

# Economic Cost Benefit Analysis of Community Legal Centres

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*This report has been prepared for*



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Community Legal Centres Inc.**

*by*

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# 1. Rationale for Study

There are around 200 Community Legal Centres (CLCs) in metropolitan, regional, rural and remote communities across all states and territories in Australia. CLCs are not-for-profit organisations that provide legal information, advice, casework, education and law reform services, particularly targeted at those who are disadvantaged or with special needs. There are a range of generalist CLCs that provide services across a range of law types for a particular geographic catchment, and many specialist CLCs that focus on particular groups or issues, such as people with disabilities faced with discrimination, refugees seeking asylum in Australia, or that assist individuals and community groups on environmental matters.<sup>1</sup>

In 2009/10, CLCs that were funded under the Commonwealth and State Community Legal Services Program (CLSP) provided 168,000 information and referrals, 247,000 advices, 68,000 cases, and concluded 2,869 CLE projects and 1,051 law reform and policy projects,<sup>2</sup> with total annual CLSP funding of \$47,254,132.

The primary role of CLCs in providing for equity of access to legal services for those who often face significant barriers is not in question, and is a key objective of government.<sup>3</sup> However, as a competitor for public funds, the community legal sector in Australia is likely to face increasing imperatives to justify economically the value of services provided. This is important in an environment where public policy is largely concerned with the allocation of scarce community resources, and where needs typically outweigh available resources. Understanding the economic value of community legal centres thus requires an appropriate framework through which to analyse their contribution to meeting objectives of government related to economic efficiency.

The aims of this study, commissioned by the National Association of Community Legal Centres (NACLC), are thus to:

- Develop and apply an appropriate economic framework for understanding the economic value of CLCs in Australia; and
- Provide a qualitative understanding of the type and range of clients serviced by CLCs and the types and range of work undertaken, including cases, advices and programs.

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1 NACLC (2010) Annual Report 2009/10, pg 17.

2 NACLC (2010) Annual Report 2009/10, pg 17.

3 The outcome statement for the Commonwealth Community Legal Services Program set out in the Program Guidelines and approved by the then Attorney-General in October 2005 is 'equitable access to legal assistance services for disadvantaged members of the Australian community and those with special needs' (Community Legal Services Program Guidelines, p6).

## 2. Conceptual considerations

### 2.1 Introduction

This study adopts the economic framework of cost-benefit analysis to understand the economic value of CLCs in Australia. Cost-benefit analysis is a powerful tool for the analysis of policy but is not the only basis for such analysis, with other considerations such as equity and distribution of impacts equally important. However its use is best practice and is in line with the stated values of government in Australia.<sup>4</sup> At the same time, three points must be acknowledged. Firstly, economic efficiency is not the sole economic goal of government. Secondly, there continue to be documented critiques of the cost-benefit approach. Thirdly, application of economics to the law is one among many theories of law.

### 2.2 Economic goals of government

There are two important economic goals of government to be considered when allocating resources to competing needs. The first is efficiency,<sup>5</sup> and the second is equity.<sup>6</sup> While the first is quantifiable in dollars using cost-benefit analysis, the second is a matter of values. In western parliamentary democracies, such as Australia, decisions about 'values' are made by elected representatives.<sup>7</sup> The existence of a welfare system including services for people disadvantaged by income, culture, geography or disability, which transfers wealth from one part of society to another, shows the importance placed by government on matters of equity and demonstrates that this a central policy concern of government. While noting that CLCs perform an important equity function, providing access to legal services for those who often face significant barriers, assessment of the contribution of CLCs to equity is outside the scope of this study.

### 2.3 Critiques of the cost-benefit approach

The cost-benefit approach has a long history. It was first required by government in the United States of America *Flood Control Act* of 1936,<sup>8</sup> and such assessments are routinely carried out for proposals such as public engineering works.<sup>9</sup> Nonetheless, there continue to

4 The position of the Australian Government with respect to best practice in evaluation of policy is set out in Australian Government (2010), *Best Practice Regulation Handbook*.

*"The Australian Government is committed to the use of cost-benefit analysis (CBA) to assess regulatory proposals to encourage better decision making. A CBA involves a systematic evaluation of the impacts of a regulatory proposal, accounting for all the effects on the community and economy; not just the immediate or direct effects, financial effects or effects on one group. It emphasises, to the extent possible, valuing the gains and losses from a regulatory proposal in monetary terms.*

*The goal of CBA is to provide the final decision maker with as much information about a regulatory proposal as is relevant in informing the decision. It provides an objective framework for weighing up different impacts and impacts which occur in different time periods. This objectivity is supported by converting all impacts into present value dollar terms. However, even when full quantification of impacts is not possible, CBA can still be useful in providing a clear decision making framework.*

*In principle, CBA measures the efficiency or resource allocation effects of a regulatory change. It calculates the dollar value of the gains and losses for all people affected. If the sum is positive, the benefits exceed the costs and the regulatory proposal would increase efficiency.*

*CBA is useful because it: provides decision makers with quantitative and qualitative information about the likely effects of a regulatory proposal; encourages decision makers to take account of all the positive and negative effects of a regulatory proposal, and discourages them from making decisions based only on the impacts of a single group within the community; assesses the impact of regulatory proposals in a standard manner, which promotes comparability, assists in the assessment of relative priorities and encourages consistent decision making; captures the various linkages between the regulatory proposal and other sectors of the economy (for example, increased safety may reduce health care costs), helping decision makers maximise net benefits to society, and helps identify cost-effective solutions to problems by identifying and measuring all costs.*

*Even when it is difficult to estimate some costs or benefits with precision, CBA makes clear and transparent the assumptions and judgements made. Further, attempting to quantify costs and benefits encourages analysts to more closely examine these factors."*

5 This concept is a technical term whereby the maximum utility is obtained from the available resources. It is discussed more broadly below. Relative efficiency can be empirically observed through the operation of markets and hence is measurable.

