

# Unaffordable and out of reach:

THE PROBLEM OF ACCESS TO THE AUSTRALIAN LEGAL SYSTEM

A REPORT BY

Community  
Law  
Australia

A photograph of three people standing in front of a white background. They are holding up large, blue, 3D-style letters that spell out 'Community Law Australia'. The woman on the left is holding up the 'C' and 'o' of 'Community'. The woman in the middle is holding up the 'L' and 'a' of 'Law'. The man on the right is holding up the 'A' of 'Australia'. They are all dressed in professional attire. The woman on the left is wearing a black top and a light-colored scarf. The woman in the middle is wearing a black blazer over a red top. The man on the right is wearing a dark suit jacket over a light blue shirt. They are all holding small black folders or books.

## About Community Law Australia

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Community Law Australia is a campaign by a coalition of community legal centre bodies led by the National Association of Community Legal Centres. There are around 200 community legal centres providing Australians with over half a million free legal services each year.

### For more information

You can find out more about the Community Law Australia campaign by:

#### Visiting our website

[www.communitylawaustralia.org.au](http://www.communitylawaustralia.org.au)

#### Following us on Twitter

[twitter.com/CommunityLawAus](https://twitter.com/CommunityLawAus)

#### Visiting us on Facebook

[www.facebook.com/CommunityLawAustralia](https://www.facebook.com/CommunityLawAustralia)

#### Emailing us at

[info@communitylawaustralia.org.au](mailto:info@communitylawaustralia.org.au)



# Unaffordable and out of reach:

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## THE PROBLEM OF ACCESS TO THE AUSTRALIAN LEGAL SYSTEM

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### Executive Summary

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In 2009, then Federal Attorney General Robert McClelland said that the “critical test” for our justice system is whether it is “fair, simple, affordable and accessible.”<sup>1</sup> For many Australians, our legal system is failing on all these fronts.

The high price of legal services means that many Australians would find it difficult to pay for a lawyer for anything but the most basic legal issues. When people who can’t afford a lawyer turn to government funded legal assistance services, they find that due to chronic funding shortages, ongoing help is often restricted to those on the lowest incomes, and then only for a limited range of mainly family law and criminal law issues. Unlike the health and education system in Australia, there is no universal safety net for legal help.

Australians underpaid by their employer, bullied at work or discriminated against, or in debt and facing repossession of their home, involved in a dispute with their insurer over flood damage, or who are elderly and being financially abused by their carer or family, will often find it extremely difficult to access free ongoing legal help if they can’t afford a lawyer.

Repeated government and Parliamentary inquiries over the past decade have recognised that the legal system is out of reach for many Australians. Legal assistance bodies, law societies, the courts, community agencies and politicians from all the major parties have highlighted the problem. Yet, despite some worthwhile policy initiatives, the large scale reforms needed to remedy the situation have not been undertaken.

In particular, Australian Government funding for legal assistance services has failed to keep pace with demand, inflation and population growth, and budget figures show falls in real terms in per capita funding for the next three years.

This report highlights the problems faced by many Australians in accessing the legal system. The report synthesizes research, reports and information on access to the legal system from a range of sources over the past decade.

Our goal is to raise awareness of the problem and promote action to ensure that every Australian can access the law, regardless of their financial situation, social circumstances or geographic location.

A national review of legal assistance services is currently underway. The review provides a unique opportunity for the Australian Government to establish a proper safety net so that Australians don’t miss out on the legal help they need. This will require a major boost in funding to legal assistance services, targeted so as to maximise its impact. Absent decisive action by government, the crisis in access to the legal system will continue.

<sup>1</sup> Attorney-General’s Department, *Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, Foreword

## Many Australians cannot afford a lawyer for anything beyond the simplest legal issues

It is impossible to plan for when many legal issues might arise. People don't budget for legal fees for issues like marriage breakdown, unfair dismissal, eviction, discrimination, getting ripped off or debt problems.

When legal issues arise, often the starting point is to look at paying for a lawyer. Unfortunately, most Australians would find it difficult to pay for a lawyer for anything but the most basic legal issues.

Lawyers normally charge for their work on an hourly basis. So if a legal issue is more complex and takes longer to resolve, the lawyer's fees will be higher. The rate per hour for a lawyer varies depending on factors like experience of the lawyer, whether they are in the city, the suburbs or the country, and the type of legal matter. As a guide, hourly rates can vary from around \$200 an hour to more than \$600 an hour.<sup>2</sup> Accordingly, anything but the simplest legal matter is likely to cost thousands of dollars in legal fees and sometimes tens of thousands, and most lawyers will ask for a significant up front payment towards the likely costs.

