

Submission to Attorney General's Department

**Revised Funding Formula for
Community Legal Centres**



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1 Community Legal Centres

- People who cannot resolve their problems often end up in cycles of decline
- Not resolving legal problems can lead to problems escalating in seriousness and the development of further linked legal problems
- Many people with legal problems have complex needs and multi-dimensional problems
- Suffering legal problems can lead to people losing their employment and income, suffering stress related illnesses and often relationship breakdown
- The impact of unresolved legal problems represents a significant cost to public services
- Community Legal Centres (CLCs) play a vital role in helping people resolve their problems and disputes
- The CLC Service Delivery Model effectively assists people with complex needs and multiple legal and social problems
- CLCs effectively assess local legal needs and design services to meet the needs of the local populations they serve
- CLC volunteers and pro-bono relationships harnessed by CLCs are central to the work of CLCs, contributing at least \$23 million to the Commonwealth Community Legal Services Program
- The work of CLCs contributes to the delivery of broader government agendas, delivering extensive benefits to the communities they serve and delivering savings to the government. For every dollar of Funds provided to a CLC produces, at minimum, \$100 in benefits to the community and savings to government. Refer to Attachment 2.

2 Funding Community Legal Centres

The NACLC is aware that the Attorney General's Department is currently considering developing a revised funding mechanism to inform future funding allocations to Community Legal Centres. NACLC welcomes the work of the Department in this area, however we recognise the importance of ensuring that any funding formula developed is appropriately designed. To support the Attorney General's Department consideration of a revised funding mechanism the NACLC has considered the appropriate principles on which such a formula should be based. Below we set out four principles for a revised funding mechanism.

2.1 Principles

1. Two funding streams should be developed:
 - Funding for staffing and premises allocated based on the levels of legal need in the areas in which CLCs operate.
 - Funding for special circumstances. This fund may be accessed by CLCs that:
 - a. Have specific operational requirements that incur additional costs. For example, a CLC operating in a remote areas may require funding for travel by light aircraft to deliver their services
 - b. Have to meet unexpected increases in legal need. For example, the closure of a large employer is likely to lead to a sudden increase in legal problems requiring increased legal advice service capacity
2. The funding for staffing and premises should be based on estimated levels of local legal need.
 - A funding formula should be developed using the emerging evidence base relating to the experience of legal need being developed by the NSW Law and Justice Foundation. Predictors of legal need can be drawn from this evidence base and used to establish estimated levels of legal need in the localities in which CLCs are operating using demographic and disadvantage statistics. A needs based formula can be established to determine the levels of funding each CLC requires to effectively address levels of need.

The NSW Law and Justice Foundation is embarking on a legal need survey for the Australian population. This survey will establish an important evidence base that has previously been unavailable. The Law and Justice Foundation will have finalised the analysis of the survey data by October 2009 and the NACLC believes that there is merit in delaying the introduction of a revised funding mechanism until this data can be used as the basis of a funding formula (see section 3.1 for a proposed approach and timetable).

 - In developing estimates of legal need a funding formula should make use of available demographic statistics and disadvantage data.
3. A revised funding mechanism should not be used to re-distribute existing funding, rather it should be used to inform the distribution of newly

available money to ensure CLCs receive appropriate levels of funding to meet the legal need within the communities they serve.

Through developing a needs index based on the evidence base of legal needs, gap analysis can be performed to identify the extent to which current funding received by each CLC is aligned to the local need in the area in which they operate. This would enable the identification of priority CLCs that require significant funding increases to enable them to effectively meet the legal need in their area.

4. There is a baseline funding level at which a CLC can operate most effectively. All CLCs need to be funded at least to this baseline (see section 3.2 for details).
5. Funding cycles should be every five years to enable effective longer term planning by CLCs and to ensure greater efficiency in program delivery.

3 Proposed approach

3.1 Proposed approach

The second principle identified in section 2.1 identifies a need to develop a needs based funding formula. We highlight that there is an emerging evidence base of legal need and recommend that the revised funding formula being considered by the Attorney General’s Department should be developed in line with the establishment of this evidence base. In addition, the NACLC plans to draw on the emerging evidence to inform the development of revised tools to inform local strategic service planning. This would mean that the funding formula and the service planning methodologies would draw on the same evidence base and both will be reflective of legal need.

The diagram on the next page sets out a proposed approach and timetable for the development of a needs based funding formula and a needs based service planning tool.

3.2 Baseline funding

- The CLC service delivery model has been developed over 30 years to meet the needs of clients with complex needs and multi-dimensional problems.
- The essence of the service delivery model is that it is multi-disciplined in approach, works effectively with disadvantaged communities, targets services to emerging need, is flexible and responsive.
- The first phase in the strategic service delivery model is a legal needs assessment of the community which the CLC serves. Along with the needs assessment, the centre surveys other legal service providers and community organisations about the services they provide and the gaps in service delivery. This process informs the Strategic plan and directs the targeting of services.
- For the strategic service delivery model to be most effective, a centre needs to be able to employ a multi-skilled team. (Whether a social worker or financial counsellor or community worker is employed will depend on the mix required by the particular community and other services available locally.)
- Refer to the figure below for the costing of this model. Based on this costing the baseline funding for each CLC to most effectively implement the strategic service delivery model is around \$500,000.

STRATEGIC SERVICE DELIVERY MODEL COSTINGS

Position	Salary	Oncosts	Total Salary Costs	Operating Expenses	Total Position Cost
Coordinator	65,687	9,066	74,763	32,042	106,805
Principal Solicitor	62,866	8,675	71,541	38,661	110,202
Admin Worker	50,402	6,955	57,357	24,582	81,939
Solicitor	58,622	8,089	66,711	36,591	103,302
Community Workers	58,622	8,089	66,711	28,591	95,302
Total					497,550

Calculated on 13.8% of gross salary

Based on 30% of total position cost

Inclusive of \$8,000 interpreter allowance based upon 100 interviews per annum at \$80.00 per interview