July 2013 to 30 June 2014 |
| Director | Ms Virginia Rogers | 1 July 2013 to 30 June 2014 |
| Director | Mr David Thompson | 1 July 2013 to 30 June 2014 |

Note 14. Ministers and accountable officers (continued)

Remuneration of directors

Remuneration received or receivable by the directors in connection with the management of Victoria Legal Aid during the reporting period was in the range:

| Income Band | Total remuneration | | Base remuneration | |
|----------------------|--------------------|------------|-------------------|------------|
| | 2014 No. | 2013 No. | 2014 No. | 2013 No. |
| \$0–\$9,999 | - | 2 | - | 2 |
| \$10,000–\$19,999 | 3 | 2 | 3 | 2 |
| \$40,000–\$49,999 | 1 | 1 | 1 | 1 |
| \$230,000–\$239,999 | - | - | - | 1 |
| \$250,000–\$259,999 | - | 1 | - | - |
| \$280,000–\$289,999 | - | - | 1 | - |
| \$300,000–\$309,999 | 1 | - | - | - |
| Total number | 5 | 6 | 5 | 6 |
| Total amount \$000's | 409 | 346 | 390 | 328 |

Other transactions

Other related transactions and loans requiring disclosure in accordance with the Ministerial Directions issued by the Minister for Finance have been considered and there are no matters to report other than the Trust Account as per Note 21.

Note 15. Remuneration of executives and payments to other personnel

(a) Remuneration of executives

The number of executive officers, other than directors (board members), who held office at any one time during the reporting period are reported in the table below.

Executive officers are defined as persons occupying a management position within the reporting entity and employed at an annual compensation rate not less than the minimum remuneration of the Victorian Public Service (VPS) EO-3 band over the reporting period.

Total remuneration for the 2014 reporting period is shown in relevant income bands in the first two columns of the table. Total remuneration includes cessation entitlements and bonus payments. Base remuneration for the 2014 reporting period is shown in the third and fourth columns of the table. Base remuneration includes employer superannuation contributions.

The total annualised employee equivalent provides a measure of full-time equivalent executive officers over the reporting period. Several factors affected total remuneration payable to executive officers during the 2014 reporting period. A number of employment contracts were renegotiated, some executives received bonus payments and one executive was on paid maternity leave.

One executive officer ceased employment in the past year.

Note 15. Remuneration of executives and payments to other personnel (continued)

| Income Band | Total remuneration | | Base remuneration | |
|--|--------------------|--------------|-------------------|--------------|
| | 2014 No. | 2013 No. | 2014 No. | 2013 No. |
| \$40,000–49,999 | - | - | 1 | - |
| \$50,000–59,999 | 1 | - | - | - |
| \$60,000–69,999 | - | - | - | 1 |
| \$80,000–89,999 | 1 | 1 | 1 | 1 |
| \$120,000–129,999 | 1 | - | 1 | 1 |
| \$130,000–139,999 | 1 | - | 1 | - |
| \$150,000–159,999 | - | - | 1 | - |
| \$160,000–169,999 | 1 | 2 | - | 2 |
| \$170,000–179,999 | 1 | 2 | 1 | 1 |
| \$180,000–189,999 | - | - | 2 | 1 |
| \$190,000–199,999 | 2 | 1 | 1 | - |
| \$200,000–209,999 | 1 | - | - | - |
| \$230,000–239,999 | - | - | - | 1 |
| \$240,000–249,999 | - | 1 | - | - |
| \$260,000–269,999 | - | 1 | - | - |
| Total number of executives at any one time during the year | 9 | 8 | 9 | 8 |
| Total annualised employee equivalents* | 6.7 | 6.0 | 6.7 | 6.0 |
| Total amount \$000's | 1,341 | 1,460 | 1,282 | 1,185 |

* Note: Annualised employee equivalents is calculated by dividing the total number of ordinary hours that an employee worked over the reporting period by the total number of full-time working hours per annum (38 hours per week over 52 weeks).

(b) Payments to contractors charged with significant management responsibility

There were no payments made to contractors charged with significant management responsibility in 2014 (2013: Nil).

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

| | 2014 \$'000 | 2013 \$'000 |
|--|----------------|----------------|
| Net result from continuing operations | 16,109 | (9,332) |
| Depreciation and amortisation | 2,812 | 3,304 |
| Net loss on disposal of non-current assets | 64 | (8) |
| Movement in adjustment for recoverable amount | (632) | (1,413) |
| Change in operating assets and liabilities | | |
| (Increase) decrease in accrued income | 307 | (344) |
| Decrease (increase) in receivables | 938 | 779 |
| Decrease (increase) in prepayments | 72 | 139 |
| Increase (decrease) in trade creditors | 1,739 | (68) |
| Increase (decrease) in case-related professional creditors | (2,164) | 3,956 |
| Increase (decrease) in provisions | 1,248 | 1,952 |
| Net cash inflow/(outflow) from operating activities | 20,493 | (1,035) |

Note 17. Financial instruments

(a) Financial risk management, objectives and policies

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

Victoria Legal Aid does not enter into financial derivatives, no formal policy have been formally adopted.

(b) Recognised financial instruments

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

Note 17. Financial instruments (continued)

| Recognised financial instruments | Balance sheet notes | Accounting policies | Terms and conditions |
|----------------------------------|---------------------|---|--|
| (i) Financial assets | | | |
| Cash at bank and on hand | 6 | Cash at bank and on hand are stated at their principal amount. Interest is recognised in the comprehensive operating statement when earned. | Cash at bank is held at normal commercial interest rates. |
| Monies held in trust | 6 | Monies held in trust is not recognised in the comprehensive operating statement, but is offset by related expenditure when incurred. | Monies held in trust is held at normal commercial interest rates. |
| Accrued income | | Accrued income is recognised in the comprehensive operating statement when earned, but yet to be received. | Accrued income is dependant on the agreements in place with the third parties for work carried out. |
| Client contributions receivable | 7 | Client contributions are actuarially adjusted to their net present value. | The organisation can request a client to contribute towards 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 comprehensive operating statement when earned. | Term deposits are invested as funds permit at normal commercial rates available at the time of investment. |

Note 17. Financial instruments (continued)

| Recognised financial instruments | Balance sheet notes | Accounting policies | Terms and conditions |
|-------------------------------------|---------------------|---|---|
| (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 comprehensive 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. |

(c) Interest rate risk exposures

Exposures to interest rate risk are limited to assets and liabilities bearing variable interest rates. The majority of financial assets are term deposits with fixed interest rates and terms. These are held to maturity.