6 Defined as fairness or distribution of resources. The meaning of the notion itself is contested, for example does equity mean equality of opportunity or equality of outcome? The two approaches have quite different policy implications. See for example Friedman L, (2002), *The Microeconomics of Public Policy Analysis*, Princeton, Princeton University Press, page 58.

7 *Ibid*, page 66.

8 *Ibid*, page 169.

9 See for example NSW Treasury *NSW Government Guidelines for Economic Appraisal TPP07-5*.



be published critiques of the cost-benefit approach. In the area of economics and the law, these range from the post-Freudian<sup>10</sup> and critical or post-Marxist critiques,<sup>11</sup> to mainstream technical critiques.<sup>12</sup> Other papers discuss 'values',<sup>13</sup> either placing particular values above economic values of efficiency,<sup>14</sup> or arguing that values have no place in any assessment.<sup>15</sup>

Public policy decision-making based on cost-benefit analysis typically has a range of checks and balances to address such criticisms. The critiques tend to fall broadly into three schools. These are set out, and briefly addressed.

- Firstly the cost-benefit analysis does not assign something the same value that the critic thinks it holds, or that the thing is of infinite or intrinsic value.<sup>16</sup>

It may be that the analysis does not rank options in the same way as the critic's personal value system would rank them, noting that there are likely to be a range of often competing values and priorities within the community. In economic terms, these competing values can be reflected in the concept of 'willingness to pay'.<sup>17</sup> In our social system, such considerations are either informed by market considerations, based on survey work to establish the average across society or are the province of elected representatives who consider a wide range of matters, including economic efficiency and the costs of a proposal, when making decisions regarding the allocation of resources or other policy decisions.

- Secondly cost-benefit analysis is not accurate or exhaustive enough.

While a legitimate criticism, it is by no means a hopeless endeavour, with the approach containing checks and balances developed over time to address these issues. A cost-benefit analysis aims to be transparent, setting out assumptions and inputs, so that if a critic of a particular analysis believes it is flawed, they can say where, how and why they believe the original analysis to be incorrect. Sensitivity analysis is used to ensure that the analysis is not particularly sensitive to reasonable changes in assumptions. Finally there is the matter of utility. It can be argued that policy decisions based on imperfect information should carry more weight than those based on no information or on the personal values of one decision maker, for example.

- The final common criticism is that economic analysis does not give regard to equity; that is, the distribution of resources in society.

This is entirely correct. However, society has other processes in place to address equity concerns. These include various systems of transfers, including monetary transfers such as pensions and indirect transfers such as subsidised services to selected groups within the community. Decisions regarding appropriate forms and levels of transfers are made by elected representatives, and so are assumed to reflect the average values

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10 See for example Schroeder, J. (1998), *The end of the Market: A psychoanalysis of law and economics*: Harvard Law Review Vol. 112:483; discussing the market in terms such as desire, Thanatos (death wish) and castration, from a post-Freudian perspectives.

11 See for example Hanson, J., and Yosifon, D., (2003) *The Situation: An introduction to the situational character, critical realism, power economics, and deep capture*, University of Pennsylvania Law Review, Vol. 152, p. 129; discussing the social function of economics from a range of theoretical perspectives.

12 See for example Coleman, J., (1982) *The Normative Basis of Economic Analysis: A Critical Review of Richard Posner's "The Economics of Justice"* Stanford Law Review, Vol. 34, NO. 5, pp. 1105-1131; Dworkin, R., (1980) *Is Wealth a Value?*, The Journal of Legal Studies, Vol. 9, No 2, pp. 1991-226; Pildes, R., (1991) *The unintended cultural consequences of public policy: a comment on the symposium*, Michigan Law Review, Vol. 89, No. 4;

13 It is not clear whether the values are universal (and if so how determined) or whether they are the values of the author.

14 See for example Singer, J., (2002), *Something Important in Humanity*, Harvard Civil Rights-Civil Liberties Law Review, Vol. 37; and Kennedy, D. (1998), *law-and-economics from the perspective of critical legal studies*, The New Palgrave Dictionary of Economics and the Law, ed. Newman, P., Macmillan Reference Limited.

15 See for example Kaplow, L. and Shavell, S. (2001), *Any non-welfarist Method of Policy Assessment Violates the Pareto Principle*, Journal of Political Economy, Vol 109, No. 2, pp. 281-286.

16 For example a person may say that the legal system is about justice and a price can't be placed on justice.

17 One measure of economic efficiency is whether something is provided at a price society is willing to pay. This includes the economic justification of public goods such as expressways. In the case of expressways, the assessing authority considers the time savings for the travelling public and the value placed by people on average on their time against the cost of providing the expressway.

of our society. As noted, the CLC sector is assumed to meet the equity objectives of government, and this is not challenged by the findings of this study.

## 2.4 Theories of Law

The final area to be discussed is whether the law is informed by economics and to what extent or whether economics is an appropriate paradigm for the evaluation of legal outcomes in general or the work carried out by CLCs in particular. Theories of law are attempts to understand why, in judicial matters or legal principles, our society prefers one legal principle to another. Many such theories of law are documented. Himma proposes a useful taxonomy of three categories into which the topics of legal philosophy fall, each with a number of schools:<sup>18</sup>

Analytic Jurisprudence addresses the underlying question of determining the necessary conditions for the existence of law that distinguish law from non-law. Schools are identified as Natural Law (morality), Legal Positivism (social convention, social facts, separability [from moral considerations]) and Dworkin's Third Theory.

