

2024-25 Pre-Budget Submission

Community Legal Centres Australia

22 January 2024



Contents

- Contents** 1
- About this submission** 2
- Delivering access to justice is critical to *Measuring What Matters*. 2
- About Community Legal Centres Australia** 4
- Acknowledgement of Country** 4
- Summary of recommendations** 5
- Community legal centres face unique and urgent funding pressures** 6
- Inadequate indexation means centres lose funding for services each year. 7
- Low wages are driving a workforce crisis across our sector. 8
- Underfunding of ICDT systems and capacity results in needless, burdensome work and inefficiencies. 9
- Community legal centres need at least double current Commonwealth funding** 11
- Community legal centres need a long-term funding commitment in the May 2024 budget** 13
- Appendix 1: Estimated Commonwealth funding in the community legal centre service system in 2023-24** 15

About this submission

Delivering access to justice is critical to *Measuring What Matters*.

We commend the Commonwealth Government on its commitment to the wellbeing of people and communities in Australia, including through the recent *Measuring What Matters* statement.¹ We appreciate your commitment to building healthy, secure, cohesive, and prosperous communities for everyone. We note the inclusion of ‘access to justice’ under the ‘secure’ pillar of the statement, and that community legal centres play a crucial role in providing access to justice to people and communities across Australia.

Australia is currently not high on the “people can access and afford justice” domain of the World Justice Project Rule of Law Index² – an indicator used by Treasury to assess progress in line with the *Measuring What Matters* framework. At 0.59, Australia is far behind the average of high-income countries, and ranks at 58 out of 142 countries globally. To improve on this indicator, the Commonwealth Government must invest significantly in legal assistance.

Like government, the community legal sector recognises that legal, social, health-related, and economic determinants of wellbeing are interconnected, and that achieving access to justice and security for people and communities involves addressing the root causes of legal problems. In response, community legal centres offer more than just legal advice and assistance. Our services are trauma-informed, integrate a range of diverse professional supports (social work, counselling, community development), are delivered within a range of settings (health centres, hospitals, domestic violence and homeless shelters, and prisons), and prioritise prevention and early support through systemic advocacy and community legal education.

Funding for legal assistance is an investment in people and communities. Research shows that every dollar invested in legal assistance delivers many dollars’ worth of benefits to clients, communities, and governments.³ More importantly, our services keep people in jobs and homes, and out of debt, hospitals, courts, and prisons. We support people to remove the legal barriers keeping them from living their best lives.

The legal assistance sector in Australia is woefully underfunded. This hurts people and communities, and costs governments. Over the past decade, multiple comprehensive

1 Treasury, *Measuring What Matters: Australia’s First Wellbeing Framework*, July 2023, https://treasury.gov.au/sites/default/files/2023-07/measuring-what-matters-statement020230721_0.pdf

2 World Justice Project (2023). Rule of Law Index, Civil Justice for Australia: <https://worldjusticeproject.org/rule-of-law-index/country/2022/Australia/Civil%20Justice/>

3 Business case information and demand modelling conducted by Ernst & Young for Federation of Community Legal Centres VIC, documented in the Federation of Community Legal Centres VIC submission to the NLAP review, Appendix A. <https://nlapreview.com.au/uploads/media/FederationofCLCsVictoria-1700190243.pdf>

National Legal Aid, *The benefits of providing access to justice*, January 2023, <https://www.nationallegalaid.org/wp-content/uploads/2023/05/Final-Public-Report-PwC-The-Benefits-of-Providing-Access-to-Justice1-January-2023.pdf>

national surveys, inquiries, and reports have found consistent high (and increasing) levels of unmet legal need across this country. These include the:

- Law and Justice Foundation of NSW's 2012 Laws Australia Wide Survey⁴
- Australian Productivity Commission's 2014 inquiry into access to justice arrangements⁵
- Law Council of Australia's 2018 Justice Project⁶
- Victoria Law Foundation's August 2023 first report on findings from the Public Understanding of Laws Survey (PULS).⁷

Legal assistance providers, including community legal centres, Aboriginal and Torres Strait Islander Legal Services (ATSILSs), Family Violence Prevention Legal Services (FVPLSs) and Legal Aid Commissions (LACs), cannot meet anywhere near existing levels of legal need on current resources.

Community-based legal assistance providers, including community legal centres, FVPLSs, and ATSILSs, face several unique and greater risks. Inflationary pressures, underfunding, and a lack of long-term funding security, is putting our unique service model, and contribution to increasing individual and community wellbeing, at risk. To mitigate these risks, we recommend the Commonwealth government invests significant additional funding for legal assistance services in the May 2024-25 Federal Budget. It is our expectation that the independent, mid-term review of the National Legal Assistance Partnership (NLAP) Agreement (NLAP Review), which is due for public release in late February 2024, will recommend significant additional Commonwealth funding for legal assistance. We are confident the Attorney-General will be leading efforts to secure this extra resourcing.