The carrying amounts of financial assets and liabilities held by Victoria Legal Aid that are exposed to interest rates are detailed below.

Note 17. Financial instruments (continued)

| 2014 | 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 | 2.45% | 1,651 | - | - | 1,651 |
| Monies held in trust | 6 | 2.66% | 2,192 | - | - | 2,192 |
| Accrued income | | - | 109 | - | - | 109 |
| Term deposits | 6 | 2.68% | - | 28,342 | - | 28,342 |
| Receivables ⁽ⁱ⁾ | 7 | - | - | - | 17,441 | 17,441 |
| | | | 3,952 | 28,342 | 17,441 | 49,735 |
| Financial liabilities | | | | | | |
| Case-related professional creditors | 10 | - | - | - | 12,793 | 12,793 |
| Monies held in trust | 10 | - | - | - | 2,192 | 2,192 |
| Sundry payables ⁽ⁱ⁾ | 10 | - | - | - | 3,615 | 3,615 |
| | | | - | - | 18,600 | 18,600 |
| Net financial assets (liabilities) | | | 3,952 | 28,342 | (1,159) | 31,135 |

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

Note 17. Financial instruments (continued)

| 2013 | 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 | 2.70% | 2,916 | - | - | 2,916 |
| Monies held in trust | 6 | 2.81% | 2,238 | - | - | 2,238 |
| Accrued income | | - | 417 | - | - | 417 |
| Term deposits | 6 | 2.75% | - | 7,739 | - | 7,739 |
| Receivables ⁽ⁱ⁾ | 7 | - | - | - | 18,060 | 18,060 |
| | | | 5,571 | 7,739 | 18,060 | 31,370 |
| Financial liabilities | | | | | | |
| Case-related professional creditors | 10 | - | - | - | 14,827 | 14,827 |
| Monies held in trust | 10 | - | - | - | 2,238 | 2,238 |
| Sundry payables ⁽ⁱ⁾ | 10 | - | - | - | 2,277 | 2,277 |
| | | | - | - | 19,342 | 19,342 |
| Net financial assets (liabilities) | | | 5,571 | 7,739 | (1,282) | 12,028 |

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to Victoria Legal Aid. Victoria Legal Aid has adopted a policy of obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. Victoria Legal Aid measures credit risk on a fair value basis.

Victoria Legal Aid has a significant credit risk exposure to its client contributions receivable balance. These receivables are established on the basis of representation provided to clients and their ability to pay for such services following an assessment of their disposable income and net assets held. Services are provided where individuals do not have sufficient funds to afford privately funded legal representation. In this respect, the likelihood and timing of recovery may vary significantly between individual debtors. The services of a qualified actuary are utilised to establish the recoverable amount of these receivables.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The carrying amount of the financial assets recorded in the financial statements, net of any allowances for losses, represents Victoria Legal Aid's maximum exposure to credit risk without taking account of the value of any collateral obtained.

The maturity profile of financial assets held by Victoria Legal Aid is detailed below.

Note 17. Financial instruments (continued)

| | Carrying amount \$'000 | Not past due and not impaired \$'000 | Past due but not impaired | | | |
|----------------------------|---------------------------|---|-----------------------------|----------------------|-----------------------------|---------------------|
| | | | Less than 1 month \$'000 | 1–3 months \$'000 | 3 months – 1 year \$'000 | 1–5 years \$'000 |
| 2014 | | | | | | |
| Financial assets | | | | | | |
| Cash at bank and at hand | 1,651 | 1,651 | - | - | - | - |
| Monies held in trust | 2,192 | 2,192 | - | - | - | - |
| Accrued income | 109 | 109 | - | - | - | - |
| Term deposits | 28,342 | 28,342 | - | - | - | - |
| Receivables ⁽ⁱ⁾ | 17,441 | - | - | - | 2,426 | 15,015 |
| | 49,735 | 32,294 | - | - | 2,426 | 15,015 |
| 2013 | | | | | | |
| Cash at bank and at hand | 2,916 | 2,916 | - | - | - | - |
| Monies held in trust | 2,238 | 2,238 | - | - | - | - |
| Accrued income | 417 | 417 | - | - | - | - |
| Term deposits | 7,739 | 7,739 | - | - | - | - |
| Receivables ⁽ⁱ⁾ | 18,060 | - | - | - | 2,306 | 15,754 |
| | 31,370 | 13,310 | - | - | 2,306 | 15,754 |

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

(e) Liquidity risk

Liquidity risk is the risk that Victoria Legal Aid will be unable to meet its payment obligations when they fall due.

Ultimate responsibility for liquidity risk management rests with the Board, who have built an appropriate liquidity risk management framework for the management of Victoria Legal Aid's short, medium and long-term funding and liquidity. This framework takes into consideration that Victoria Legal Aid is prohibited by the *Legal Aid Act 1978* from incurring borrowing costs and, consequently, borrowing funds. Victoria Legal Aid manages its liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecasts and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The maturity profile of financial liabilities held by Victoria Legal Aid is detailed below.