Normative Jurisprudence considers prescriptive questions about the law. Some of these questions include Freedom and the limits of Legitimate Law, Obligation to obey Law and Justification of Punishment.

The final category is Critical Theories of Law whereby law is considered within the context of society. Schools include Legal Realism (understanding the values of judges), Critical Legal Studies (understanding the importance of ideology), Law and Economics (understanding ways in which the law maximises the wealth of society) and Outsider Jurisprudence (understanding ways in which law promotes the interests of elites at the expense of other groups such as women or racial and ethnic minorities).

Other authors use other taxonomies.<sup>19</sup>

## 2.5 The approach taken by this Study

The current study is situated within a mainstream economic paradigm, utilising the tools of micro-economic policy analysis, whilst cognisant of the critiques of this approach. Consistent with this, it is informed by economic theories of law, accepting that an economic approach to law (and by extension the work of CLCs) is a legitimate perspective, among others, for understanding the value to society of work carried out by CLCs.

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18 Internet Encyclopedia of Philosophy – The Philosophy of Law at <http://www.iep.utm.edu/law-phil/>

19 See for example: Harris, J. (2004), *Legal Philosophies*, Oxford University Press, Oxford, does not attempt to create a systematic plan but instead identifies some 19 headings under which areas of legal philosophical debate can be grouped. These include natural law and moral truth; the command theory of law; utilitarianism and the economic analysis of law; punishment; Kelsen's pure theory of law (law should be value free); legal concepts, legal realism and critical legal studies; Hart's concept of law (legal rules as social rules); freedom and the enforcement of morals; the morality of law and the rule of law; statutory interpretation; precedent; Dworkin's rights thesis; legal reasoning; the duty to obey the law; the historical school and non-state law; sociological jurisprudence; law, society and Marxist jurisprudence; and justice: liberal, communitarian and feminist; and Leiboff, M. and Thomas, M. (2004), *Legal Theories in Principle*, Lawbook Co., Pymont, who identify and discuss natural law theories; modernism and liberalism; legal positivism; Marxist theories; sociological legal theories; feminist legal theory; critical legal studies; post-modernism; critical race theory and postcolonial theory; and emerging theories. They mention, but do not discuss, economic analysis of the law; common law theory; historical and anthropological jurisprudence; and a range of philosophical and sociological theorists.

## 3. Framework for economic analysis

### 3.1 What is an economic analysis?

Public policy is largely concerned with the allocation of scarce community resources, where needs typically outweigh available resources.<sup>20</sup> Economic analysis is one accepted way of assessing and comparing such allocative decisions to provide information to decision makers. The breadth of the analysis is important and, in this regard, economic analysis should not be confused with a financial analysis. The latter is concerned with an organisation's bottom line, whereas an economic analysis is concerned with costs and benefits across the whole of society. This latter perspective may be challenging to legal practitioners and other service providers, as their primary concern is understandably largely concerned with obtaining the best outcome for their client, rather than the best outcome for society. As we will see from the current study, the two are not necessarily the same, though they may often intersect.

An economic (or, more precisely, a microeconomic) analysis of public policy is based on the premise that some allocations of resources are more efficient than others, and that to provide more efficient allocations is an important social objective. The term 'efficiency' is used in a precise and technical way by economists, and is based on the theoretical concept of utility and the social goal of the maximisation of utility.<sup>21</sup> Suppose that A has ten apples and B has ten oranges. They trade apples and oranges with each other and end up with five apples and five oranges each. The total amount of resources has not changed, however the changing allocation of those resources through trade has increased the total utility of A and B. Since they were both prepared to trade, they both think they are better off compared with their original position. An 'efficient outcome' is one in which there are no more trades available, that is nobody thinks they can improve their position by market exchanges.<sup>22</sup>

While it could be argued that this notion of efficiency is value laden and subjective, it is also empirical, in that it is generally descriptive of what people actually do when they trade things in a market and those markets can be examined quantitatively.

There is another important point to be considered. The efficient outcome from market exchanges will always depend on the initial allocation of resources. So in the example above, if A had six apples and B had ten oranges, the efficient allocation may end up as A having three apples and three oranges while B has three apples and seven oranges. While A and B are *both* better off, B is *better off* than A.

That initial allocation of resources is entirely arbitrary and reflects chance and circumstance. For example someone born in Australia will have access to many more economic resources than a person born in Cambodia, and so, if they traded, while both would be better off after trading, the Australian is likely to be much better off than the Cambodian. Within Australia, an indigenous person living in a remote area will have far less access to employment, health and legal services than a person born to a middle class family in inner Sydney or Melbourne. This raises another important social concern (and second economic objective in our system of government), that of 'equity' or fairness.

While different rules have been proposed to guide equity, there is no consensus among economists regarding an appropriate 'social welfare' function.<sup>23</sup> In Australia, equity is addressed by a system of transfers, whereby wealth is transferred from one part of society to another, either through cash, differential taxation, or through subsidised or free services and other measures. Theoretically, those transfers represent the sum of the values of society with regard to equity, as expressed by our elected representatives.

20 See for example Friedman *op cit.*, p.3.

21 See for example Nicholson, W., (2005) *Microeconomic Theory: Basic principles and extensions*, 9<sup>th</sup> ed., Thompson South Western, page 338.