We need urgent additional funding in 2024-25 and over the forward estimates, to enable community legal centres, ATSILSs, FVPLSs, and LACs, to keep delivering vital support to the community. While we advocate enhanced funding for *all* legal assistance providers, we ask you to consider the unique circumstances for community legal centres which make our needs especially urgent.

The recommendations in this submission relate primarily to community legal centres, which make up the majority of Community Legal Centres Australia's membership network. Some, however, also apply to FVPLSs and ATSILSs, while others extend to all legal assistance providers, including LACs. Recommendations that include LACs, FVPLSs, and ATSILSs should be read in conjunction with recommendations made by National Legal Aid, the National Forum of FVPLSs and the National Aboriginal and Torres Strait Islander Legal Service (NATSILS).

4 Law and Justice Foundation of New South Wales (2012). Legal Australia-Wide Survey: Legal Need in Australia:

https://www.nationallegalaid.org/resources/legal-australia-wide-survey/#gdocs_preview_standalone

5 Productivity Commission (2014). Access to justice arrangements – Inquiry report: <https://www.pc.gov.au/inquiries/completed/access-justice/report>

6 Law Council of Australia (2018). The Justice Project – Final report: <https://lawcouncil.au/justice-project/final-report>

7 Victoria Law Foundation (2023). The Public Understanding of Laws Survey (Vol 1) – Everyday problems and legal need: <https://victorialawfoundation.org.au/research/puls>

At the end of this submission, we enclose our 2022-23 national data snapshot and a brief on the unique place and value of community legal centres within the wider legal assistance sector.

Thank you for taking the time to consider our submissions. If you need any further information, please contact our Advocacy & Communications Manager, Emily Hamilton, at emily.hamilton@clcs.org.au.

About Community Legal Centres Australia

Community Legal Centres Australia is the national representative voice for the community legal sector. We are an independent, non-profit organisation set up to support the community legal sector to provide high-quality free and accessible legal and related services to everyday people, especially people experiencing financial hardship, discrimination or some other form of disadvantage, or who are experiencing domestic or family violence.

We strive to be leaders in good practice, to advocate for justice and the promotion and protection of human rights, to be responsive to the needs of the community legal sector and to maintain and strengthen the collaborative networks that allow our sector to provide holistic support to communities.

Our members are the eight state and territory community legal sector peak bodies. Together, we represent around 150 community legal centres and women's legal services, eleven Family Violence Prevention Legal Services and two Aboriginal and Torres Strait Islander Legal Services operating in metropolitan, regional, rural, remote, and very remote communities across Australia.

Our movement's vision is for a fair and equitable society in which:

- Our legal systems and institutions are accessible to all, decolonised, and no longer criminalise poverty, disadvantage, or disability
- All members of our community have access to the power, tools and means to live safe, secure, and meaningful lives, free from discrimination, violence, exploitation, and abuse
- We respect and protect the rights of First Nations people and communities to land, language, culture, and self-determination
- We respect and protect the natural environment for current and future generations.

Our expertise is grounded in the stories of the 200,000 people who engage our sector's services each year and who experience first-hand the barriers to justice that exist in our legal system. Our public advocacy ensures that their voices and experiences drive progressive system reform.

Acknowledgement of Country

Community Legal Centres Australia acknowledges the traditional owners of the lands across Australia and particularly acknowledges the Gadigal people of the Eora Nation, traditional owners of the land on which the Community Legal Centres Australia office is situated. We pay deep respect to Elders past, present and emerging.

Summary of recommendations

The May 2024-25 federal budget must deliver:

- 1. Adequate indexation (at least 4.6%) on all NLAP funding contracts with community legal centres**, including for baseline funding, Family Law Family Violence funding, and all other Commonwealth legal assistance funding delivered via NLAP. This will assist centres to absorb the impacts of inflation and increasing wages costs. Our best estimate is that this will cost \$5.5m in 2024-25.
- 2. Sufficient additional legal assistance funding to enable community legal centres, ATSILSs, and FVPLSs to offer wages parity with LACs**. Community-based legal assistance providers are experiencing a workforce crisis, with enduring unfilled vacancies threatening service provision. The specific amount required to deliver wages parity across the legal assistance sector should be determined according to recommendations made by the NLAP Review.
- 3. \$5 million in the 2024-25 financial year for community legal centres to embrace and transition to modern, efficient information, communications, and data technology (ICDT) systems**. Centres are currently struggling with an ageing and inefficient data reporting system known as CLASS. Ever-increasing demands by governments at all levels for more and better data, combined with increasing cyber security threats and changing privacy laws, make the sector's need for support to adopt sophisticated, efficient, and secure modern Information, Communications, and Data Technology (ICDT) systems increasingly urgent.
- 4. An immediate injection of new funding into the legal assistance sector to support service delivery until the current NLAP expires in June 2025**. This injection should be of such a scale as to enable the legal assistance sector to make significant headway in responding to unmet legal needs. Over five years ago, the Law Council of Australia recommended an increase of \$390 million in government funding to legal assistance services to address unmet legal need, and since then legal need has only grown. In its submission to the NLAP Review, the Law Council revised its estimate of the current shortfall in legal assistance funding upwards to \$500 million per annum. The NLAP Review's recommendations should also be considered.
- 5. At least \$124.5 million in additional funding for community legal centres for the 2024-25 financial year**. This represents a doubling of the Commonwealth NLAP funding Community Legal Centres Australia estimated to be in the community legal centre service system in 2023-24. Commonwealth Government funding delivered to community legal centres via non-NLAP funding streams must also be doubled and adequate indexation applied.
- 6. A commitment (via the forward estimates) to invest significant additional Commonwealth funds in the next NLAP (due to commence from 1 July 2025)**. This commitment should identify the proportion of funding to be allocated to community legal centres to provide certainty to centres and enable states and territories to commence community legal sector tendering processes early.