Note 17. Financial instruments (continued)

| | Carrying amount \$'000 | Nominal amount \$'000 | Maturity dates | | | |
|-------------------------------------|---------------------------|--------------------------|--------------------------------|-------------------------|--------------------------------|---------------------|
| | | | Less than 1 month \$'000 | 1–3 months \$'000 | 3 months – 1 year \$'000 | 1–5 years \$'000 |
| 2014 | | | | | | |
| Financial liabilities | | | | | | |
| Case-related professional creditors | 12,793 | 12,793 | 5,082 | 7,711 | - | - |
| Monies held in trust | 2,192 | 2,192 | - | - | - | 2,192 |
| Sundry payables ⁽ⁱ⁾ | 3,615 | 3,615 | 408 | 3,207 | - | - |
| | 18,600 | 18,600 | 5,490 | 10,918 | - | 2,192 |
| 2013 | | | | | | |
| Case-related professional creditors | 14,827 | 14,827 | 4,410 | 8,820 | 1,597 | - |
| Monies held in trust | 2,238 | 2,238 | - | - | - | 2,238 |
| Sundry payables ⁽ⁱ⁾ | 2,277 | 2,277 | 35 | 2,242 | - | - |
| | 19,342 | 19,342 | 4,445 | 11,062 | 1,597 | 2,238 |

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

(f) Sensitivity analysis

The table below details Victoria Legal Aid's sensitivity to shifts in interest rate. The 2013/2014 financial exposures are based on management's best estimates.

| Annual risk by risk type | Minimum | | Average | | Maximum | |
|-----------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 | 2014 \$'000 | 2013 \$'000 |
| Interest rate | 71 | 19 | 177 | 48 | 283 | 77 |

Interest rate analysis is based upon financial assets not exceeding one year, which are all fixed interest rates. Minimum and maximum exposures are calculated at shifts of 25 basis points and 100 basis points respectively. A net decrease in interest translates into a fall in revenue as investment income is reduced.

(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 Victoria Legal Aid approximates their carrying amounts.

The fair values and net fair values of financial instrument assets and liabilities are determined as follows:

Note 17. Financial instruments (continued)

- 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:

| | 2014 | | | 2013 | | |
|---|-----------------|------------------------------------|---------------|-----------------|------------------------------------|---------------|
| | Carrying amount | Fair value at end of period using: | | Carrying amount | Fair value at end of period using: | |
| | | Level 1 | Level 2 | | Level 1 | Level 2 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| On-balance sheet financial instruments | | | | | | |
| Financial assets | | | | | | |
| Cash and deposits | 1,651 | 1,651 | - | 2,916 | 2,916 | - |
| Monies held in trust | 2,192 | 2,192 | - | 2,238 | 2,238 | - |
| Accrued income | 109 | 109 | - | 417 | 417 | - |
| Term deposits | 28,342 | 28,342 | - | 7,739 | 7,739 | - |
| Receivables ⁽ⁱ⁾ | 17,441 | 2,138 | 15,303 | 18,060 | 2,387 | 15,673 |
| | 49,735 | 34,432 | 15,303 | 31,370 | 15,697 | 15,673 |
| Financial liabilities | | | | | | |
| Case-related professional creditors | 12,793 | - | 12,793 | 14,827 | - | 14,827 |
| Monies held in trust | 2,192 | 2,192 | - | 2,238 | 2,238 | - |
| Sundry payables ⁽ⁱ⁾ | 3,615 | 3,615 | - | 2,277 | 2,277 | - |
| | 18,600 | 5,807 | 12,793 | 19,342 | 4,515 | 14,827 |

Note (i): The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable/payable).

(ii) Off-balance sheet

Victoria Legal Aid has potential financial liabilities which may arise from certain commitments and contingencies disclosed in notes 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 Victoria Legal Aid as consideration for the assumption of those considerations by another party.

Note 18. Commitments for expenditure

| | 2014 \$'000 | 2013 \$'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 | 98 | 88 |
| | 98 | 88 |
| Lease commitments | | |
| Commitments in relation to non-cancellable operating leases for office equipment and rental for premises contracted for at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 5,704 | 5,729 |
| Later than one year but not later than five years | 14,361 | 18,263 |
| Later than five years | 221 | - |
| | 20,286 | 23,992 |
| Other expenditure commitments | | |
| Commitments for the acquisition of other operations and maintenance contracted for at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 340 | 58 |
| | 340 | 58 |
| Outsourcing commitments | | |
| Commitments under outsourcing contracts for legal services and maintenance at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 12,151 | 14,043 |
| Later than one year but not later than five years | 2,539 | 1,889 |
| | 14,690 | 15,932 |
| Total commitments for expenditure (inclusive of GST) | 35,414 | 40,070 |
| Less GST recoverable from the Australian Taxation Office | 3,219 | 3,643 |
| Total commitments for expenditure (exclusive of GST) | 32,195 | 36,427 |

Note 19. Ex-gratia payments

Victoria Legal Aid made total ex-gratia payments of \$115,706 during the period to six former employees upon termination of employment (2013: \$80,128 to five 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 (2013: Nil).

Note 21. Trust account

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

Victoria Legal Aid
Trust account statement of receipts and payments
For the year ended 30 June 2014

| | 2014 | 2013 |
|--|---------------|---------------|
| | \$'000 | \$'000 |
| Receipts | | |
| Balance at beginning of year | 455 | 285 |
| Amounts received from Legal Practice Board | 31 | 42 |
| Amounts received on behalf of clients | 220 | 609 |
| | 706 | 936 |
| Less Payments | | |
| Amounts paid on behalf of clients | 324 | 481 |
| Balance at end of year | 382 | 455 |
| This amount is represented by: | | |
| Cash at bank | 89 | 193 |
| Deposits with the Legal Practice Board | 293 | 262 |
| | 382 | 455 |

The Trust Fund does not form part of the organisation's financial statements. It is included for information purposes only and is audited by a private accounting firm.

Certification of financial report

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2014 and financial position of Victoria Legal Aid as at 30 June 2014.

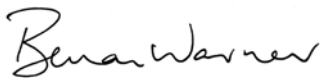
We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Andrew Guy

Chairperson

20 August 2014



Bevan Warner

Managing Director

Victoria Legal Aid

Accountable Officer

20 August 2014



Elizabeth Jennings

Chief Finance and Accounting Officer

20 August 2014

Auditor-General's report

VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000
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INDEPENDENT AUDITOR'S REPORT To the Board Members, Victoria Legal Aid

The Financial Report

The accompanying financial report for the year ended 30 June 2014 of Victoria Legal Aid which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the certification of financial report has been audited.