### Court costs

Many legal issues don't involve court hearings and often, even where court proceedings are started, cases are settled before the final hearing and the court's decision. So it can be difficult to estimate the cost of resolving some legal issues. However, it is clear that for any issue involving court, legal costs quickly extend beyond the reach of most Australians.

For example, the Australian Government's Attorney General's Department estimated,<sup>3</sup> based on previous studies, that the average cost for an individual undertaking a Federal Court case in 2007/08 would be around \$74,000 - 84,000 with disbursements costing an additional \$25,000. The Department estimated that the average legal costs including disbursements of bringing a Family Court case would be around \$6,500 and the cost of bringing a case in the Administrative Appeal Tribunal would be around \$7,300.

### Estimated 2007/08 legal fees and disbursements

	Average legal fees and disbursements for applicants	Average legal fees and disbursements for respondents
Federal Court	\$111,130	\$99,805
Family Court	\$6,499	\$8,807
Administrative Appeals Tribunal	\$7,351	\$8,780

Source: Attorney-General's Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 41.

For a mother escaping a violent partner and trying to protect herself and her children with an intervention order and appropriate family law orders, or for grandparents whose retirement home, where they invested their life savings, has gone into administration, or for a pregnant woman discriminated against by her employer, the costs of paying for advice and taking action can be extremely prohibitive.

2 See for example; [https://online.slatergordon.com.au/sgo/Wills/Wills\\_FAQ\\_Heading/](https://online.slatergordon.com.au/sgo/Wills/Wills_FAQ_Heading/) accessed 9 July 2012; the Law Institute of Victoria Practitioner Remuneration Order, 2012; Ackland R, "Where there's a will there's a chance for wasteful litigation" *Sydney Morning Herald* 13 April 2012

3 Attorney-General's Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 41

## Criminal law costs

The Law Institute of Victoria in its submission to the 2009 Senate Access to Justice Inquiry summarised research on the average legal fees for some criminal law matters.<sup>4</sup> The average lawyer's fee to help a person plead guilty to a minor criminal charge was \$2370 and the average fee for a five day County Court trial was \$11,290.

## Disbursements

Disbursements are costs additional to the lawyers' fees, like court fees and the costs of printing, copying, court transcripts and expert witness reports.

Many law firms charge their clients \$1 or more for each page of photocopying and courts allow lawyers to charge even more for photocopying related to litigation, for example the Victorian Supreme Court provides for the recovery of photocopying at the rate of \$1.70 per page.<sup>5</sup>

Transcripts are records of what was said in court. The person seeking the transcript must pay for the service "which can amount to up to \$1000 a day".<sup>6</sup>

Court fees vary depending on the court and at what stage of the process the legal issue is resolved. As a guide, a divorce application costs \$577 in court fees. A family law application, for example in relation to a dispute over access to children or property, costs \$255 in court fees to start the application and \$638 for each day if a hearing is necessary.<sup>7</sup> For people on low incomes, fees can be waived or reduced. Federal Court data on fee waivers highlights the lack of access to legal aid; less than 10% of fee waivers in 2007-08 represented legal aid exemptions.<sup>8</sup>

## What prominent Australians say about the affordability of our legal system

"A first class court system and a first class legal profession are of no avail to a person who cannot afford to access them."

SIR ANTHONY MASON, FORMER CHIEF JUSTICE OF THE HIGH COURT OF AUSTRALIA<sup>9</sup>

"If you are from middle Australia and you want to embark on a substantial piece of litigation, you really have to put your house on the line"

ROBERT McCLELLAND, FORMER FEDERAL ATTORNEY-GENERAL<sup>10</sup>

"Unless you are a millionaire or a pauper, the cost of going to court to protect your rights is beyond you."

GEORGE BRANDIS, SHADOW ATTORNEY-GENERAL<sup>11</sup>

"The difficulties experienced by middle-income earners in accessing the justice system [are] a long-standing failure."

JOHN DOYLE, FORMER CHIEF JUSTICE OF THE SUPREME COURT SOUTH AUSTRALIA<sup>12</sup>

"The cost of litigation in the Supreme Court...has for most South Australians become unattainable."

RALPH BONIG, PRESIDENT SOUTH AUSTRALIA LAW SOCIETY<sup>13</sup>

"Big business can afford access to the courts, but the ordinary Australian can't."