Community legal centres face unique and urgent funding pressures

Community legal centres are a vital part of the legal assistance sector. However, we face unique funding pressures and have gone backwards on this government's watch. Without adequate indexation, wages, and long-term funding security, centres will lose staff, and be forced to cut services and programs.

Community legal centres are distinct within the legal assistance sector. Our movement has a unique service model and set of values, underpinned by its 50 years' history.

Community legal centres are independent organisations that are connected as a community legal sector movement. This ensures a network of services on which the community can rely for both place-based and specialist supports. Community legal centres are accountable to the community: our governance model prioritises community ownership and accountability, and centres are embedded in the communities they serve in deep and longstanding ways.

Our fiercely independent governance model means that community legal centres face fewer bureaucratic hurdles and can respond to community needs as they emerge. Legal needs can shift quickly—climate events, economic shocks, and changing government policies can have immediate impacts on what legal help people need most. Community legal centres can respond to these shifts quickly in ways that government agencies cannot. This inherent agility also enables creativity and innovation. Many of the best-practice models of legal assistance we see today—like health justice partnerships—had their origins in community legal centre innovation.

Community legal centres' independence gives us the flexibility to support people who need it. Financial disadvantage is a big driver of everyday legal problems, but not the only one. Systemic barriers like racism, gender-based violence, ableism, ageism, and homophobia cause significant legal problems and negative life impacts. Community legal centres' independence allows us to support people experiencing a range of barriers in accessing justice, without being limited by means tests alone. Community legal centres prioritise cultural safety and trauma-informed practice so that people impacted by a range of systemic barriers can feel safe accessing our services.

These are just some of the many strengths of our unique service model. However, our sector's unique structure and funding arrangements, as a network of independent organisations that enter individual service contracts with governments, also leaves community legal centres particularly vulnerable to funding shortfalls and funding insecurity. Most critically, during the current term of government our sector has gone backwards due to inadequate indexation, and we are facing a workforce crisis.

The 2024-25 budget must include measures targeted to community legal centres and other community-based legal services in Community Legal Centres Australia's membership network:

- Adequate indexation (at least 4.6%) on all current NLAP funding contracts
- Sufficient additional funding to enable community legal centres, as well as ATSILSs, and FVPLSs, to offer wages on par with LACs
- \$5 million for community legal services (including community legal centres, FVPLSs, and ATSILSs) to adopt modern Information, Communications, and Data Technology (ICDT) systems.

Inadequate indexation means centres lose funding for services each year.

We acknowledge and appreciate the Labor Government's public recognition of the importance of appropriate indexation for community sector organisations delivering critical social services. We know the government understands that community legal centres' budgets are currently under immense pressure, most notably due to increasing wages costs (which we welcome), and high inflation (which we don't).

Right now, many community legal services are confronting big holes in their budgets, which they cannot fill without shedding staff and reducing services. We are sure the government agrees that any reduction in access to community-based legal assistance services for our communities would be a deeply regrettable outcome.

The current NLAP Agreement includes a provision for annual indexation of 1.5% per annum on Commonwealth legal assistance funding. This is well below the current rate of inflation, which is driving up the costs of service delivery. At the same time, centres must also fund (welcome and appropriate) wages increases set by the Fair Work Commission (in June 2023 the Commission awarded SCHADS workers a 5.75% pay increase) and legislated increases to minimum mandatory employer superannuation contributions.

Disappointingly, community legal centres funded under NLAP were excluded from the government's efforts to support not-for-profit social and community services meet the challenges presented by the current inflationary environment. This includes the \$560 million funding pool for housing, Aboriginal and Torres Strait Islander, and community services established in the October 2022 federal budget, and the changes to the calculation used to determine annual indexation for funded services in the May 2023 federal budget, which is expected to deliver \$4 billion to government and community services supporting people who experience disadvantage.