The Board Members' Responsibility for the Financial Report

The Board Members of Victoria Legal Aid are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, 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 Victoria Legal Aid as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

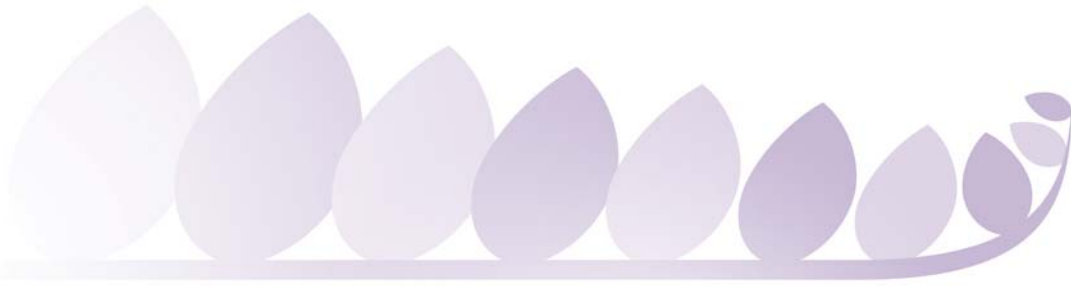
Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Victoria Legal Aid for the year ended 30 June 2014 included both in Victoria Legal Aid's annual report and on the website. The Board Members of Victoria Legal Aid are responsible for the integrity of Victoria Legal Aid's website. I have not been engaged to report on the integrity of 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
26 August 2014


for John Doyle
Auditor-General

Auditing in the Public Interest



Appendices

| | |
|--|-----|
| Appendix 1: Disclosure index | 149 |
| Appendix 2: Report on office-based environmental impacts | 152 |
| Appendix 3: Justice and law reform submissions | 158 |

Appendix 1: Disclosure index

The annual report of Victoria Legal Aid is prepared in accordance with all relevant Victorian legislation.

This index has been prepared to enable identification of our compliance with statutory disclosure requirements.

Ministerial Directions

Report of operations – FRD Guidance

Charter and purpose

| Legislation | Requirement | Page |
|-------------|--|--------------------|
| FRD 22E | Manner of establishment and the relevant Ministers | 56–58, 133– 134 |
| FRD 22E | Objectives, functions, powers and duties | 56–57 |
| FRD 22E | Nature and range of services provided | 15–55 |

Management and structure

| Legislation | Requirement | Page |
|-------------|--------------------------|-------|
| FRD 22E | Organisational structure | 62–64 |

Financial and other information

| Legislation | Requirement | Page |
|-----------------------|---|----------|
| FRD 8B | Consistency of budget and departmental reporting | N/A |
| FRD 10 | Disclosure index | 149–151 |
| FRD 12A | Disclosure of major contracts | 95 |
| FRD 15B | Executive officer disclosures in the Report of Operations by departments | 71–72 |
| FRD 22E, SD 4.2(k) | Operational and budgetary objectives and performance against objectives | 1–162 |
| FRD 22E | Employment and conduct principles | 67 |
| FRD 22E | Occupational health and safety policy | 72–73 |
| FRD 22E | Summary of the financial results for the year | 99–103 |
| FRD 22E | Significant changes in financial position during the year | 107, 132 |
| FRD 22E | Major changes or factors affecting performance | 102 |
| FRD 22E | Subsequent events | 120 |
| FRD 22E | Application and operation of <i>Freedom of Information Act 1982</i> | 93–94 |
| FRD 22E | Compliance with building and maintenance provisions of <i>Building Act 1993</i> | 95 |
| FRD 22E | Statement on National Competition Policy | 96 |

| Legislation | Requirement | Page |
|-------------|---|--------------|
| FRD 22E | Application and operation of the <i>Protected Disclosure Act 2012</i> | 94 |
| FRD 22E | Details of consultancies over \$10,000 | 95 |
| FRD 22E | Details of consultancies under \$10,000 | 95 |
| FRD 22E | Statement of availability of other information | 98 |
| FRD 24C | Reporting of office-based environmental data by government entities | 95, 152–157 |
| FRD 25B | Victorian Industry Participation Policy disclosures in the Report of Operations | 95 |
| FRD 29 | Workforce data disclosures | 68–72 |
| SD 4.5.5 | Risk management compliance attestation | 97 |
| SD 4.5.5.1 | Ministerial Standing Direction 4.5.5.1 compliance attestation | 97 |
| SD 4.2(g) | Specific information requirements | 1–5, 56–58 |
| SD 4.2(j) | Sign-off requirements | inside cover |

Financial statements required under Part 7 of the FMA

| Legislation | Requirement | Page |
|-------------|-----------------------------------|---------|
| SD4.2(b) | Comprehensive operating statement | 105 |
| SD4.2(b) | Balance sheet | 106 |
| SD4.2(b) | Statement of changes in equity | 107 |
| SD4.2(b) | Cash flow statement | 108–109 |

Other requirements under Standing Directions 4.2

| Legislation | Requirement | Page |
|-------------|--|----------------------|
| SD4.2(c) | Compliance with Australian accounting standards and other authoritative pronouncements | 110 |
| SD4.2(c) | Compliance with Ministerial Directions | inside cover, 110 |
| SD4.2(d) | Rounding of amounts | 111 |
| SD4.2(c) | Accountable officer's declaration | 146 |
| SD4.2(f) | Compliance with Model Financial Report | N/A |