WAYNE MARTIN, CHIEF JUSTICE OF THE SUPREME COURT OF WESTERN AUSTRALIA<sup>14</sup>

- 4 Law Institute of Victoria, *Submission to the Senate Access to Justice Inquiry*, 2009, 4
- 5 Victorian Law Reform Commission *Civil Justice Review* 2008, 649-650
- 6 Victorian Law Reform Commission *Civil Justice Review* 2008, 644
- 7 Courts Fees (Family Law Courts brochure), 2012, [www.familylawcourts.gov.au/wps/wcm/connect/FLC/Home/Fees/Court+fees/](http://www.familylawcourts.gov.au/wps/wcm/connect/FLC/Home/Fees/Court+fees/) accessed 12 July 2012
- 8 Attorney-General's Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 44
- 9 Keynote speech to the Public Interest Law Clearing House 10th anniversary dinner, 2004 [www.vicbar.com.au/webdata/VicBarNewsFiles/130PILCH.pdf](http://www.vicbar.com.au/webdata/VicBarNewsFiles/130PILCH.pdf)
- 10 Merritt C "Middle Australia excluded as court costs put 'justice out of reach'" *The Australian* 18 May 2012
- 11 Brandis G "Lack of access an impending social crisis" *The Australian* 1 June 2012
- 12 Merritt C "Middle Australia excluded as court costs put 'justice out of reach'" *The Australian* 18 May 2012
- 13 Merritt C "Middle Australia excluded as court costs put 'justice out of reach'" *The Australian* 18 May 2012
- 14 Berkovic N "Fear of justice bypassing middle-income Australians" *The Australian*, 8 June 2012

## **There is a system to help those who can't afford a lawyer**

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Like the health system, with its mix of public and private hospitals, community health centres and Indigenous health services, the legal system involves public and private services working together to provide assistance.

People who can't afford to pay for a lawyer can seek help from:

- Legal aid commissions;
- Community legal centres;
- Indigenous legal services; or
- Private lawyers acting pro bono.

### **Legal aid commissions**

Legal aid commissions are state and territory statutory agencies. There are eight legal aid commissions in Australia. The commissions typically have a central head office and regional offices.

Legal aid commissions provide free legal information, advice, duty lawyer and legal representation services. Due to funding shortages, eligibility for legal representation is limited predominantly to people with very low incomes and low assets who need help with serious criminal law matters, or child protection and family matters involving a child's welfare or living arrangements. In some cases, a person may be required to contribute to the legal costs depending on their income and assets.

If a person is eligible for legal representation, they may either be helped by a lawyer employed by the legal aid commission, or receive funds to pay for a private lawyer who does legal aid work.

Legal aid commissions also deliver community legal education and undertake some law reform work.

### **Community legal centres**

Community legal centres are independent, non-profit, non government organisations with a focus on early advice, problem solving and working with other agencies to address connected legal, financial, social and health problems.

Community legal centres focus on helping people who don't qualify for legal aid and mainly help people with civil and family law issues. Due to funding shortages, community legal centres focus on assisting disadvantaged Australians. Over 80 per cent of the people helped by community legal centres receive under \$26,000 a year in income.

As well as helping on individual issues, community legal centres provide community legal education to inform Australians about the law and prevent legal problems, and undertake law reform work to fix problems with the law. Thousands of lawyers and law students volunteer in community legal centres, and centres also receive substantial pro bono support from law firms.

### **Indigenous legal services**

Aboriginal and Torres Strait Islander Legal Services (ATSILS) are independent, non-profit, non government bodies that provide culturally sensitive services to Aboriginal and Torres Strait Islander people. There are eight ATSILS around Australia with around 80 office locations.

ATSILS mainly focus on criminal and family law issues. Due to funding shortages, they are forced to limit eligibility for help to those on low incomes.

There is also a network of around 30 Indigenous family violence prevention legal services (FVPLS) around Australia which focus specifically on helping people who are victims of family violence or sexual assault. FVPLS provide legal assistance, court support and counselling.

As well as helping on individual issues, ATSILS and FVPLS deliver community legal education and law reform work to fix problems with the law.

### **Private legal profession**

The private legal profession helps people who can't afford to pay for a lawyer in several ways.

Some law firms do "legal aid work" where they are paid, at below market rates, by legal aid commissions to help people who are eligible for assistance. Law firms can sometimes help people who can't pay up front, by agreeing to "no win no charge" or other deferred fee arrangements, mainly in personal injury claims or family law disputes over property.