Most state and territory governments have facilitated additional indexation of state/territory grants for social and community services, including community legal centres. For example, in Victoria and Western Australia (WA) community legal centres have been included in agreements that will calculate indexation at 80% of national wage increases and 20% CPI increases. While an improvement on the 1.5% delivered via NLAP, feedback from centres in WA suggests that the indexation rate delivered through this formula (4.11%) does not account for the superannuation levy or the higher costs of delivering services in rural, regional, remote, and very remote communities. The WA government has accepted the model is not fit for purpose and is working with the community sector to develop a new one. From 1 July 2023, the New South Wales (NSW) departments of Communities and Justice, and Health, will index grant payments to non-government organisations at 5.75%.⁸

However, Commonwealth funding for community legal centres has not followed suit. Nationally, the Australian Services Union and ACOSS recommend a minimum indexation rate of 4.6% for all funded social and community service organisations, including

⁸ NSW Government (2023). Funding certainty for vulnerable groups in the community, 30 June 2023: <https://www.nsw.gov.au/media-releases/funding-certainty-for-vulnerable-groups-in-community#:~:text=It%20indexes%20grant%20payments%20to,NSW%20Budget%20on%2019%20September>

community legal centres, as a matter of urgency. Our best calculation of the cost of fixing indexation for the community legal centres sector in 2024-25 is \$5.5m.⁹

Recommendation:

The May 2024-25 federal budget must deliver:

1. **Adequate indexation (at least 4.6%) on all NLAP funding contracts with community legal centres**, including for baseline funding, Family Law Family Violence funding, and all other Commonwealth legal assistance funding delivered via NLAP. This will assist centres to absorb the impacts of inflation and increasing wages costs. Our best estimate is that this will cost \$5.5m in 2024-25.

Low wages are driving a workforce crisis across our sector.

Communities need their community legal centres, FVPLSs, and ATSILSs to be staffed with a resilient, and highly skilled workforce capable of meeting complex needs. This means that centres must be able to provide adequate pay and conditions to workers. This is not just ‘more money for lawyers.’ Our sector proudly champions an integrated practice model, and community legal workers are unique amongst the legal profession. Our work contributes directly to the achievement of all five of the Commonwealth government priorities set out in its first national wellbeing framework, *Measuring What Matters*.¹⁰

However, low remuneration, limited career pathways, and the risk of vicarious trauma and burnout negatively impact centres’ ability to attract and retain expert staff. This, in turn, impacts centres’ ability to meet people’s and communities’ needs for legal assistance.

In September 2023, Community Legal Centres Australia held national consultations with services in our membership network (including community legal centres, FVPLSs, and ATSILSs) about the NLAP Review. Centres told us of the impacts on service delivery of the ‘juniorisation’ of the workforce, the drain of experienced, senior lawyers to LACs and the private sector, and of widespread vacancies across the sector, particularly in regional, rural, remote, and very remote centres. Participants identified comparatively low wages as a key driver of the workforce crisis across our sector.

These anecdotal accounts are backed up by recent research into workforce and salary conducted by Community Legal Centres Queensland (QLD) and Community Legal Centres NSW, which found that lawyers and allied professionals (social workers, financial counsellors, community development and engagement workers) in the community legal sector are paid considerably less than people doing the same work at the same level at LACs.

In NSW, community lawyers earn between 10% and 35% less than Legal Aid NSW lawyers, and allied professionals earn between 10% and 20% less than those working in the same roles at LACs. Further, the wage gap increases as workers gain experience and

⁹ Based on the assumption of \$119m Commonwealth funding in the community legal centres sector, multiplied by the recommended 4.6% indexation.

¹⁰ Australian Government – The Treasury (2023). *Measuring What Matters*: <https://treasury.gov.au/policy-topics/measuring-what-matters>

seniority. Community Legal Centres NSW estimates it would cost \$9 million to deliver wages parity between people working in the community legal sector and at Legal Aid NSW across legal and allied professional roles.

Community Legal Centres QLD's pre-budget submission to the Queensland state government calculates that a \$15.8 million investment in the community legal sector workforce in that state would deliver a 22% wages increase for sector workers (the average wages gap between people working at community legal centres and Legal Aid QLD), a 20% wages loading for the 160 FTE staff working in regional, rural, remote, and very remote QLD, and a Cultural Load Allowance for the QLD sector's 60 First Nations staff.

Similar costing work has not been carried out on a national level. However, Community Legal Centres Australia submitted national workforce data for community legal centres collected via our State of the Sector Survey to the NLAP Review. We understand this data is being used to inform further national wages costing work that will underpin specific workforce recommendations in the NLAP Review report, as well as a 2024-25 budget bid from the Attorney General for the money required to urgently address the community legal sector workforce crisis.

