



YOUR REF:

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REPLY TO:

REFER TO:

19 January 2016

Ms Toni Matulick
Secretary
Parliamentary Joint Committee on Corporations and Financial Services
SG.64
Parliament House
PO Box 6100
CANBERRA ACT 2600

Dear Ms Matulick

PARLIAMENTARY JOINT COMMITTEE ON CORPORATIONS AND FINANCIAL SERVICES

Thank you for your letter dated 18 December 2015. In relation to your questions, please find my response below:

1. Legal Aid is ordinarily not available for cases that relate to loans from banks for retail, small business and commercial loans.
2. Legal Aid WA did not provide advice or assistance to the bank customers affected by the impairment of customer loans. Legal Aid WA is restricted by the *Legal Aid Commission Act 1976* and Legal Aid WA guidelines and priorities for the provision of legal aid to consumers, who must also meet eligibility guidelines.

There is considerable demand on the in-house civil law practice of Legal Aid WA for advice and assistance from individual consumers who are engaged in dispute with financial service providers, particularly in relation to mortgage defaults. Legal Aid WA attempts to meet this demand as and when it arises through the provision of legal advice and minor assistance.

The impairment of customer loans which are the subject of this inquiry primarily affected business and investment customers who were generally not eligible for assistance by Legal Aid WA. In some limited circumstances, small business customers may be eligible for assistance by Legal Aid WA, for example, where the person is a sole trader and on a low income, and also meets other eligibility requires.

Given that the loans the subject of the Joint Committee were of a commercial nature, Legal Aid WA had limited exposure to the issues arising out of the inquiry and is unable to comment on the incidence, history or implications of impairment of customer loans.

If you have any questions please do not hesitate to contact the Director of the Civil Law Division, Justin Stevenson on [redacted] or email him at [redacted]

Yours faithfully

George Turnbull
DIRECTOR OF LEGAL AID