Private lawyers also make an important contribution through "pro bono work" - work for free for people who can't otherwise get legal help. Many lawyers and law students also volunteer in community legal centres.

## **The system is at crisis point**

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Due to chronic government underfunding, legal assistance services are forced to limit eligibility to people on very low incomes. This means many people who need help, but who can't afford a lawyer, miss out. Unlike the Australian health and education systems, there is no universal safety net for legal help.

National Legal Aid, the body which represents the eight Australian legal aid commissions has recognised that "the legal aid means test...is set at a level that allows only the most poor to be eligible".<sup>15</sup> The Australian Government Attorney-General's Department has noted that "98 per cent of legal aid recipients [receive] an income that could be considered below the poverty line. This leaves much of Australia unable to afford legal representation but nevertheless ineligible for legal aid."<sup>16</sup>

People who don't qualify for legal aid often turn to community legal centres for help. The majority of community legal centre work is in civil law, which reflects the fact help from legal aid commissions is generally not available for many civil law issues. Civil law involves issues like tenancy, debt, employment, elder abuse, consumer issues and social security.

Community legal centres are a good source of early advice and can help people identify what the legal issue is, what can be done about it and can then point them in the right direction to get the ongoing help they need. However, due to funding shortages, it is difficult for community legal centres to provide detailed ongoing assistance themselves. Often people receive limited assistance, which falls far short of the help they need and that they would receive if the community legal sector was adequately funded.

Indigenous legal services and pro bono services are similarly stretched and are not able to help those who need it, meaning many people fall through the cracks.

Australians' access to legal services also varies significantly depending on their geographic location. Some areas across Australia have very poor access to legal assistance services, severely restricting people's access to the legal system.

<sup>15</sup> National Legal Aid, Submission to Inquiry into Access to Justice, 2009, 15

<sup>16</sup> Attorney-General's Department, *Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 52

## The need for better access to the law

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There have been a number of government and bipartisan Parliamentary inquiries into access to the Australian legal system in the last decade. These inquiries repeatedly recognise the lack of access to legal help in Australia.

In 2004, the Senate Legal and Constitutional References Committee conducted a significant inquiry into legal aid and access to justice. The committee stated that:

- “more funding is urgently needed for family law matters”;<sup>17</sup>
- “the Committee heard significant concerns about the current shortfall in funding of Indigenous legal services”;<sup>18</sup>
- “the Committee heard that the inadequacies in legal aid provision are greatly magnified in rural and remote areas. Large areas of Australia are not covered by legal aid or free legal services”;<sup>19</sup> and
- there “was compelling evidence that many [community legal] centres are facing a funding crisis...the community legal sector is a crucial part of providing access to justice for all Australians and...centres appear to be under extreme pressure.”<sup>20</sup>

In 2007, a joint NSW and Australian Government inquiry into the community legal centre funding program in NSW concluded the program “is underfunded to meet the growing demand for services” and “almost all centres are overwhelmed by demand for their services and cannot sustain their current levels of service, nor meet emerging service gaps.”<sup>21</sup>

In 2008, an Australian Government review of the community legal centre funding program found that:

- “community legal centres are experiencing particular problems in meeting demand for services within their current funding allocations;”<sup>22</sup> and
- “community legal centres are generally poorly funded.”<sup>23</sup>

In 2009, the Senate Legal and Constitutional References Committee conducted a further inquiry into access to justice. The committee stated that:

- “evidence to the committee overwhelmingly stated that, at present, Australian Government funding levels are not adequate, and inhibit access to justice, including legal representation;”<sup>24</sup>
- “evidence to the inquiry...overwhelmingly suggests...that [community legal centres] need greater funding to provide minimum levels of access to justice;”<sup>25</sup>
- “on the evidence before the committee, [legal aid commissions] do not and cannot adequately cover the legal needs of disadvantaged Australians;”<sup>26</sup>
- “the committee heard significant criticisms of core funding levels [of Indigenous legal services]...The committee is concerned that this adversely impacts on one of the community’s highest needs groups, Indigenous Australians and their ability to access justice...The committee also received evidence concerning Indigenous women’s chronic disadvantage in their ability to access justice, including in relation to domestic/family violence and sexual assault.”<sup>27</sup>