Everyone working in the legal assistance sector should be paid fairly and people working at community legal centres, ATSILSs, and FVPLSs, should receive equal pay for equal work.

Recommendation:

The May 2024-25 federal budget must deliver:

- 2. Sufficient additional legal assistance funding to enable community legal centres, ATSILSs, and FVPLSs to offer wages parity with LACs.** Community-based legal assistance providers are experiencing a workforce crisis, with enduring unfilled vacancies threatening service provision. The specific amount required to deliver wages parity across the legal assistance sector should be determined according to recommendations made by the NLAP Review.

Underfunding of ICDT systems and capacity results in needless, burdensome work and inefficiencies.

Modern data systems are critical to the development, delivery, and evaluation of effective services. Centres with sophisticated data capabilities can better meet need because they have the data to properly understand service gaps and identify emerging areas of legal need. Modern data systems also enable centres to report to governments and funders efficiently and spend a greater proportion of their limited time and resources to meeting people's needs.

The community legal sector is committed to delivering state, territory, and federal governments the high-quality data they want and expect. However, centres (and the sector as a whole) are not properly resourced to collect, manage, and provide this data. We are currently struggling with an ageing and inefficient data reporting system known as CLASS. Access to sophisticated, efficient, and secure modern Information, Communications, and Data Technology (ICDT) systems would enable centres to meet governments' reasonable demands for more and better data, contribute critical information to collaborative service planning processes, and better manage and respond to new and emerging ICDT issues, including cyber security threats and changing privacy laws.

We estimate community legal centres need \$3 million nationally to support them to adopt modern Client Management Systems and for workforce skills development in data technology. Community Legal Centres Australia needs at least \$2 million to continue to build and to maintain a national data repository for the community legal sector, and to provide training for, and build capacity within, the community legal centres sector.

Recommendation:

- 3. \$5 million in the 2024-25 financial year for community legal centres to embrace and transition to modern, efficient information, communications, and data technology (ICDT) systems.** Centres are currently struggling with an ageing and inefficient data reporting system known as CLASS. Ever-increasing demands by governments at all levels for more and better data, combined with increasing cyber security threats and changing privacy laws, make the sector's need for support to adopt sophisticated, efficient, and secure modern Information, Communications, and Data Technology (ICDT) systems increasingly urgent.

Community legal centres need at least double current Commonwealth funding

Community legal centres are chronically underfunded to deliver on what governments and the communities we serve expect from us. We need at least double the Commonwealth funding currently invested in our service system.

Over five years ago, the Law Council of Australia recommended an increase of \$390 million in government funding to all legal assistance service providers to address unmet legal need,¹¹ and since then legal need has only grown. In its submission to the NLAP Review, the Law Council revised its estimate of the current shortfall in legal assistance funding upwards to \$500 million per annum. This should serve as a guide for determining the appropriate global quantum of funding required by all legal assistance providers per annum in 2024-25 and under NLAP 2025-30. The NLAP Review's recommendations on funding quantum for legal assistance providers (a question clearly within the review's scope) will be an even more important, and extremely current, guide.

Without knowing what the NLAP Review's recommendations on funding quantum will be, Community Legal Centres Australia is calling for at least a doubling of the current Commonwealth investment in community legal centres in 2024-25 (plus adequate indexation), based on existing data on levels of unmet legal need,¹² including our own turnaway data.¹³

We cannot say with accuracy how much Commonwealth NLAP funding has been allocated to community legal centres since 2020 because much of it is distributed by state and territory governments, which do not report to our sector (or the Commonwealth) on their allocation decisions. This lack of transparency is a major failing of the current NLAP.

However, based on what we do know, by adding some of the extra investments in community legal centres (for Covid-19, disasters, pilot programs and some other Commonwealth funding streams and priorities) to the baseline funding allocated by NLAP for 2023-24, we estimate that there is at least \$119 million of Commonwealth funding currently in the community legal centre service system (see Appendix 1).¹⁴

This is likely to be a significant underestimate of the Commonwealth funding currently in the community legal centres service system (for example, it does not include funding received by centres under the Temporary Visa Holders Experiencing Violence Pilot, or by centres

11 Law Council of Australia (2018). The Justice Project – Final report: <https://lawcouncil.au/justice-project/final-report>

12 See for example: National Legal Aid's 2012 Legal Australia Wide Survey (LAWS); the Productivity Commission's 2014 [Access to justice arrangements inquiry report](#); the Law Council of Australia's 2018 [Justice Project final report](#); the Victoria Law Foundation's 2023 Public Understanding of Law Survey (PULS).

13 Preliminary analysis of data from our 2022-23 state of the sector survey shows that community legal centres turned away around 200,000 people last year. We will publish the final survey results early in 2024.

