

Report finds legal aid delivers \$600m in savings amid funding call

The provision of legal aid delivers \$600 million in savings to the public and government, according to a new report highlighting the critical need for funding amid increased demand for services.

The report from Price Waterhouse Coopers, commissioned by National Legal Aid (NLA) and set to be presented on February 17 by Annmarie Lumsden, CEO of NT Legal Aid, found every \$1 invested in legal aid services delivered an equivalent benefit of \$2.25.

The savings included avoided costs to individuals and government through addressing domestic and family violence, disaster response, minimising out of home care and reducing pain and suffering because of legal issues.

“Nationally, Legal Aid Commissions provide over 1.5 million instances of legal assistance a year and are the main providers of legal advice and representation for people experiencing disadvantage in Australia,” said Ms Lumsden.

Legal Aid Commissions are part of the broader legal assistance sector, and together with Aboriginal and Torres Strait Islander Legal Services, Community Legal Centres and Family Violence Prevention Legal Services, play a unique role in providing legal assistance services to the community.

“Legal Aid services are provided to the most disadvantaged people in Australia – 100 per cent live below the poverty line, 20 per cent are First Nations peoples, 25 per cent are people with a disability while 86 per cent of all Legal Aid family law matters include a risk of domestic and family violence.¹

“This new report amply demonstrates the significant benefit Legal Aid Commissions provide to the community. Yet we face significant challenges in delivering legal assistance including restricted eligibility, increased demand and a reducing supply of legal practitioners.”

As a proportion of total Legal Aid Commissions funding, Commonwealth funding has decreased from 34 per cent in 2011-12 to 28 per cent in 2021-22.² In response, Legal Aid Commissions have had to restrict their means tests to maximise service delivery. Since 2014 the number of Australian households eligible for Legal Aid has reduced from 660,000 to less than 500,000 - households that are living well below the poverty line.

Legal Aid Commissions also face challenges in meeting increasing demand, particularly in family law where there has been a 14 per cent increase in matters since 2014³ and a very limited increase to Legal Aid core funding. Stagnant funding means a loss of legal practitioners willing to work for Legal Aid, particularly in rural and remote areas. In Queensland, for example, there has been a 32% reduction in family law practitioners over the past 18 months alone.

The report will be presented at the inaugural Whitlam’s Legal Transformations Spotlight On: Legal Aid.

“The PwC Report demonstrates how valuable Legal Aid assistance is and as we reflect on the legacy of the Whitlam Government in establishing the Australian Legal Aid Office in 1973 we should also plan for the future by looking at returning to matched funding by Commonwealth, State and Territory governments,” Ms Lumsden said.

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¹Source: [National Legal Aid Statistics Reports](#)

²Source: National Legal Aid (2022), *Income and Expenses Tables for 2011-12 to 2021-22*

³Source: [Family Court Annual Reports | Federal Circuit and Family Court of Australia \(fcfcoa.gov.au\)](#), 2013/14, 2020/21