The 2009 inquiry concluded “at present, reforming the legal system might appear difficult, onerous and expensive; but...ultimately, the investment of effort, time and money will result in significant benefits to all concerned. Otherwise, the committee predicts that within a decade it will again be inquiring into a failing, or failed, legal system and asking, ‘why wasn’t something done about this ten years ago?’”<sup>28</sup>

- 17 Senate Legal and Constitutional Affairs Reference Committee *Legal aid and access to justice* 2004, xvi
- 18 Senate Legal and Constitutional Affairs Reference Committee *Legal aid and access to justice* 2004, xvii
- 19 Senate Legal and Constitutional Affairs Reference Committee *Legal aid and access to justice* 2004, xviii
- 20 Senate Legal and Constitutional Affairs Reference Committee *Legal aid and access to justice* 2004, xx
- 21 NSW and Commonwealth Governments *Review of the NSW Community Legal Centres Funding Program* 2007, 5
- 22 Attorney-General's Department, *Review of Commonwealth Community Legal Services Program* 2008, 47
- 23 Attorney-General's Department *Review of Commonwealth Community Legal Services Program* 2008, 45
- 24 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, 10
- 25 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, 129
- 26 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, 56
- 27 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, xix
- 28 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009 xx



## What prominent Australians say about the availability of help for people who can't afford a lawyer

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Legal aid has been “grossly underfunded.”

FORMER FEDERAL ATTORNEY-GENERAL  
ROBERT McCLELLAND<sup>29</sup>

“When it comes to measures to ameliorate the cost of access to justice, the record is truly lamentable.”

GEORGE BRANDIS, SHADOW FEDERAL  
ATTORNEY-GENERAL<sup>30</sup>

“The reality is we are a long way short of what we would say is a reasonable amount of funding to be able to even provide the most basic services...We really are at a point, almost at crisis point, in terms of our ability to be able to respond.”

GEORGE TURNBULL, DIRECTOR, LEGAL AID  
WESTERN AUSTRALIA<sup>31</sup>

“There is a complete failure [in the 12/13 Federal Budget] to address the chronic underfunding in legal assistance. All Australians have a fundamental right to access legal advice and services, regardless of their means...the Government’s legal assistance sector spending...is now vastly inadequate to meet a real need.”

CATHY GALE, PRESIDENT, LAW COUNCIL OF AUSTRALIA<sup>32</sup>

“When [people] do come to the legal profession – particularly the profession working in the legal aid sector – they find a myriad of different services which are often shrouded by an almost impenetrable fog of stringent funding and case criteria, guidelines, and means and merits tests that have been put in place to manage and prioritise legal aid expenditure because the level of government funding is so hopelessly inadequate, so hopelessly disproportionate to the need.”

TONY PARSONS, FORMER MANAGING DIRECTOR,  
VICTORIA LEGAL AID<sup>33</sup>

## Funding has not kept pace with demand, inflation or population growth

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Federal and State (and sometimes local) governments contribute to the funding of legal assistance services. From the late 1970s until 1997, funding of legal aid commissions was allocated in line with an agreement under which the Australian Government would meet 55 per cent of the funding responsibility and the States and Territories would meet 45 per cent.

In 1997 however, the Australian Government made significant changes to its funding model. Legal aid commission funding was cut by \$33 million each year for three years. In 2003-04, for example, the Australian Government contribution to legal aid funding was \$130 million, compared to its contribution of \$159 million in 1996-97.<sup>34</sup>

These funding changes led to drastic cuts in civil law services which have never been restored. Legal aid commissions “eliminated or drastically reduced their civil law legal aid programs” and “as a result people can no longer as readily obtain legal aid, if at all, in relation to matters such as employment, social security, credit/debt, mortgage, housing and tenancy, consumer protection, and older people’s issues.”<sup>35</sup>

In 2009, the Australian Government Attorney-General’s Department noted there was “now very limited availability of legal aid for civil law matters as [legal aid commissions] focus on family and criminal law matters - a reduction of 78 per cent since 1995-96”.<sup>36</sup>

29 Merritt C “Middle Australia excluded as court costs put ‘justice out of reach’” *The Australian* 18 May 2012

30 Brandis G “Lack of access an impending social crisis” *The Australian* 1 June 2012

31 Chung M Access to justice ABC News [www.abc.net.au/news/2009-12-11/access-to-justice/2590496](http://www.abc.net.au/news/2009-12-11/access-to-justice/2590496) accessed 12 July 2012