14 Appendix 1 sets out all Commonwealth NLAP funding that we know has been provided to community legal centres during the life of the current NLAP. Some of this funding was provided within one particular financial year but is still being spent by some centres; some was provided over a period of several years. Even those funds which were allocated for just one year and have now been mostly or fully spent were injected to respond to legal needs which still exist in the community: these should not have been one-off injections.

that delivered disaster legal assistance services in Victoria, South Australia, or Western Australia). With adequate indexation (calculated at 4.6%) community legal centres need at least an additional \$124.5 million in NLAP funding in 2024-25.

Finally, we note that many community legal centres depend on Commonwealth funding streams outside of NLAP (some entirely so). This includes streams administered by the Attorney-General's Department (such as the Community Legal Services Program), as well as by other government departments, such as Social Services, Health, Home Affairs, and the Office for Women. It is likely that some of these funding streams are not included in our calculations above. As such, we reiterate that the \$124.5 million calculated above represents the minimum Commonwealth investment required by our sector. Any further calculations by government to determine the exact level of Commonwealth funding currently in the community legal centre service system must account for all these non-NLAP funding streams. Funding delivered via all non-NLAP Commonwealth Government funding streams must also be doubled and adequate indexation applied.

While we have done our best to do these calculations, we defer to the expertise of the NLAP Reviewer, Dr Warren Mundy, whose report should be available in late February. Mr Mundy will have had access to data we cannot obtain, and his assessment of unmet legal need, and the costs of meeting it, should be carefully considered.

Recommendation

The May 2024-25 federal budget must deliver:

- 4. An immediate injection of new funding into the legal assistance sector to support service delivery until the current NLAP expires in June 2025.** This injection should be of such a scale as to enable the legal assistance sector to make significant headway in responding to unmet legal needs. Over five years ago, the Law Council of Australia recommended an increase of \$390 million in government funding to legal assistance services to address unmet legal need, and since then legal need has only grown. In its submission to the NLAP Review, the Law Council revised its estimate of the current shortfall in legal assistance funding upwards to \$500 million per annum. The NLAP Review's recommendations should also be considered.
- 5. At least \$124.5 million in additional funding for community legal centres for the 2024-25 financial year.** This represents a doubling of the Commonwealth NLAP funding Community Legal Centres Australia estimated to be in the community legal centre service system in 2023-24. Commonwealth Government funding delivered to community legal centres via non-NLAP funding streams must also be doubled and adequate indexation applied.

Community legal centres need a long-term funding commitment in the May 2024 budget

Community legal centres are at greater risk of being defunded as we move from the current NLAP to the next. Community legal centres need long-term funding security, and we need to see this long-term commitment in the May 2024 budget.

We acknowledge the Labor Government's support for our sector's work includes an understanding of the importance to communities of service continuity and security. People experiencing disadvantage deserve to feel certain that the services they rely upon will continue to exist. However, our sector's unique structure as a network of independent centres that enter individual funding contracts with governments, means that community legal centres are at greater risk of funding insecurity and of being defunded as we move from the current NLAP to the next in mid-2025. This vulnerability is exacerbated by some state and territory governments' use of competitive tenders to distribute (state and Commonwealth) NLAP funding to community legal centres.

The NLAP requires states and territories to allocate Commonwealth legal assistance funding. It is common for state/territory governments to allocate Commonwealth and their own legal assistance funding contributions via the same allocation processes. (This is what happened in Victoria, Queensland, and Western Australia under the current NLAP).

Several states have already indicated they will run competitive procurement processes to distribute legal assistance funding to community legal centres delivered via the next NLAP from 1 July 2025. We have deep concerns about our centres being subjected to competitive tenders that are (quite rightly) not applied to other legal assistance providers. In our experience, these state/territory processes:

- are burdensome for centres, diverting resources from service delivery
- can take six months or more to complete
- generate timetabling problems and consequent risks to communities' services.

A goal of the current NLAP is that legal assistance providers should have a minimum six months' notice of changes in funding. If this goal is to be achieved in the transition from the current NLAP to the next, then state/territory allocation processes must be completed by end 2024, so that centres have 6-months' notice of changes to their funding that will take effect from 1 July 2025.

In our experience, some state/territory governments are reluctant to commit funding to the community legal centres sector without knowing what the Commonwealth will contribute. Without a Commonwealth commitment to funding of the next NLAP being confirmed in the May 2024 Budget, state/territory allocation processes are not likely to commence next year. If funding allocations are not announced until the 2025-26 federal budget, our centres will have less than two months' funding remaining. In these circumstances, centres cannot attract or retain staff and critical programs will have to be wound down. Already, centres are extremely concerned about these risks, and they are already impacting program planning.

The NLAP review is providing a blueprint for what good, long-term investment in the legal assistance sector looks like. We ask you to follow the reviewer's recommendations, and to ensure forward estimates of legal assistance funding under the next NLAP are confirmed in the May 2024 budget.

