



Attorney-General

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Ms Fiona Bennett
Chair, Victorian Legal Services Board
Level 5, 555 Bourke St
MELBOURNE VIC 3000

Mr Russell Daily
Acting Victorian Legal Services Commissioner
Level 5, 555 Bourke St
MELBOURNE VIC 3000

Fiona Russell
Dear Ms Bennett and Mr Daily

I am pleased to provide you with the Statement of Expectations (SOE) for the Victorian Legal Services Board and Commissioner (VLSBC). The SOE applies for the period 1 January 2018 to 30 June 2019, or until otherwise amended.

Improving the administration and enforcement of regulation

The SOE sets out my expectations of the VLSBC's contribution to the Government's program to reduce red tape for businesses, not-for-profit organisations, government service providers, and households, by promoting greater efficiency and effectiveness in the administration and enforcement of regulation. It also outlines my expectations on broader improvements for the VLSBC's performance.

As Attorney-General, I am responsible for administering the *Legal Profession Uniform Law Application Act 2014* (the Act). The SOE should be read in the context of the objectives, obligations, and functions outlined in the Act.

The SOE outlines key governance and performance objectives and targets, aimed at improving the administration and enforcement of regulation and thus reducing its cost impact on business and the community.

This SOE replaces the SOE that I issued to the VLSBC on 20 June 2016.

Improvements and targets

Based on consultation between the Department of Justice and Regulation and the VLSBC, I have identified key elements of governance and operational performance where there are opportunities for the VLSBC to make improvements that would reduce cost for legal practitioners. The VLSBC is expected to identify activities it will undertake to achieve the following performance improvements and targets.

Timeliness

To encourage regulatory compliance and reduce regulatory burden, I expect the VLSBC to investigate further ways to reduce the time taken by regulated entities and the public to access and submit information.

Improvement	Target
Improve access to information for legal practitioners and consumers of legal services.	30 June 2019

Risk-based regulation

I expect the VLSBC to continually review its existing processes to ensure that they appropriately target risk, thereby minimising regulatory burden.

Improvement	Target
Develop a strategy to respond to the independent review of the VLSBC's external examinations function.	30 June 2018

Compliance related assistance and advice

I expect the VLSBC to provide accessible information related to regulatory requirements.

Improvement	Target
Conduct stakeholder consultation and develop new guidance in relation to supervision requirements.	30 June 2019

Incentive-based regulation

I expect the VLSBC to investigate legal practitioners' behaviour and incentives for complying with regulatory requirements.

Improvement	Target
Develop an understanding of sole practitioners' incentives and disincentives in deciding whether to adopt legal practice contingency and succession plans.	30 June 2019

In developing actions to achieve these improvements and targets, the VLSBC is expected to consult with the Red Tape Commissioner, legal practitioners, and the broader community as appropriate.

Reporting

Reporting on the VLSBC's progress to achieve these SOE performance targets should be undertaken in the context of annual financial reporting to avoid dual reporting streams. As part of annual reporting, regulators are expected to report on:

- current baseline levels for performance targets set in this SOE; and
- activities to be undertaken to reach the performance targets and improvements set out in this SOE.

I also expect that these SOE performance targets will be incorporated into the VLSBC's corporate plan, and that the SOE will be published on the VLSBC website upon receipt.

I expect that within two months of receipt of this letter, the VLSBC will respond to the SOE, outlining how it intends to achieve the performance improvements and targets set in the SOE. The response should include details of the specific activities that will be undertaken by the VLSBC to achieve those improvements and targets, and should be published on the VLSBC's website.

I look forward to receiving the VLSBC's response, and its report on how it is achieving best practice in the regulation of the legal services market.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Martin Pakula', with a large, stylized flourish above the name.

THE HON MARTIN PAKULA MP
Attorney-General