32 Jennings A “Law Council Slams Federal Budget” *Lawyers Weekly* 10 May 2012

33 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, 61

34 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009 p 76

35 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009, 50

36 Attorney-General’s Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 43

In 2009, The Law Council of Australia and other organisations engaged Price Waterhouse Coopers (“PwC”) to analyse legal aid funding in Australia. The PwC report, *Legal aid funding: Current challenges and the opportunities of cooperative federalism*, identified that, based on budgeted 2010 figures:

- Australian Government legal aid funding per capita in real terms had fallen 22 per cent since 1997; and
- the Australian Government share of legal aid had dropped to 32 per cent.<sup>37</sup>

## **If people don’t get help, they are forced to represent themselves or give up on their rights**

If people can’t get the help they need, they are forced to either give up on their rights, or go it alone, representing themselves.

Australia’s laws are complex and our court procedures are difficult to understand. While some people are capable of dealing with straight forward legal issues themselves, perhaps with the help of some written legal information or advice, for many others, the lack of access to legal help is a major barrier to their ability to exercise their rights.

### **A legal system too complicated to understand properly**

Often legal issues involve disputes with large organisations like insurance companies, banks and government agencies, who are very familiar with the legal issues involved and who pay for the best lawyers who are experts in their area. If people can’t access their own quality legal help, the playing field isn’t level.

Survey data released in 2012 by the Australia Institute showed that 88 per cent of Australians surveyed agreed that “the legal system is too complicated to understand properly” and 83 per cent agreed that “only the very wealthy can afford to protect their legal rights.”<sup>38</sup>

Despite the barriers, large numbers of people still represent themselves. This is a major problem for the court system. In the Family Court, around 30 per cent of people are not represented in court hearings.<sup>39</sup> Aside from often being unfair to the person representing themselves, if people can’t access legal representation it creates significant costs for the courts.

Worse, for each person who represents themselves, it’s likely there are many more simply missing out on their rights because they can’t access help and it’s too difficult and stressful to continue.

Research shows that lack of access to free legal services is clearly a factor behind the number of people representing themselves in court. A 2003 study of 500 self-represented litigants found “a clear relationship between the unavailability of legal aid and the number of self-represented parties.” Less than half of those who applied for legal aid were successful, and of these, “more than a third had subsequently had the grant terminated or not extended before final hearing, or the grant had not covered court proceedings in the first place.”<sup>40</sup>

Unresolved legal problems cause significant social, health and financial costs to individuals and the community.<sup>41</sup> If Australians can’t protect their legal rights, the law becomes meaningless.

37 Price Waterhouse Coopers, *Legal aid funding: Current challenges and the opportunities of cooperative federalism*, 2009, 19

38 The Australia Institute, *Justice for all: Giving Australians Greater Access to the Legal System*, 2012, 22

39 Family Court of Australia, *Annual Report 2010-11*, 2011, 69

40 Hunter R, Giddings J, Chrzanowski A, *Legal Aid and Self-Representation in the Family Court of Australia*, 2003, cited in Attorney-General’s Department, *A Strategic Framework for Access to Justice in the Federal Civil Justice System*, 2009, 43.

41 Pleasence P et al, *Civil Justice in England and Wales: Report of the 2007 English and Welsh Civil and Social Justice Survey* Legal Services Commission, 2008 see chapter 3; Pleasence P, *Causes of Action: Civil Law and Social Justice* Legal Services Commission, 2nd ed, 2006, 155; Williams T, *Review of Research into the Impact of Debt Advice* Legal Services Research Centre, 2004, 19-20, cited in Schetzer L, *Courting Debt: legal needs of people facing civil consumer debt problems* Department of Justice 2008, 14

## What prominent Australians say about the effects of the lack of access to legal help

“The expense which governments incur in funding legal aid is obvious and measurable, but what is real and substantial is the cost of the delay, disruption and inefficiency which results from the absence or denial of representation. Much of the cost is also borne, directly or indirectly, by governments. Providing legal aid is costly. So is not providing legal aid.”

MURRAY GLEESON, FORMER CHIEF JUSTICE OF THE HIGH COURT OF AUSTRALIA<sup>42</sup>

“If these citizens cannot access legal aid, have no representation in court and do not know their rights, then that makes the job of the courts considerably more difficult in terms of achieving just outcomes”

MELANIE SLOSS SC, CHAIR OF THE VICTORIAN BAR<sup>43</sup>

“This is a social crisis in the making. The courts are the guarantors of our rights, but increasingly the costs of legal representation and court fees mean that ordinary Australians are forced either to abandon their legitimate claims or enter the minefield of self-representation... Self-represented litigants, who cannot hope to master the procedural and substantive learning that lawyers spend years acquiring, themselves add to the cost and delays of litigation and exacerbate these problems for other litigants.”