Recommendation

The May 2024-25 federal budget must deliver:

6. **A commitment (via the forward estimates) to invest significant additional Commonwealth funds in the next NLAP (due to commence from 1 July 2025).** This commitment should identify the proportion of funding to be allocated to community legal centres to provide certainty to centres and enable states and territories to commence community legal sector tendering processes early.

Appendix 1

Estimated Commonwealth funding in the community legal centre service system in 2023-24¹⁵

| Item | Amount |
|---|----------------------|
| Baseline funding and Family Law Family Violence funding (for the 2023-24 financial year) | \$57.63 million |
| Additional Commonwealth funding for community legal centres to respond to the Covid-19 pandemic in 2020-21 | |
| IT assistance for state-based community legal centres to transition to online and remote service delivery. | \$5.36 million |
| IT assistance for national centres and the national peak | \$780,000 |
| Additional funding for frontline legal assistance services ¹⁶ | \$12.45 million |
| Additional Commonwealth funding to respond to disasters ¹⁷ | |
| Funding for centres in NSW and QLD to provide legal assistance to communities affected by the February-March 2022 floods (over 3 years 2021-22 – 2023-24) | \$5.4 million |
| Funding for centres in NSW and QLD to respond to the compounding impacts of 2019-20 fires and 2021-22 floods (over 4 years 2022-23 – 2025-26) | \$12 million |
| Additional Commonwealth funding for some community legal centres via non-NLAP funding streams, or in support of specific Commonwealth priorities. ¹⁸ | |
| Domestic Violence Units and Health Justice Partnerships (2022-23) | \$4.82 million |
| Additional services for vulnerable women (2022-23) | \$10.67 million |
| South Australian family law pilot (2022-23) | \$1.19 million |
| Additional supports for services to people with mental health conditions (2022-23) | \$4.83 million |
| Front-line legal assistance in sexual harassment matters (2022-23). | \$3.62 million |
| Total | \$119 million |

15 This table sets out all Commonwealth NLAP funding that we know has been provided to community legal centres during the life of the current NLAP. Some of this funding was provided within one particular financial year but is still being spent by some centres; some was provided over a period of several years. Even those funds which were allocated for just one year and have now been mostly or fully spent were injected to respond to legal needs which still exist in the community: these should not have been one-off injections.

16 Note: Commonwealth provided \$49.98 million to states and territories to allocate across all legal assistance providers (LACs, ATSILSs, FVPLSs and CLCs). As we don't know exactly how much of this amount states and territories allocated to each provider, for the purposes of this calculation we have assumed a quarter flowed to each provider.

17 Note: this is likely to be an underestimate of the total Commonwealth disaster legal assistance funding delivered to community legal centres, as it only includes funds delivered to NSW and QLD, and not to other jurisdictions, particularly SA, WA, and Victoria, which have all experienced extreme weather disasters since 2020. For example, the Kimberley Floods Community Social Recovery Program announced in August 2023 will deliver approximately \$4.2 million in funding to community legal services and the Legal Aid Commission WA to deliver disaster legal assistance to impacted communities.

18 Note: These funds were delivered to states and territories to allocate between LACs, ATSILSs and community legal centres. For the purposes of this calculation, we have assumed community legal centres received a third of each of these funding injections.



Community Legal Centres
Australia

What makes a community legal centre?

Community legal centres are distinct within the legal assistance sector. Our movement has a unique service model and set of values, underpinned by its 50 years' history.

Community legal centres were built by activists in response to the impact of injustice on their communities.

The first community legal centres were established more than half a century ago by activists and advocates frustrated and angered by the injustices faced by their communities. They were responding to the unfairnesses of a legal system that punished poverty and difference. These first centres set about providing free legal help to people in need, and just as importantly, they used people's stories to drive advocacy for legal system reform. In the early 1970s, groups of students, academics, youth workers and lawyers in Monash and Fitzroy began giving free legal help to people who needed it – these grew to become Fitzroy Legal Service and the South-East Monash Legal Service. A few years later, a group of lawyers, volunteers, academics, social workers, and community activists met in Redfern to explore the idea of “community control of legal services”.

Community legal centres support people holistically.

From the very beginning, community legal centres resisted the idea that lawyers are the solution to everything. They recognised that many people's legal issues were connected to other social and economic problems and that the best supports addressed these challenges together. Critically, we recognised the impacts of trauma and discrimination on people's ability to access justice. That's why centres employed not just lawyers but social workers, financial counsellors, tenant advocates and community development workers and prioritised trauma-informed and culturally safe practice. We were doing 'integrated service delivery' before it was fashionable or even had a name.

Community legal centres intervene early to help people avoid contact with the legal system.