Other disclosures as required by FRDs in notes to the financial statements

| Legislation | Requirement | Page |
|-------------|--|-------------------|
| FRD 9A | Departmental disclosure of administered assets and liabilities by activity | N/A |
| FRD 11A | Disclosure of ex-gratia payments | 145 |
| FRD 13 | Disclosure of parliamentary appropriations | N/A |
| FRD 21B | Disclosures of responsible persons, executive officers and other personnel (contractors) with significant management responsibilities) in the financial report | 71–72, 133–135 |
| FRD 102 | Inventories | N/A |
| FRD 103E | Non-financial physical assets | 115–117 |
| FRD 104 | Foreign currency | 111 |
| FRD 106 | Impairment of assets | 117 |
| FRD 109 | Intangible assets | 129 |
| FRD 107A | Investment properties | N/A |
| FRD 110 | Cash flow statements | 108–109, 125 |
| FRD 112D | Defined benefit superannuation obligations | 119, 132–133 |
| FRD 113 | Investments in subsidiaries, jointly controlled entities and associates | N/A |
| FRD 114A | Financial instruments – general government entities and public non-financial corporations | 136–143 |
| FRD 119A | Transfers through contributed capital | 115 |

Legislation

| Act | Page |
|---|----------|
| <i>Freedom of Information Act 1982</i> | 93–94 |
| <i>Building Act 1983</i> | 95 |
| <i>Protected Disclosure Act 2012</i> | 94 |
| <i>Victorian Industry Participation Policy Act 2003</i> | 95 |
| <i>Financial Management Act 1994</i> | 110, 146 |

Appendix 2: 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 emissions footprint.

| Indicator | 2013–14 | 2012–13 |
|---|--------------|--------------|
| Total greenhouse gas emissions associated with energy use | 2,474 | 2,650 |
| Total greenhouse gas emissions associated with vehicle fleet (t CO ₂ e) | 56.89 | 69.86 |
| Total greenhouse gas emissions associated with air travel (t CO ₂ e) | 33.79 | 42.72 |
| Total greenhouse gas emissions associated with waste (t CO ₂ e) | 30.22 | 24.30 |
| Total greenhouse gas emissions per FTE (t CO ₂ e) | 4.3 | 5.0 |
| Total greenhouse gas emissions associated with all operations (t CO₂ e) | 2,598 | 2,787 |

Targets

Future targets are under review.

Explanatory note

Where possible, emissions are based on actual data provided by the energy suppliers. Otherwise, emissions are calculated using conversion factors sourced from Sustainability Victoria.

Energy

Following the closure of one office in December 2013, we now use electricity in 17 office locations across Victoria. Gas is supplied to two sites only.

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

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

Total energy usage segmented by primary source (MJ)

| Indicator | 2013–14 | 2012–13 |
|--------------|------------------|-------------------|
| Electricity | 7,347,711 | 7,723,207 |
| GreenPower | 1,357,631 | 1,501,876 |
| Natural gas | 605,515 | 974,410 |
| Total | 9,310,857 | 10,199,493 |

Greenhouse gas emissions associated with energy use, segmented by primary source and offsets (t CO₂ e)

| Indicator | 2013–14 | 2012–13 |
|--------------|--------------|--------------|
| Electricity | 2,441 | 2,596 |
| GreenPower | 0 | 0 |
| Natural gas | 34 | 54 |
| Total | 2,474 | 2,650 |

Percentage of electricity purchased as a percentage of GreenPower

| Indicator | 2013–14 | 2012–13 |
|-------------|---------|---------|
| Electricity | 16% | 16% |

Units of energy used per FTE (MJ/FTE)

| Indicator | 2013–14 | 2012–13 |
|--------------|---------------|---------------|
| Electricity | 12,117 | 13,978 |
| GreenPower | 2,239 | 2,722 |
| Natural gas | 999 | 1,764 |
| Total | 15,355 | 18,460 |

Units of energy used per unit of office area (MJ/m²)

| Indicator | 2013–14 | 2012–13 |
|--------------|------------|------------|
| Electricity | 441 | 453 |
| GreenPower | 81 | 88 |
| Natural gas | 36 | 57 |
| Total | 559 | 598 |

Targets

Future targets are under review.

Actions undertaken

We refitted two of our offices with more energy-efficient light fixtures and fittings.

Explanatory notes

While Victoria Legal Aid has purchasing arrangements for green electricity, tenancy-related base building electricity lowers our overall GreenPower percentage. Referencing solely Victoria Legal Aid operational data, we achieved 21% green energy consumption.

Waste

The waste generated by processes within Victoria Legal Aid is divided into two classes – landfill and recycled. The data presented below is based on a one-day physical waste audit for landfill and

commingled waste, and data from the service provider for paper recycling (secure destruction). While it only captures 56% of our FTE staff, all Victoria Legal Aid offices recycle their waste (65% have separate waste paper collection and 82% have commingled waste collection).

Total units of waste disposed of by destination (kg)

| Indicator | 2013–14 | 2012–13 |
|-----------|---------|---------|
| Landfill | 25,181 | 20,247 |
| Recycled | 38,502 | 34,794 |

Units of waste disposed of per FTE by destination (kg/FTE)

| Indicator | 2013–14 | 2012–13 |
|-----------|---------|---------|
| Landfill | 41 | 35 |
| Recycled | 64 | 61 |

Recycling rate (% of total waste by kg)

| Indicator | 2013–14 | 2012–13 |
|-----------|---------|---------|
| Recycled | 60% | 63% |

Greenhouse gas emissions associated with waste disposal (t CO₂ e)

| Indicator | 2013–14 | 2012–13 |
|-----------|---------|---------|
| Landfill | 30 | 24 |

Targets

Future targets are under review.

Actions undertaken

We introduced separate waste disposal for commingled recycling in addition to paper recycling in our Melbourne CBD locations.

Paper use

The values for paper consumption given in the table below were provided by our stationery supplier. They include both white and coloured copy paper (both A4 and A3).

| Indicator | 2013–14 | 2012–13 |
|---|---------|---------|
| Total units of copy paper used (reams) | 12,763 | 13,287 |
| Units of copy paper used per FTE (reams/FTE) | 21 | 23.2 |
| Percentage of 75–100% recycled content copy paper purchased | 9% | 7% |
| Percentage of 50–75% recycled content copy paper purchased | 86% | 88% |
| Percentage of 0–49% recycled content copy paper purchased | 5% | 5% |

Targets

Future targets are under review.

