



## **Victorian Aboriginal Legal Service Co-operative Ltd.**

*Head Office:*  
6 Alexandra Parade,  
P.O. Box 218  
Fitzroy, Victoria 3065  
Phone: (03) 9419 3888 (24 Hr)  
Fax: (03) 9419 6024  
Toll Free: 1800 064 865

Media Release

### **Tendering Aboriginal Legal Services: The facts**

31<sup>st</sup> March 2005

Victorian Aboriginal Legal Service (VALS) welcomed the announcement that it was the successful tenderer to provide services in Victoria. “The success reflects the efforts of the staff and Board,” said Frank Guivarra CEO of the service. “It also reflects the support we enjoyed from Indigenous organizations and other legal aid providers who assisted us in various ways”, said Mr Guivarra. There are a number of facts that people should keep in mind about the Commonwealth Government’s tendering out policy and the capacity it has to contribute to the delivery of an effective service.

The Senate Legal and Constitutional Committee Inquiry into Legal Aid and Access to Justice (2004) has made recommendations about increased funding to legal aid, community legal centres and Indigenous legal services. The Committee report quotes the Australian National Audit Office Report Number 13 which states that estimates about funding shortfalls for Aboriginal and Torres Strait Islanders legal services (ATSILS) range from \$12.4 million to \$25.6 million. The Office of Evaluation and Audit report (ATSIC) 2003 argued that Aboriginal and Torres Strait Islander Legal Services (ATSILS) required at least a \$25million increase if they were to achieve a similar level of funding to Legal Aid Commissions. The tendering of ATSILS does nothing to address this funding shortfall.

The Government has announced that the present level of funding \$42.87 million will reduce by 5.5% on June 2005;(the fringe benefits tax transition arrangements end) there is no new money for the new funding formula (which still has not been released) which will shift money between states. The tendering of ATSILS does nothing to address this funding shortfall.

The Commonwealth Government did not conduct any form of cost benefit analysis prior to adopting a policy of tendering out Aboriginal Legal Services.

The Exposure draft tender (180 pages) released in April 2004 and the Request for tender (220 pages) required significant amounts of time to respond to.

Uncertainty about the future of Aboriginal legal services has contributed to staff turnover and difficulty in filling vacancies.

Although the government in some fields is pursuing greater coordination the tender specifications for Aboriginal and Torres Strait Islander Legal Services fragments service provision by excluding test cases, policy and research, community legal education and prevention programs from the tender.

The tender specifications require means testing of clients. Previous pilot research has indicated that this will not be cost effective due to the very small number of people who fall outside the means test and the costs associated with administering and enforcing the means test.

There are presently good levels of cooperation between different legal aid providers eg Legal Aid, Community Legal Centres and the private profession which constitutes valuable social capital and contributes to an effective service system. A competitive tendering policy places this at risk.

“Victorian Aboriginal Legal Service urges the Commonwealth Government to:

- address the funding crisis in ATSILS by increasing funding to centres
- review the cost effectiveness of rolling out tendering to other states”, said Frank Guivarra Chief Executive Officer

For further comment contact Frank Guivarra.