Through observing its many and varied failings, community legal centres have always understood that our legal and social systems could often not be trusted to deal fairly with people marginalised by the mainstream. We recognised early, that often the best thing was to help people avoid the legal system altogether (or support their exit from it as soon as possible). Early intervention, and empowering communities to avoid legal problems, have been hallmarks of community legal centre services since the beginning and explain our focus on community legal education programs.

Specialist community legal centres' unparalleled expertise benefits our sector, all legal assistance providers, and governments.

Our sector has always understood the critical importance of specialisation. The establishment of our specialist centres was driven by expertise and grounded in personal experience – women built women's legal centres on feminist principles, people with disabilities set up disability legal centres, to name just some examples. Today, specialist centres work in employment law, environmental justice, immigration and refugee law, social security & economic justice, renters' rights, seniors' rights & elder abuse, young people, issues for Aboriginal and Torres Strait Islander women and children, public interest litigation (and others). Specialist community legal centres' unparalleled excellence are a resource for the entire legal assistance sector – and often for governments.



Community Legal Centres
Australia

What makes a community legal centre?

Community legal centres are distinct within the legal assistance sector. Our movement has a unique service model and set of values, underpinned by its 50 years' history.

Community legal centres are unified and connected to one another.

Community legal centres are independent organisations that are connected as a community legal sector movement. The unity and connectedness of the centres that make up our movement ensures a network of services on which the community can rely for place-based and specialist supports. The sum of our movement is greater than its individual parts. As a sector, we can work together to challenge systemic issues that other independent organisations that operate in silos can struggle to manage.

Community legal centres are accountable to the community.

Community legal centres are an important part of this country's civil society movement. Our governance model prioritises community ownership and accountability. Centres are embedded in the communities they serve in deep and longstanding ways. Most community legal centres have rules that enable any interested person to join the association or to seek election to the board. This means community legal centres are democratically accountable to the community they serve.

Community legal centres are independent and can respond rapidly and creatively to changing community need.

Our governance model has always been fiercely independent, so we can respond to community needs as they emerge. Legal needs can shift quickly – climate events, economic shocks, and changing government policies can have immediate impacts on what legal help people need most. Community legal centres can respond to these shifts quickly in ways that government agencies cannot. Our agility enables creativity and innovation. Many of the best-practice models of legal assistance we see today – like health justice partnerships – had their origins in community legal centre innovation. Our independence also gives us the flexibility to support a range of people who need it, not just those who meet a means test. Financial disadvantage is a big driver of everyday legal problems, but not the only one. Systemic barriers like racism, gender-based violence, ableism, ageism and homophobia cause significant legal problems. Community legal centres' independence allows us to support people experiencing a range of barriers in accessing justice, without being limited by means tests alone.

Community legal centres work to change unfair laws.

Community legal centres work every day with people most impacted by unfair laws. We are well-placed to identify and advocate changes to unjust and harmful laws. Overwhelmingly, this work delivers benefits for the people and communities we serve, but our work also benefits all of society. In recent years the community legal sector has championed vital reforms including abortion law reform, family law reform, COVID fines reform, social security law reform, renting law reform, sexual harassment law reform, and much more.

This is the community legal centre model. We are independent community organisations, which deliver high-quality, rights-based, and integrated services to people in need. We use this experience to understand how laws and legal systems need to be changed and then advocate for that change. This is a service model for our times.

In 2022–23

community legal services delivered over

674 000
legal and non-legal services

to people across Australia.

Community legal services provided lots of different kinds of legal services, including...

-  214 000 Referrals
-  192 000 Legal advices
-  129 000 Information services
-  45 000 Legal tasks
-  34 000 Duty lawyer services
-  9 000 Court/tribunal representations

*Data is from community legal centres and Family Violence Prevention Legal Services using CLASS or ActionStep as their principal data collection tool.

Community Legal Centres Australia

Community Legal Centres Australia collects data from community legal services across the sector.

This data is used for reporting to funding bodies, as well as advocacy and organisational planning.

The numbers shown here are drawn from data provided by 133* of the 164 services in CLCs Australia's membership network.

They also delivered around **37 000** non-legal services, like counselling and social work.

Community legal services helped over **179 000** people in communities across Australia in 2022–23



The vast majority of clients were experiencing financial hardship.

-  111 000 women
-  60 000 people experiencing domestic or family violence
-  48 000 people experiencing or at risk of homelessness
-  43 000 people with a disability
-  26 000 people from culturally and linguistically diverse communities
-  21 000 people from rural and remote communities
-  23 000 older people
-  17 000 young people (under 25)
-  17 000 Aboriginal and Torres Strait Islander people

Community legal services helped people with different kinds of problems...

civil law 252 000

family law 128 000

criminal law 32 000

Domestic violence protection orders
Housing
Immigration law
Credit and debt
Employment
Wills and estates

Parenting arrangements
Domestic and family violence
Family law property

Traffic and vehicle offences
Theft and related offences
Motor vehicle property damage