

Chronically underfunded legal aid commissions suffer further cuts in federal budget

The Law Council of Australia has said an additional \$80 million in funding was required in tonight's budget not a reduction of \$15 million and has called on the Federal Government to rescind its announced cuts to legal aid and to commence the process of reinstituting a sustainable funding model to ensure legal aid remains accessible to disadvantaged Australians.

Law Council of Australia President, Mr Michael Colbran QC, said the \$15 million in cuts to legal aid announced tonight will have a significant impact on the capacity of already chronically underfunded legal assistance bodies to provide legal services to many Australians.

"The Law Council acknowledges the Government's primary objective of finding budgetary savings is to reduce the federal budget deficit but these cuts will ultimately create a net burden for the economy and work counter to the Government's objectives.

"Actuarial studies of return-on-investment in Legal Aid Commissions and Community Legal Centres have repeatedly demonstrated that funding cuts to legal assistance services are more likely to result in greater downstream costs for the economy and society as a whole," Mr Colbran said.

The Law Council has consistently shown over many years that the level of funding provided to legal assistance services is unsustainable – it is clear that those organisations require urgent additional funding in order to meet increasing demand for legal services.

"The Law Council calls on the Federal Government to commence the process of reinstituting the government's funding arrangement to a 50 per cent share with the states and territories.

"Up to 1997, the Commonwealth contribution to Legal Aid Commission funding was 55 per cent – current funding stands at 35 per cent.

"The attached table demonstrates the structural re-adjustment required in each successive budget from 2012 to 2016 to bring the Commonwealth's contribution to legal aid to at least 50 per cent.

"Successive Federal Governments have short-changed legal aid over the last two decades with the Commonwealth transferring massive costs on to the states and territories – this simply cannot continue," Mr Colbran said.

Law Council of Australia Access to Justice spokesperson, Dr David Neal SC, said tonight's funding cuts will lead to further massive cuts in frontline services.

"Legal Aid Commissions have been forced to impose ever more stringent means tests and quotas on the services they provide.

"The means tests are so stringent that some people who qualify for pensions or benefits do not qualify for legal aid," Dr Neal said.

In Victoria alone cuts in grants of legal aid over the last three years mean that an additional 11,000 people will confront the legal system without legal aid and without the means to pay for legal representation themselves.

“These include innocent people who are at risk of jail sentences and people enmeshed in bitter family law disputes.

“Victims of domestic violence face the horror of having to confront the perpetrators in court, without the assistance of a lawyer, therefore increasing their trauma.

“The pattern is similar in the other states and is a national disgrace.

“Unless there is a commitment to increase the Commonwealth funding to 50 per cent, thousands of ordinary Australians will continue to go unrepresented and possibly be erroneously convicted.

“The Law Council calls on the Government to remedy this significant injustice,” Dr Neal concluded.

ATTACHMENT:

In 2013 PWC prepared an estimate of the level of additional funding required each year to return the Commonwealth to a 50% share of legal aid funding with the States and Territories (excluding the funding of community legal centres), on a constant per capita basis.

The information provided in this table relied upon the latest population growth forecasts from the Australian Bureau of Statistics, Consumer Price Index (CPI) forecasts from the Reserve Bank of Australia and the latest budgetary figures provided by National Legal Aid for Commonwealth (CW) Input Grants and State Input Grants. The resulting projections are illustrated in Table 1.

The calculations assume that the funding by States and Territories will remain at the current budgeted level.

Table 1 - Level of additional Commonwealth funding

Financial Year	CW Input Grants	State Input Grants	Level of additional funding required
2012-2013	\$205.90 million	\$276.42 million	\$70.52 million
2013-2014	\$213.73 million	\$291.39 million	\$77.66 million
2014-2015	\$222.39 million	\$303.19 million	\$80.80 million
2015-2016	\$231.95 million	\$316.23 million	\$84.28 million
Total			\$313.26 million

Source: NLA, RBA, ABS 3101.0

Note: Numbers may not add due to rounding.

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