Explanatory notes

Data for 2012–13 was reported exclusive of coloured and A3-size paper. The data has been recalculated and now includes both white and coloured copy paper (both A3 and A4).

Water

The values for our water consumption were obtained through billing information captured through Sustainability Victoria's Utility Tracker. These results represent 98% of our employees and 94% of our office sites. Where available, the figures are inclusive of water consumption for shared tenancy space.

| Indicator | 2013–14 | 2012–13 |
|---|---------|---------|
| Total units of metered water consumed by usage types (kilolitres) | 4,383 | 5,635 |
| Units of metered water consumed in offices per FTE (kilolitre/FTE) | 7.43 | 10.45 |
| Units of metered water consumed in offices per unit of office area (kilolitres/m ²) | 272.79 | 343.61 |

Targets

Future targets are under review.

Explanatory notes

The data reported for 2012–13 contained a keying error. The amended data is provided in the table above for comparison.

Note also that the data for 2012–13 includes one location with a substantial water leak for half the reporting period. To allow proper comparison of consumption against last year, the estimated consumption in 2012–13 without the leaked water is: 4,985 KL consumption; 9.24 KL/FTE; and 303.96 KL/m².

Transport

The following data was obtained through fuel card data, mileage reports and information supplied by our hire car agency. It covers our entire fleet, which comprises 17 vehicles: 15 are operational pool vehicles and two are executive vehicles. The operational fleet consists of 15 hybrid and two six-cylinder vehicles.

The data also includes values for hybrid hire cars, which were used as pool cars when our vehicles were unavailable.

Total energy consumption by vehicles (MJ)

| Vehicle | 2013–14 | 2012–13 |
|--------------|----------------|----------------|
| 6 Cylinder | 125,601 | 192,739 |
| 4 Cylinder | – | 47,615 |
| Hybrid | 663,848 | 692,341 |
| Total | 790,449 | 932,695 |

Total vehicle travel associated with entity operations (km)

| Vehicle | 2013–14 | 2012–13 |
|--------------|----------------|----------------|
| 6 Cylinder | 35,501 | 53,821 |
| 4 Cylinder | – | 10,191 |
| Hybrid | 344,427 | 346,662 |
| Total | 379,928 | 410,674 |

Total greenhouse gas emissions from vehicle fleet (t CO₂-e)

| Vehicle | 2013–14 | 2012–13 |
|--------------|-----------|-----------|
| 6 Cylinder | 9 | 14 |
| 4 Cylinder | – | 4 |
| Hybrid | 50 | 52 |
| Total | 59 | 70 |

Greenhouse gas emissions from vehicle fleet per 1000 km travelled (t CO₂-e)

| Vehicle | 2013–14 | 2012–13 |
|--------------|---------------|---------------|
| 6 Cylinder | 0.2650 | 0.2682 |
| 4 Cylinder | – | 0.3500 |
| Hybrid | 0.1446 | 0.1496 |
| Total | 0.1558 | 0.1701 |

Flights

| Flights | 2013–14 | 2012–13 |
|--|---------|---------|
| Total distance travelled by aeroplane (km) | 107,562 | 132,309 |

Targets

Future targets are under review.

Explanatory notes

Air travel data is based on bookings paid for through our financial database. The distance travelled is based on an online flight distance calculator (www.travelmath.com/flying-distance).

Procurement

| Indicator | 2013–14 | 2012–13 |
|---|---------|---------|
| Percentage 'Earth Saver' products purchased | 36% | 54% |

Targets

Future targets are under review.

Explanatory notes

The decrease in percentage of 'Earth Saver' products purchased in comparison with last year is due to a change in reporting method. Last year our supplier's calculations were based on consumption by item, whereas this year they are based on expenditure.

Appendix 3: Justice and law reform submissions

| Submission name | Authority | Date |
|---|---|------------------|
| Draft terms of reference: Review of equal recognition before the law and legal capacity for people with disability (National Legal Aid) | Australian Law Reform Commission | 24 June 2013 |
| Inquiry into Access to Justice Arrangements (National Legal Aid) | Productivity Commission | 19 August 2013 |
| Issues Paper: Working with Children Check | Royal Commission on Institutional Responses to Child Sexual Abuse | 19 August 2013 |
| Review of the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> | Victorian Law Reform Commission | 3 September 2013 |
| Consultation Paper: Tendency and Coincidence Evidence Law Provisions of the Uniform Evidence Act (National Legal Aid submission) | Evidence Working Group, Standing Council on Law and Justice | 4 October 2013 |
| Fines and Infringements Project | Sentencing Advisory Council | 9 October 2013 |
| Review of Jury Empanelment | Victorian Law Reform Commission | 14 November 2013 |
| Issues Paper: Inquiry into Access to Justice Arrangements in Australia | Productivity Commission | 15 November 2013 |
| Issues Paper: Inquiry into Access to Justice Arrangements in Australia (National Legal Aid submission) | Productivity Commission | 22 November 2013 |
| Consultation paper: Proposals for Legislative Reform of Defensive Homicide | Victorian Department of Justice | 6 December 2013 |
| Review of the <i>Crimes (Mental Impairment and Unfitness to be Tried) Act 1997</i> (Supplementary reference on extension to the Children's Court) | Victorian Law Reform Commission | 19 December 2013 |
| Consultation paper: Review of Sexual Offences | Victorian Department of Justice | 20 January 2014 |
| Issues Paper: Equality, Capacity, Disability in Commonwealth Laws | Australian Law Reform Commission | 24 January 2014 |
| National Review of Pregnancy and Return to Work | Australian Human Rights Commission | 28 January 2014 |
| Consultation paper: Enhancing Online Safety for Children: public consultations on key election commitments | Commonwealth Department of Communications | 6 March 2014 |