22 Technically this is termed the Pareto Principle.

23 The set of rules encapsulating normative standards that should govern redistribution of resources (see for example Friedman *op cit.*, page 58).







benefits from the operation of the legal system resulting in a perverse outcome. Accordingly, the proper operation of the CLC sector should seek to avoid these external costs as this will generate a public benefit. These benefits are characterised in this report as 'externalities'.<sup>33</sup>

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33 An example may be a young offender who is unlikely to reoffend, but who if sentenced to a custodial sentence will incur a cost to society through incarceration. It could also be that their ability to contribute to society will be significantly reduced as they may have difficulty finding work in the future due to a criminal record. These latter two costs could be considered as externalities. From an economically rigorous perspective, in the case where they were likely to reoffend, the cost to society of ongoing crime would need to be set against the cost to society of incarceration and of reduced employment from a criminal record. The economically efficient point would be where enough people were being sentenced so that the two costs were equal.



## 4. Methodology

### 4.1 Overview

The approach was based on a review and analysis of randomly selected matters across four community legal centres in a mix of metropolitan and regional and remote locations. There were eight key components to the approach:

- Selection of community legal centres
- Assessment of operating costs
- Selection of matters from the categories of information, advice and casework
- Evaluation of matters using the framework
- Discussion and review with community legal centre staff
- Finalisation and quantification of benefits
- Calculation and reporting of cost-benefit ratio
- Interviews with key staff on programs provided by each centre

Each of these is discussed briefly in turn.

### 4.2 Selection of community legal centres

Four community legal centres were selected as case study centres to represent different types, locations and sizes of centres. These were:

- A generalist legal centre in a Victorian inner regional area<sup>34</sup> (Loddon Campaspe Community Legal Centre)
- A generalist legal centre in a Western Australian outer regional area and servicing remote areas<sup>35</sup> (Geraldton Legal Centre)
- A specialist legal centre in Sydney (Consumer Credit Legal Centre)
- A generalist legal centre in Sydney (Marrickville Legal Centre)

Centres included three generalist centres and one specialist centre. Two were in metropolitan locations, one was in an inner regional location and one was in an outer regional location.

Of the four case study CLCs, Loddon Campaspe Community Legal Centre is a generalist legal centre located in an inner regional area, Geraldton Resource Centre is a generalist legal centre located in an outer regional area, Consumer Credit Legal Centre is a state wide specialist service and Marrickville Legal Centre is a generalist inner city legal centre servicing a specific geographic catchment area.

The **Loddon Campaspe Community Legal Centre** helps disadvantaged Central Victorians with legal problems. It is committed to human rights and social justice and works with other local agencies and networks to address common issues of disadvantage and need in the Loddon Campaspe region of Central Victoria. The Centre provides free legal advice, referral and ongoing assistance to local residents in a range of areas including family, consumer, debt, discrimination, family/domestic violence, crime, motor vehicle accidents, welfare rights, employment, guardianship and victims of crime.

Primarily, the legal centre program at **Geraldton Resource Centre** operates to provide assistance to people who would not otherwise have access to legal advice. It also assists people to access the legal and other systems where their access is limited, for example due

34 Australian Standard Geographic Classification Remoteness Structure.

35 *Ibid.*





## **4.6 Discussion and review with CLC staff**

Following an initial review and assessment by the researcher, the matters were then discussed with community legal centre staff to see if, first, the matter was properly understood, and secondly, whether there were other circumstances associated with the matter that may have contributed additional benefit that had not been identified.

## **4.7 Finalisation and quantification of benefits**

The identified and quantified economic benefits were then finalised.

## **4.8 Calculation and reporting of cost benefit ratio**

An average benefit per case and per advice was calculated. This average benefit was then multiplied by the number of cases and advices recorded by the centre in a twelve month period, and the benefit was divided by the operating cost of the community legal centre to return a cost benefit ratio. A further comparison was made of high benefit cases with operating costs to determine how many high benefit cases would be required to offset the operating cost of the centre.

## **4.9 Interviews with key staff on programs provided by each centre**

Interviews were also conducted with key staff on programs provided by each centre to provide a more comprehensive understanding of the centres' functions, and provide a more qualitative perspective on the value of the CLCs.



## 5. Summary of results

### 5.1 Overview

The study finds that, on average, CLCs have a cost benefit ratio of 1:18; that is, for every dollar spent by government they return a benefit to society that is 18 times the cost. To express this in dollar terms, if the average held constant for CLCs across Australia, the \$47.0 million spent on the program nationally in 2009/10 would yield around \$846.0 million of benefit to Australia.

The assessment of net economic benefits provides a very strong rationale for the continued funding of the CLC program, and a clear justification of CLCs in economic terms. As noted, not everything that is done by CLCs can (or indeed should) be quantified. The assessment is also limited to direct service (advices and casework) and so does not include some of the community legal education and policy and law reform activities that are commonly undertaken by centres. Nonetheless, those activities that *have* been quantified indicate a very high rate of return compared, for example, to the cost benefit ratio that may be required to justify a physical infrastructure program (typically around 1:2 or 1:3).

Results of the cost benefit analysis are summarised in the table below. Note that costs include all program costs including community legal education and other activities as well as information, advice and casework; hence the results may be conservative.

