



Policy costing request—during the caretaker period for a general election

Name of policy:	Reverse Cuts to Legal Aid Services
Person requesting costing:	Senator Di Natale
Parliamentary party:	Australian Greens
Date of request to cost the policy:	29 June 2016
<i>Note: This policy costing request and the response to this request will be made publicly available.</i>	
Has a costing of this policy been requested under Section 29 of the Charter of Budget Honesty (ie from the Treasury or the Department of Finance)?	No
Details of the public release of this policy (Date, by whom and a reference to that release):	14 th June 2016, Senator Nick McKim http://greens.org.au/access-to-justice
Description of policy	
Summary of policy (as applicable, please attach copies of relevant policy documents):	Restore and increase legal assistance funding to Legal Aid Commission, Community Legal Centres and Environmental Defender's Offices.
What is the purpose or intention of the policy?	Increase access to justice for people without the financial means to defend their legal rights and interests.
What are the key assumptions that have been made in the policy, including:	
Is the policy part of a package? If yes, list the components and interactions with proposed or existing policies.	No
Where relevant, is funding for the policy to be demand driven or a capped amount? If a capped amount, are the costs of administering the policy to be included within the capped amount or additional to the capped amount?	Capped amount. Costs of administration are included in capped amount.

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<p>Will third parties (for instance the States/Territories) have a role in funding or delivering the policy? If yes, is the Australian Government contribution capped, with additional costs to be met by third parties, or is another funding formula envisaged?</p>	<p>Yes, States and Territories have a funding and delivery role through Legal Aid Commissions. Community Legal Centres, Aboriginal & Torres Strait Islander Legal Services, Family Violence Prevention Legal Services, Environmental Defender’s Offices will have a delivery role.</p> <p>Legal Assistance Funding is split 60% Commonwealth and 40% States and Territories. This policy only relates to the Commonwealth funding. States would be required to contribute \$320 million over the forward estimates in line with the Productivity Commission recommendations.</p>			
<p>Are there associated savings, offsets or expenses? If yes, please provide details.</p>	<p>No</p>			
<p>Does the policy relate to a previous budget measure? If yes, which measure?</p>	<p>Yes, previous cuts to legal services</p>			
<p>If the proposal would change an existing measure, are savings expected from the departmental costs of implementing the program?</p>	<p>No</p>			
<p>Will the funding/program cost require indexation? If yes, list factors to be used.</p>	<p>No</p>			
<p>Expected impacts of the proposal</p>				
<p>If applicable, what are the estimated costs each year? If available, please provide details in the table below. Are these provided on an underlying cash balance or fiscal balance basis?</p>				
<p>Estimated financial implications (outturn prices)^(a)</p>				
	<p>2016–17</p>	<p>2017–18</p>	<p>2018–19</p>	<p>2019–20</p>
<p>Underlying cash balance (\$m)</p>	<p>-220.7</p>	<p>-220.7</p>	<p>-220.7</p>	<p>-220.7</p>
<p>Fiscal balance (\$m)</p>	<p>-220.7</p>	<p>-220.7</p>	<p>-220.7</p>	<p>-220.7</p>
<p>(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A positive number in the underlying cash balance indicates an increase in revenue or a decrease in expenses or net capital investment in cash terms.</p>				
<p>What assumptions have been made in deriving the expected financial impact in the party costing (please provide information on the data sources used to develop the policy)?</p>				
<p>Has the policy been costed by a third party? If yes, can you provide a copy of this costing and its assumptions?</p>	<p>No</p>			

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<p>What is the expected community impact of the policy?</p> <p>How many people will be affected by the policy?</p> <p>What is the likely take up?</p> <p>What is the basis for these impact assessments/assumptions?</p>	<p>Increased legal assistance to disadvantaged Australians. Reduction in Federal Court fees.</p> <p>Community Legal Centres currently turn away over 150 000 people due to lack of resources.</p> <p>Very high</p> <p>NACLC research and Productivity Commission findings.</p>
<p>Administration of policy:</p>	
<p>Who will administer the policy (for example, Australian Government entity, the States, non-government organisation, etc)?</p>	<p>Attorney-General’s Department.</p>
<p>Please specify whether any special administrative arrangements are proposed for the policy and whether these are expected to involve additional transactions/processing (by service delivery agencies).</p>	<p>N/A</p>
<p>Intended date of implementation:</p>	<p>1 September 2016</p>
<p>Intended duration of policy:</p>	<p>To 30 June 2020</p>
<p>Are there transitional arrangements associated with policy implementation?</p>	<p>No</p>
<p>List major data sources utilised to develop policy (for example, ABS catalogue number 3201.0).</p>	<p>Productivity Commission (2014) <i>Access to Justice Arrangements Inquiry Report No 72</i></p> <p>Hannenbery, J (2014) <i>Access to Justice: A Comparative Analysis of Cuts to Legal Aid</i>, Monash University.</p> <p>Submission to the Australian Government, Federal Budget 2016 – 17, National Association of Community Legal Centres (NACLC).</p>
<p>Are there any other assumptions that need to be considered?</p>	<p>No</p>
<p>NOTE:</p> <p><i>Please note that:</i></p> <p><i>The costing will be on the basis of information provided in this costing request.</i></p> <p><i>The PBO is not bound to accept the assumptions provided by the requestor. If there is a material difference in the assumptions used by the PBO, the PBO will consult with the requestor in advance of the costing being completed.</i></p>	