| Submission name | Authority | Date |
|---|--|---------------|
| Inquiry into grandparents who take primary responsibility for raising their grandchildren (National Legal Aid submission) | Commonwealth Senate Standing Committee on Community Affairs | 28 March 2014 |
| Review of the Crimes Legislation Amendment (Unexplained Wealth and Other Measures) Bill 2014 | Commonwealth Senate Legal and Constitutional Affairs Committee | 1 April 2014 |
| National Review of Mental Health Services and Programmes | National Mental Health Commission | 11 April 2014 |
| Draft report: Inquiry into Access to Justice Arrangements in Australia | Productivity Commission | 28 May 2014 |
| Draft report: Inquiry into Access to Justice Arrangements in Australia (National Legal Aid submission) | Productivity Commission | 30 May 2014 |
| Victorian Solicitors' Conduct Rules Consultation | Legal Services Board | 17 June 2014 |
| Parliamentary Inquiry into the Child Support Program | Commonwealth House of Representatives Committee on Social Policy and Legal Affairs | 20 June 2014 |
| Parliamentary Inquiry into the Child Support Program (National Legal Aid submission) | Commonwealth House of Representatives Committee on Social Policy and Legal Affairs | 24 June 2014 |

Glossary

accused – person charged with a criminal offence.

advocacy – making legal arguments or negotiating on behalf of a person or group of people, often involving representing them in court.

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. (see also dispute resolution services)

barrister – an independent lawyer who specialises in courtroom advocacy, drafting legal documents and giving expert legal opinions. Barristers may also act as a mediator and/or arbitrator.

brief – a document sent to the barrister by a lawyer which gives details on the issues arising in a case, and encloses any relevant paperwork which the barrister will need in order to provide advice and/or represent a client at court (if appropriate).

community legal centre – an independent community organisation that provides free advice, casework and legal education to its community.

duty lawyer services – information, advice and representation services provided at a court or tribunal where a court or tribunal appearance is imminent and services have not been arranged under a grant of legal assistance.

early intervention services – these incorporate our extensive legal advice, minor assistance and advocacy services. Includes any Commonwealth or state-funded matters.

family dispute resolution services – roundtable dispute conferences that seek to resolve family legal problems outside of the court system. Family dispute resolution services are Commonwealth-funded matters. To use our Roundtable Dispute Management (RDM) service, at least one person involved in the family dispute must apply for and obtain a grant of legal assistance. If appropriate, RDM may also be available where court proceedings have been commenced but before a person is provided with a grant of legal assistance to be represented at a final hearing. (see also appropriate dispute resolution)

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

Federation of Community Legal Centres – the peak body for 50 community legal centres across Victoria, which leads and supports the centres to pursue social equity and challenge injustice.

grant of legal assistance – money from the Legal Aid Fund that enables a lawyer to help a person with their legal problem. The grant enables a lawyer to give legal advice, help reach agreement, prepare legal documents and/or represent a person in court. In determining whether to provide a grant of assistance we apply guidelines that look at what a person wants legal assistance for, if they are likely to win their case, the financial circumstances of the person, the likely cost of the case, and whether it is in the interests of justice to do so. Some people are required to pay a contribution towards the cost of their legal representation.

independent children's lawyer – a lawyer appointed by Victoria Legal Aid following the making of an order by a court for the child to be separately represented in their best interest.

indictable offence – a serious criminal offence often heard before a judge and jury of the County or Supreme Court. Certain indictable offences may be heard and determined by a magistrate.

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

legal advice – initial advice about a legal problem including help in preparing an application for a grant of legal assistance and the information required for that purpose. Legal advice is a short, one-off session available face-to-face, or by phone or video-conference in some circumstances. We do not provide legal advice by email or via our website.

legal aid – defined in the *Legal Aid Act 1978 (Vic)* as education, advice or information in or about the law; legal services (including legal advice, duty lawyer services and legal assistance services); appropriate dispute resolution programs and any other matter within the scope of Victoria Legal Aid's functions, powers and duties under the Act.

Legal Aid Fund – controlled and administered by Victoria Legal Aid. It is made up of money received from the state and Commonwealth governments for legal aid purposes, and from money received from the Legal Services Board from the Public Purpose Fund. The Legal Aid Fund also contains monies received from other sources such as contributions received from legally assisted people. Victoria Legal Aid pays for all expenses associated with the provision of legal aid, including administrative costs and expenses, from the Legal Aid Fund.

legally assisted clients – clients in receipt of a grant of legal assistance.

legal assistance services – defined in the *Legal Aid Act 1978 (Vic)* as legal services provided other than by way of duty lawyer services or legal advice (i.e. grants of legal assistance). However, in a more general sense, defined by the National Partnership Agreement as the services provided by all of the sector-wide legal service providers, including legal aid commissions, community legal centres, Aboriginal and Torres Strait Islander legal services and family violence prevention legal services.

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

litigation services – includes Commonwealth and related state legal representation before a court or tribunal under a grant of legal assistance. Cases may be handled by our in-house practice or private practitioners.

means test – a test applied to an application for a grant of legal assistance that looks at what income the applicant for assistance gets from work, welfare benefits or other sources and what their weekly living expenses are. It also looks at if the applicant supports anyone else, or whether anyone else supports the applicant (their income and assets are included), and whether the applicant has assets such as owning a car, home or anything else of value.

minor assistance – legal work, including perusal of documents, written advice, telephone calls on the client's behalf, oral or written negotiations and, in some cases, simple appearances before courts or tribunals that are conducted within reasonable limits. This work is not carried out under a grant of legal assistance and is only undertaken where it can be demonstrated there is a tangible benefit for the client. This may include matters such as general civil law assistance that is not funded under a grant of legal assistance.

National Partnership Agreement (NPA) – an agreement between the Commonwealth of Australia and the states and territories which provides policy directions and funds for legal assistance programs to assist disadvantaged Australians. Victoria signed the Council of Australian Governments' *National Partnership Agreement on Legal Assistance Services* in early July 2010. More information: www.federalfinancialrelations.gov.au

practitioner panel – a list of suitably qualified legal firms and/or lawyers who can act for legally assisted clients for specific types of legal matters.

preventative services – includes all referrals to external agencies, any legal information provided by telephone or face-to-face at Victoria Legal Aid offices, including through the Legal Help telephone service, community legal education, publications produced and distributed and website page views (of relevant pages). This includes any Commonwealth or state-funded matters.

private practitioner – a lawyer who assists a legally aided client through a private practice. Private practitioners referred to throughout this report are on our practitioner panels.