**TABLE 1: Results of cost benefit analysis**

CENTRE	AVERAGE BENEFIT OF ADVICES	AVERAGE BENEFIT OF CASES	COST BENEFIT RATIO	NOTES
Loddon-Campaspe CLC	\$3,999 (\$95,537)	\$6,634 (77,010)	1:30 (400)	Figure in brackets includes one very high value matter which may skew results.
Geraldton Resource Centre	\$173	\$4,241 (\$12,241)	1:6 (17)	Figure in brackets includes a training course where ascribing the benefits of the program to the centre is debatable.
Consumer Credit LC	\$3,595	\$2,379	1:33	
Marrickville LC	\$567	\$365	1:4	
<b>AVERAGE ACROSS CENTRES</b>	<b>\$2,084</b>	<b>\$3,405</b>	<b>1:18</b>	

Source: JSA data and analysis

### 5.2 Discussion

#### 5.2.1 Summary

In all cases the estimated cost benefit ratio was high enough to justify the centre economically even given the uncertainties in estimating and assigning benefits to the various centres. As noted, on average across the four centres, and by extrapolation for the sector as a whole, benefits exceeded costs by a factor of 18 (a cost benefit ratio of 1:18). However, as would be expected, there was found to be a wide range of benefits associated with matters, with economic benefits to the community ranging from zero in some cases to millions of dollars in other matters where the actions of the CLC avoided the very large costs associated with institutional care. The average benefit of information and advices was found to be similar to the average benefit of cases; however, the number of information and advices

considerably exceeds the number of cases, so that the total benefit of information and advices exceeded the total benefit of cases across the four centres.

The difference between centres considered in this review is striking, with two centres assessed as having cost benefit ratios five times higher than the other two.

There are a variety of reasons why economic cost benefit ratios may vary for CLCs. These include:

- In this review, benefit was assessed from matters performed in and by the legal practice, whereas cost was assessed by looking at the whole cost of the community legal centre. Some centres have other programs and workers that provide other services, for example, family violence counselling or community education activities and other preventative and capacity building strategies, that have not been 'counted' in the benefit analysis but their cost may figure in the cost of the centre. Depending on the number and profile of these other services, this cost could be very significant in some centres, but only a comparatively small cost at others.
- Centres may have different intake policies, with some centres assisting anyone from their community who presents, at least initially, while others may have more strict guidelines, effectively 'filtering' the people they assist before they see them. Application or implementation of intake policies can also vary between centres.
- Centres may have more, or less, effective triage assessment. With more resources allocated to this stage, more people may be referred to other providers immediately, meaning that those who are seen by a lawyer may be more likely to have significant problems that can be addressed by the centre. This may increase the benefit side of the equation.
- There are differences in the profile of the centres' underlying client base and/or the catchment (geographic or community of interest) upon which they draw. For example, services targeted at Indigenous or particular immigrant or seniors groups may require service providers to go out into the communities to engage with potential clients before legal needs can be expressed or identified, or services provided. These clients also require more time. The time and cost of providing services in this way, including the use of interpreters or taking into account cultural sensitivities, may significantly affect an economic assessment.
- There are differences in program focus, for example some centres may choose to provide mainly legal advice and legal casework services, while others may include a greater proportion of early intervention or preventative work, such as community legal education or law reform activities. Again, this will affect the assessment of relative costs and benefits.
- Different types of law are associated with greater and lesser economic benefits, consequently centres focussing on areas of law underpinned by equity considerations will be assessed as having lower economic benefits compared to centres focussing on areas of law underpinned by efficiency considerations.

## 5.2.2 Justification for the program

The estimated cost benefit ratio was quite high, and more than sufficient to justify the ongoing funding of the program from an economic perspective. While the cost benefit ratio was quite high, there will always be uncertainties as to the degree of precision in the quantification of benefits, uncertainty as to whether all benefits and costs have been identified and finally uncertainty as to the degree to which benefits can be fully ascribed to the operation of CLCs. Given the high cost benefit ratio, even in the unlikely event that benefits were significantly overestimated, the economic benefits of the sector are still likely to significantly exceed costs. For example, even if benefits were overstated by a factor of two, the cost-benefit ratio would still be 1:9.



As noted, government typically regards a cost-benefit ratio of 1:2 or 1:3 as sufficient justification to proceed with a major infrastructure project involving, in some cases billions of dollars in public expenditure.<sup>37</sup> By this benchmark, a cost benefit ratio of 1:18 would be regarded as providing clear economic justification for the CLC program using the government's preferred economic evaluation methodology.

### 5.2.3 Value associated with various types of matters and approaches

The following provides examples of typical matters where a benefit was achieved. These matters illustrate some of the wide range of economic benefits associated with matters handled by community legal centres, and show the quantum of benefit that can be achieved. Following these examples, some general principles are extracted regarding the types of matters and approaches likely to yield high economic benefits.

#### Benefits arising from the proper operation of the law

There are a number of areas of the law where the operation of community legal centres can result in a significant and quantified benefit. This is particularly evident from case studies associated with the avoidance of domestic violence and child abuse, where estimates of the lifetime cost of abused children are around \$38,000 per child and estimates of the lifetime cost of domestic violence are around \$37,000 per victim.<sup>38</sup> The response available through the legal system to these costs appears to be through criminal action, violence orders (with different names in different states) and through custody interventions.

##### CASE STUDY 1

The client's previous partner was subject to an intervention order and was in jail for breaches of that order and was to be released shortly. The client feared for her safety and that of her child. She was advised to report a previous breach of the intervention order and was referred to a range of support services. If the intervention order was not further enforced, it would become meaningless and would not serve its function of preventing violence.

##### CASE STUDY 2

The client's granddaughter lived with them but the mother had custody. The child was at risk of harm from her mother arising from violence and exposure to drug taking. The community legal centre facilitated the paternal grandparent's successful application for custody.