GEORGE BRANDIS, SHADOW FEDERAL ATTORNEY-GENERAL<sup>44</sup>

“Trying to navigate the legal system or accessing legal information about what to do when faced with a legal issue can be overwhelming for many people in the community,”

JUSTIN DOWD, PRESIDENT OF THE LAW SOCIETY OF NSW<sup>45</sup>

“The middle class really can’t qualify for legal aid, and they are the ones who end up being a lot of the self-represented litigants – in the family law area it’s about 30 per cent, it’s a horrendous figure.”

BILL GRANT, CHIEF EXECUTIVE, LEGAL AID NSW<sup>46</sup>

“Underfunding of the legal assistance sector creates additional costs downstream, rippling into many different areas, including the justice system, public health system and the broader business community.”

CATHY GALE, PRESIDENT, LAW COUNCIL OF AUSTRALIA<sup>47</sup>

## More accessible legal services are needed

Research on legal needs has been conducted in Australia and overseas. This research typically aims to measure:

- how often legal issues affect people;
- what types of legal issues affect people;
- what people do in response to legal issues;
- what barriers people encounter when they seek help with legal issues;
- the outcome of legal issues affecting people; and
- people’s satisfaction with legal services and the outcome of legal issues.

In 2006, the NSW Law and Justice Foundation (NSWLJF) published the results of a survey of legal needs in six regions with relatively high levels of disadvantage. The survey involved

42 ‘State of the Judicature’ Speech delivered at the Australian Legal Convention, 10 October 1999 [www.hcourt.gov.au/assets/publications/speeches/former-justices/gleeson/cj\\_sta10oct.htm](http://www.hcourt.gov.au/assets/publications/speeches/former-justices/gleeson/cj_sta10oct.htm)

43 “Another 26m for legal aid not enough” *The New Lawyer* 2 May 2012 [www.thenewlawyer.com.au/govt---regulation/another-\\$26m-for-legal-aid-not-enough-lawyers](http://www.thenewlawyer.com.au/govt---regulation/another-$26m-for-legal-aid-not-enough-lawyers)

44 Brandis G “Lack of access an impending social crisis” *The Australian* 1 June 2012

45 The Law Society of NSW “Law Week in NSW: Law and Justice in Your Community” 24 April 2012 <http://www.lawsociety.com.au/about/news/598243>

46 Berkovic N “Demand for legal aid soars as hardship bites” *The Australian* 18 May 2012

47 Jennings A “Law Council Slams Federal Budget” *Lawyers Weekly* 10 May 2012

telephone interviews with 2431 people over the age of 15. The comprehensive report on the survey, *Justice Made to Measure*, highlighted the following findings:

- People experienced a high number of legal issues, with around two thirds of people reporting at least one legal event in the previous 12 months;
- A third of people did nothing in response to legal issues;
- 16 per cent handled the legal issue on their own;
- Only 12 per cent of people sought help from a traditional legal adviser for the legal issue;
- 51 per cent of people sought help elsewhere, for example from friends, family or other professionals like doctors; and
- Around 40 per cent of people who sought help reported some type of barrier to getting help such as difficulty getting through on the telephone, delays in getting a response, difficulty getting an appointment or lack of local or easily accessible services.<sup>48</sup>

More recently, in 2012 The Australia Institute published the results of survey of 1,001 adult Australians, representative of the broader population by gender and age. While the survey used a different methodology to the NSWLJF survey, the results are helpful in understanding the legal problems people face and what they do in response to them. The report on the survey, *Justice for all: Giving Australians greater access to the legal system* highlighted:

- one third of people reported experiencing some kind of legal problem in the past five years;
- 24 per cent of people said they had sought legal advice for a legal problem;
- around 9 per cent of people had experienced a legal problem but did not seek legal advice for financial reasons; and
- 3 per cent of people had a legal problem but did not seek legal advice due to lack of knowledge.<sup>49</sup>

Based on the survey results, the Australia Institute conservatively estimated that around 1.7 million Australians can expect to encounter a legal problem each year and 490,000 of those people will not receive legal advice due to financial reasons or lack of knowledge.<sup>50</sup>

The research by The Australia Institute and the NSWLJF highlights the need for:

- more accessible free legal services;
- expanded and more targeted community legal information and education;
- working closely with non-legal professionals as gateways to legal services;
- improving coordination between legal services; and
- improving coordination between legal services and non-legal services to address connected legal, health, financial and social issues.