Public Purpose Fund – a fund established under the *Legal Profession Act 2004* used to fund the regulation of the legal profession, finance legal aid and fund a number of other public purposes such as legal education and law reform. It is managed by the Legal Services Board, an independent statutory body within the portfolio of the Department of Justice.

Roundtable Dispute Management (RDM) – a dispute resolution service we provide that helps parents going through separation or divorce resolve their parenting 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.

settlement – resolution or agreement of a claim or dispute.

settlement agency – an organisation that provides support and assistance to new and recently arrived refugees and migrants.

strategic advocacy – involves working on the justice system to achieve practical outcomes and procedural fairness for groups of disadvantaged people. It is about influencing those who make, interpret and apply law and policy to effect change, consistent with our objectives and priorities.

summary offence – a less serious criminal offence usually heard in the Magistrates' Court or Children's Court.

triage – the process of finding out enough about a person's circumstances and their legal issues when they first contact Victoria Legal Aid to make a decision about the best service available to them.

unique client – an individual client who accessed one or more of Victoria Legal Aid's early intervention and duty lawyer services or received a grant of legal assistance either for dispute resolution or litigation. Unique clients not include people who received information or participated in community legal education, for whom an individual client record is not created.

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Our offices

Melbourne

350 Queen St
Melbourne VIC 3000
GPO Box 4380
Melbourne VIC 3001
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Suburban offices

Broadmeadows

North-western suburbs
Level 1, Building 1
Broadmeadows Station
Centre
1100 Pascoe Vale Rd
Broadmeadows VIC 3047
Tel: (03) 9302 8777

Dandenong

Westernport region
Level 1, 9–15 Pultney St
Dandenong VIC 3175
Tel: (03) 9767 7111

Frankston

Peninsula region
Cnr O'Grady Ave &
Dandenong Rd
Frankston VIC 3199
Tel: (03) 9784 5222

Ringwood

Outer-eastern suburbs
23 Ringwood St
Ringwood VIC 3134
Tel: (03) 9259 5444

Sunshine

Western suburbs
1/474 Ballarat Rd
Sunshine VIC 3020
Tel: (03) 9300 5333

Regional offices

Ballarat

Central Highlands region
Area A, Level 1
75 Victoria St
Ballarat VIC 3350
Tel: (03) 5329 6222
Toll free: 1800 081 719

Bairnsdale

Gippsland region branch
office
101A Main St
Bairnsdale VIC 3875
Tel: (03) 5153 1975

Bendigo

Loddon–Campaspe region
424 Hargreaves St
Bendigo VIC 3550
Tel: (03) 5448 2333
Toll free: 1800 254 500

Geelong

Barwon region
Level 2, 199 Moorabool St
Geelong VIC 3220
Tel: (03) 5226 5666
Toll free: 1800 196 200

Horsham

Wimmera region
29 Darlot St
Horsham VIC 3400
Tel: (03) 5381 6000
Toll free: 1800 177 638

Morwell

Gippsland region
2 Chapel St
Morwell VIC 3840
Tel: (03) 5134 8055

Shepparton

Goulburn region
36 – 42 High St
Shepparton VIC 3630
Tel: (03) 5823 6200

Warrnambool

South Coast region
185 Fairy St
Warrnambool VIC 3280
Tel: (03) 5559 7222
Toll free: 1800 651 022

Main reception

350 Queen Street, Melbourne

Postal – GPO Box 4380, Melbourne Vic 3001

Telephone – (03) 9269 0234

www.legalaid.vic.gov.au

Monday to Friday 8.45 am to 5.15 pm

Legal Help

Telephone – 1300 792 387

Monday to Friday 8.45 am to 5.15 pm

Disaster Legal Help

We have a dedicated telephone line for legal help after disasters such as a bushfires or floods.

Telephone – 1800 113 432

For hearing impaired (TTY)

Call the National Relay Service and ask to be put through to Victoria Legal Aid.

TTY/voice – 133 677 or 1800 555 677 (country callers)

SSR/speak and listen – 1300 555 727 or 1800 555 727 (country callers)



In different languages

| | |
|-------------------------------|----------------|
| عربي / Arabic | (03) 9269 0127 |
| Bosanski / Bosnian | (03) 9269 0164 |
| 廣東話 / Cantonese | (03) 9269 0161 |
| 普通話 / Mandarin | (03) 9269 0212 |
| Hrvatski / Croatian | (03) 9269 0164 |
| فارسی / Persian (Farsi, Dari) | (03) 9269 0123 |
| Ελληνικά / Greek | (03) 9269 0167 |
| हिंदी / Hindi | (03) 9269 0487 |
| Italiano / Italian | (03) 9269 0202 |
| Македонски / Macedonian | (03) 9269 0477 |
| Polski / Polish | (03) 9269 0228 |
| Русский / Russian | (03) 9269 0315 |
| Српски / Serbian | (03) 9269 0332 |
| Español / Spanish | (03) 9269 0384 |
| Türkçe / Turkish | (03) 9269 0386 |
| Українська Moba / Ukrainian | (03) 9269 0390 |
| اُردُو / Urdu | (03) 9269 0389 |
| Việt-ngữ / Vietnamese | (03) 9269 0391 |

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

Acknowledgements

We would like to thank everyone who contributed to the delivery of our work throughout the year and to the development of this report.

Feedback

Feedback on this report is welcome. Please write to Victoria Legal Aid, Research and Communications, GPO Box 4380, Melbourne Vic 3001.

Annual report website

This annual report is also available as a website. To read the report online or download a copy go to <http://ar2014.vla.vic.gov.au>.



Established in 1950

2011–12 Silver, 2010–11 Silver, 2009–10 Silver, 2008–09 Bronze