One of the important functions of the law with regard to economic efficiency is through internalising externalities through the notion of negligence, that is, in an economic sense a party is required to pay the full price of their actions. The benefit of any individual case across society is likely to be small, as at an economically efficient point, the cost of additional enforcement would be expected to be equal to the cost of additional negligence across society. However levels of enforcement below this optimum level would be inefficient as the reduced cost from lower levels of negligence would exceed the additional cost of further enforcement.

37 While a cost benefit ratio of 1:1.08 would be sufficient to justify a project, the higher value of 1:2 or 1:3 quoted reflects the various uncertainties in calculating both costs and benefits.

38 Taylor, P., Moore, P., Pezzullo, L., Tucci, J., Goddard, C. and De Bortoli, L. (2008), *The Cost of Child Abuse in Australia*, Australian Childhood Foundation and Child Abuse Prevention Research Australia: Melbourne; Access Economics (2004), *The Cost of Domestic Violence to the Australian Economy*.

### CASE STUDY 3

The client suffered a serious workplace injury while working as an apprentice. The injury was poorly managed with the employer originally claiming that the client was a subcontractor rather than an employee. A settlement was offered but appeared low in view of the client's uncertain future earning capacity. The client suffered depression as a result of his injury. The community legal centre arranged for the client to be represented by a commercial firm.

Using a similar argument, it is economically efficient for contracts to be enforced, otherwise the prices paid by the parties do not reflect the distribution of risk. Again the benefit of any individual case to society is likely to be small, as at an economically efficient level of enforcement, the cost of additional enforcement would be expected to be equal to the cost of additional default.

### CASE STUDY 4

The client was a Department of Housing Tenant. Due to a leak, his flat had been damp or wet for a four year period and the problem was ongoing. The community legal centre assisted him in his successful application to the Tenancy Tribunal for repair works. In addition he received an ex gratia payment of \$4,000 in respect to a damages claim.

## Benefits arising from a more efficient operation of the legal system

There is a range of areas where some classes of people are excluded, either partially or fully, from the economically efficient operation of the law. One of the purposes of CLCs is to provide a service to these people, effectively as a result of equity considerations on the part of government. In these cases, it is important to minimise costs to all parties.

### CASE STUDY 5

The client was an 18 year old on Centrelink payments and had entered into an agreement with a mobile phone provider. She exceeded the cap on her initial plan and so entered into a more expensive plan which she was unable to afford and she accrued a debt of \$1,800. There were some irregularities in her initial application, as she would not have been eligible under the provider's guidelines due to her low income. The community legal centre negotiated to have the debt waived as the client was effectively judgement free due to her inability to repay the debt. The benefit was around \$540, including the average cost of a magistrates' court hearing of \$330 and \$213 for the average cost of enforcement by the sheriff. In addition, it is likely that the provider has avoided other internal administrative and legal costs.

There are costs associated with a litigant in person, or through engaging a formal system when matters can be resolved more simply, such as by negotiation. These approaches lead to a cost saving across society.

### CASE STUDY 6

The client was a disability pensioner. He was one week behind in his rent and had arrears with regard to other debts, owing a total of \$515 including his back rent. The community legal centre negotiated with the Real Estate Agent for the client to pay an extra \$60 per fortnight to reduce the debt and arranged with Centrelink to take an additional amount from his payments until his debts were paid off. The average cost of a rental tribunal hearing, around \$430, was saved, as were any administrative costs that would be incurred by the Real Estate Agent in pursuing the matter.

Often timely advice can result in a matter not being pursued in comparatively expensive court or tribunal proceedings, with resultant savings to both the client and the other party in administrative costs and time, and to the publicly funded justice system.



### CASE STUDY 7

The client had been employed as a kitchen hand at a mine site. She cut her hand, and the injury was quite severe, requiring plastic surgery. She was concerned that she had been underpaid while working as a kitchen hand and that her workers' compensation payments ceased when she resigned and took up another job. She was advised that her compensation payments appeared to be appropriate, and that, on review of her employment contract, she had been correctly paid. The benefit is difficult to assess as it is not clear that she would have pursued the matter using a more formal process. At a minimum, she will not spend any more time pursuing the matter, a saving to herself and to publicly funded tribunals and hence the community.

## Benefits arising from avoidance of externalities

In some cases, the operation of the law, while addressing one problem, can give rise to other costs within society. Avoidance of these costs through a preventative or holistic approach can lead to substantial benefits.

### CASE STUDY 8

The client had a daughter who was developmentally delayed and had behavioural problems, causing her to act violently at times. The response of the client or her neighbours was to contact the police. Due to the number of call outs, and because of concerns for the safety of a younger brother, police sought a violence order. This would most likely have resulted in a breach, meaning that the daughter could no longer live at home. The community legal centre facilitated a range of negotiations resulting in the daughter providing a limited undertaking and a number of supports being put in place. While it is important to avoid the costs of assault, estimated at around \$5,750 for a significant assault, the cost of providing residential accommodation support is a much greater cost to the community at around \$112,000 per annum per client, or a one off cost over twenty years of \$1.2 million. This cost was avoided.

### CASE STUDY 9

The client was on workers' compensation and had received a default notice from his home loan lender. He had been advised by the bank to convert his loan to fixed interest, but was not able to pay the higher payments and so was issued with a default notice. He changed back to a variable loan but was required to pay a cancellation fee. The bank had not advised him of the option of a hardship variation. The community legal centre negotiated with the bank and was successful in having the cancellation fee waived. If the matter had gone further, it is likely that costs of around \$6,850 in court and enforcement costs and \$11,000 in estate agent fees would have been incurred across society. The bank would also incur costs, both legal and internal. These costs were avoided by the negotiated settlement.