The NSWLJF has undertaken a much larger National Legal Needs Survey. The results of that survey have not yet been published.

## Addressing the problem

There is no shortage of reports, analysis and recommendations on how to improve the legal system. There is a shortage of the type of government action required to address this crisis.

Governments around Australia are implementing a range of reforms to improve access to the legal system focused on:

- improving Australians' access to legal information and advice, including through new uses of technology;
- promoting early intervention and prevention legal services that help Australians resolve legal issues early;
- promoting alternative dispute resolution schemes, that enable Australians to resolve legal disputes without lengthy, expensive court proceedings;

48 Coumarelos C, Wei Z & Zhou AH, *Justice made to measure: NSW legal needs survey in disadvantaged areas*, Law and Justice Foundation of NSW, 2006, see in particular xviii to xxii.

49 Denniss R, Fear J & Millane E, *Justice for all: Giving Australians greater access to the legal system* The Australia Institute, 2012, 1-2.

50 This figure doesn't include people who didn't seek help for other reasons, or who sought help, for example from a legal aid commission, and were ineligible for assistance, or who received some limited assistance which fell short of the full service required.

- simplifying court procedures;
- promoting private lawyers undertaking pro bono work; and
- improving collaboration.<sup>51</sup>

Many of these initiatives are sensible and worthwhile and have broad support. However, they fall far short of what is needed to transform the system.

The 2009 Senate Committee inquiry into access to justice advocated for “a decisive commitment on the part of all governments, all legal service providers, the legal profession and all other interested stakeholders if Australia is to have a strong, viable and cost-effective legal system.”<sup>52</sup>

Three years on, we have only seen incremental increases in Australian Government funding to legal assistance services. Worse, budget figures from the Attorney-General’s Department show that Australian Government spending per capita on legal assistance funding will continue to fall in real terms across the next three years.<sup>53</sup>

If these policy reforms are to succeed, they need to be underpinned by major increases in funding for community legal centres, Indigenous legal services and legal aid commissions.

The Australian Government currently invests around \$330 million a year in legal assistance funding. National Legal Aid, in a 2007 report, called for an increase of \$165 million in funding.<sup>54</sup> The Law Council of Australia is calling for the Australian Government to fund 50 per cent of legal aid commission funding, requiring an increase of \$220 million, in addition to increases in funding to community legal centres and Indigenous legal services.<sup>55</sup> The National Association of Community Legal Centres has called for an immediate increase in investment in community legal centres of around \$48 million a year to bring existing centres up to a basic minimum funding level followed by increases targeted towards high needs areas.

A national review of legal assistance services is currently underway.<sup>56</sup> The review provides a unique opportunity for the Australian Government to establish a proper safety net so that Australians don’t miss out on the legal help they need. Our shared goal should be for all Australians to be able to access the law, regardless of their financial situation, social circumstances or geographic location. It is up to all governments, working in partnership with legal assistance services, to take decisive action to realise this goal.

51 For example, in 2010, the Federal, State and Territory governments agreed to the National Partnership Agreement on Legal Assistance Services. The agreement aims to resolve legal problems earlier, better target services to people who most need help, improve collaboration and generate a more strategic national response. A review of the agreement is currently underway and is due to report by 30 June 2013.

52 Senate Legal and Constitutional Affairs Reference Committee *Access to justice* 2009 xx

53 Departmental budget figures show that Australian Government total legal assistance spending will increase only 1.0 per cent from 2011/12 to 2014/15, falling well short of likely inflation and population growth.

54 National Legal Aid, *A New National Policy for Legal Aid in Australia* 2007, 16

55 Law Council of Australia, [www.lawcouncil.asn.au/lca/index.cfm?04AD6A50-1E4F-17FA-D2D8-012165FE42EA](http://www.lawcouncil.asn.au/lca/index.cfm?04AD6A50-1E4F-17FA-D2D8-012165FE42EA) accessed 11 July 2012

56 See footnote 51 above and [www.ag.gov.au/Legalaid/PagesReviewoftheNationalPartnershipAgreementonLegalAssistanceServices.aspx](http://www.ag.gov.au/Legalaid/PagesReviewoftheNationalPartnershipAgreementonLegalAssistanceServices.aspx)