## 5.2.4 General findings regarding economic efficiency and CLCs

### Overarching principles

The overarching principle when assessing economic benefits is to do this from the perspective of the whole of the community. This perspective can be challenging in the context of assessing legal services, as by the very nature of the legal system, legal practitioners are concerned with the outcome for their client, but a good outcome for a client may not lead to an economic benefit for all of society. For example, a legal practitioner may be successful in having a client's debt waived, but the cost of that default is borne by the rest of society, through for example, higher interest rates or prices. In addition transaction costs have been incurred. Consequently, what is an economic benefit for a client is not necessarily the same thing as an economic benefit for society.

The perspective of the whole of the community also goes much further than what is often the concern of government agencies, that is, the financial impact on their budget. The two



are not the same thing, for example, the financial impact on an organisation's budget can be minimised by reducing the services delivered, but the cost of *not* delivering the service might well outweigh the money saved, for example, not spending money on legal aid may result in a whole class of people excluded from the proper operation of the law and consequently their exclusion from any economic benefits associated with that proper operation.

Further, when assessing economic benefit for the community, indirect costs to the community should be taken into account. The cost to society of institutional care of a person is very great, typically at least \$100,000 per year. If such costs can be avoided, benefits are significant.

## Benefits arising from the operation of the law

There are some areas of the law where the law's operation results in an economic benefit; however, in other areas the purpose of the law is best considered as a measure to address equity concerns, that is, notions of fairness. In other words, it is a transfer.

With regard to those areas where the law can be seen to deliver an economic benefit, there are four sets of circumstances, listed in order of decreasing economic benefit across the whole of the community.

- Where the law functions to avoid costs, that is, functions *before* the event in a preventative way, then the economic benefits may be quite high. In these cases the law appears to function so as to avoid externalities. Some examples of this include violence orders where quite small administrative costs may be incurred to prevent or reduce violence, and custody orders, where the purpose may be to avoid costs related to child abuse. Other areas include custody following relationship breakdown, with evidence that children in joint custody (following relationship breakdown) are better adjusted by comparison with children in sole custody arrangements.<sup>39</sup> Considerable costs can be saved if people manage their own affairs rather than relying on the public trustee and so if arrangements can be facilitated for them to manage their own affairs or to avoid the intervention of the public trustee, there are associated economic benefits. CLCs can return a high economic benefit in these types of matters, effectively through the avoidance of relatively easily quantified externalities.
- Where the economic benefit of the proper operation of the law serves a deterrent function by punishment<sup>40</sup> or assigns property rights, it is likely that any benefit as a result of the operation of the law would be marginal. Using an economic approach to the law, it would be expected that an optimum position would be achieved whereby the expected cost of breaking the law is greater than the expected benefit of breaking the law, but that does not mean that the law would always be enforced in every case. Looked at another way, an economically efficient point might be where the cost to society of incorrectly finding someone guilty is equal to the additional administrative cost of meeting a higher level of proof. Conversely, a high standard of proof might incorrectly find someone not guilty, and hence incur costs elsewhere in society through failure to deter crime. This means that while the economic cost to society of, say, a breakdown of contract law might be very large, on average the costs of any particular breach might be expected to be offset by the cost of pursuing that breach.

Some examples of these types of benefits where marginal benefits would be expected to equal marginal costs include correct allocation of risk in insurance claims such as workers' compensation, the enforcement of debts, nuisance, contractual matters including tenancy matters and punishment for criminal matters. The economic benefit returned by CLCs

39 Bauserman, R. (2002) Child Adjustment in Joint-Custody Versus Sole-Custody: A Meta-Analytic Review, *Journal of Family Psychology*, American Psychological Association APA, Inc. 2002, Vol. 16, No. 1, 91-102. The author conducted a meta-analysis of 33 studies, finding that children in joint custody arrangements were better adjusted across a range of measures compared to children in sole custody arrangements, and with results similar to children in intact families and that the conclusion was robust across studies.

40 In an economic analysis of the law, a criminal sentence or a fine puts a price on a criminal or proscribed activity and therefore promotes a market.





benefit area for community legal centres, as in three of the legal centres considered, the average benefit of information and advices exceeded the average benefit of cases (although, averaged across the four centres, the value was similar). The major benefit of casework appears to lie in four areas:

- Strategic casework can test and create law, or confirm or clarify the interpretation or application of the law which, in the types of matters handled by CLCs, such as welfare rights, migration, tenancy, can often operate to the benefit of more people than the party involved, and is therefore also to the benefit of judicial and administrative decision-makers. One matter may be a service and give benefit to an individual but operate to prevent or resolve legal problems for many.
- 'Test' cases can resolve the rights of the parties, but also work as educative or awareness raising mechanisms for the community too, informing them of potential 'dangers' e.g. pay day lending schemes, working with asbestos and using the Dalkon Shield. This can also educate people about their rights and possibilities for recourse, and can have a deterrent effect on wrong doers who have been operating to the detriment of the disadvantaged.
- Conducting cases can be important professional development for lawyers, maintaining and improving their professional knowledge and skills, especially in key areas.
- The availability of litigation and legal casework opportunities can be a significant 'drawcard' in recruitment and retention of lawyers, particularly important in rural, regional and remote areas, where recruitment and retention are often hardest.

## Externalities

The operation of the legal system can result in unintended costs elsewhere in the economy. Where very high benefits are associated with a matter, they are usually the result of avoidance of these types of externalities. Where these benefits are identified in the case studies, they are often because community legal centres take a holistic or case management approach, that is, they look beyond the legal problem and seek to identify its causes and/or other underlying problems. Simple approaches, such as assisting someone in arranging their financial affairs, or in co-ordinating with support services to enable people to remain in their domestic arrangements (avoiding institutional care) can have very high benefits for the individual, and by extension, to society.

## 5.3 Conclusion

The study demonstrates that the calculated benefits of the CLC sector significantly outweigh the cost to the community of providing community legal services. An average calculated cost benefit ratio of 1:18 is such that, even accounting for the opportunities for imprecision in the analysis, the conclusion will be robust, that is it would require very significant errors in the values used and in the assumptions for benefits not to exceed costs by an acceptable margin.

Though the study's scope was focused on the quantification of advices and cases in dollar terms, a more qualitative review of programs like community legal education and law reform is also likely to yield a net economic benefit to the extent to which they perform information, empowerment and preventative functions, and lead to the avoidance of externalities and transaction costs. In these ways, CLCs perform an important role in fulfilling the objectives of government related to economic efficiency, in particular related to the provision of legal services.

Other functions of CLCs where a benefit is not evident are best thought of as equity measures and are more difficult to value in economic terms. They are generally a cost to society, but one



## 6. Case Study Centres

### 6.1 Loddon Campaspe CLC

The Loddon Campaspe Community Legal Centre (LCCLC) is located in Bendigo, Victoria. LCCLC's primary geographic catchment includes the 6 LGAs of Macedon Ranges, Central Goldfields, Loddon, Campaspe, Mount Alexander and the City of Greater Bendigo. The centre is also running a pilot service that operates in the Goulburn Valley, incorporating the 5 LGAs of City of Greater Shepparton, Campaspe, Strathbogie, Moira and Mitchell.

#### 6.1.1 Centre Profile

##### Current Staffing Profile

Based on information received from the centre, the current staffing profile as at March 2011 for LCCLC staff is as follows.

**TABLE 2: Staffing Profile, LCCLC**

ROLE	FTE
Principal/Coordinator	0.8
Community Educator	0.6
Solicitor (General)	2
Solicitor (Family Relationship Centre/General)	1
Solicitor (Goulburn Valley Pilot Service)	1
Solicitor (Senior's Rights Victoria)	1
Solicitor (Family violence and clinical education)	0.45
CLC Administrator	1
Finance / Administration	0.9
Executive management contribution	0.5
<b>TOTAL</b>	<b>9.25</b>

Source: LCCLC 2011, JSA 2011

The Centre also receives support from a range of volunteers. Clayton Utz and other local lawyers provide pro bono legal assistance on a case by case basis. In general, the Centre's volunteer profile is as follows:

**TABLE 3: Volunteer Profile, LCCLC**

ROLE	HOURS PER WEEK	FTE
Legal volunteers	13	0.37
Student volunteers	8	0.23
Administrative volunteers	4	0.11
<b>TOTAL</b>	<b>25</b>	<b>0.71</b>

Source: LCCLC 2011, JSA 2011

### Current Service Provision

LCCLC is a generalist centre providing legal assistance (information, advice and casework), community development and legal education, law reform and special projects.

- Generalist services are provided through telephone and face-to-face appointments (day and evening) in Bendigo.
- Outreach services are provided by appointment at Echuca, Maryborough and Kyneton.
- Family Violence Prevention Legal Services attends Bendigo courts every Wednesday and Maryborough and Echuca courts on alternate Tuesdays.
- Seniors Rights Victoria
- Immigration Advice Services is provided by appointment in Bendigo and Shepparton.
- Homeless Persons' Legal Clinic is provided every Friday in Bendigo, with a monthly professional development seminar series also conducted.
- Goulburn Valley CLC Pilot (October 2009-June 2011) has provided legal services through telephone and face-to-face appointments day and evening on certain days of the week at Shepparton.

### Client Profile

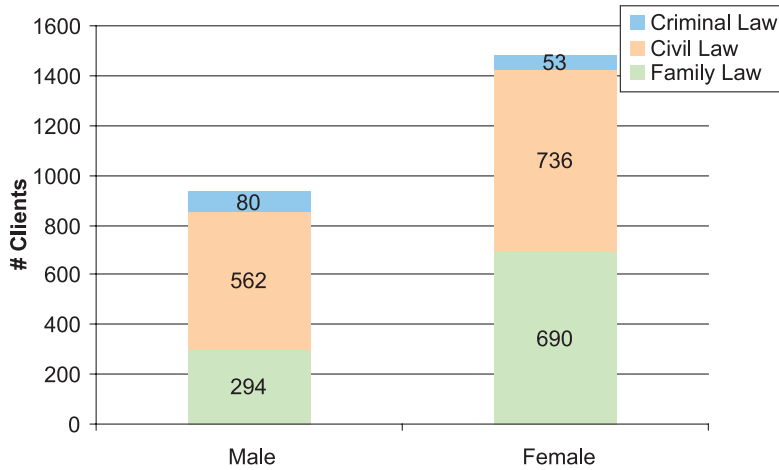
During the 2009/10 financial year, the LCCLC provided service to 2,275 clients.<sup>43</sup>

- 57.4% civil law clients, 43.8% family law clients and 5.8% criminal law clients (note that a client can have multiple law types)
- 60% female clients, 39.2% male clients, 0.8% client sex/gender unknown
- 3% Indigenous clients
- 1.7% were under 18 years, 25.6% were aged 18-34 years, 32% were aged 35-49 years, 20.3% were aged 50-64 years, 16.8% were aged 65 or older and 3.6% age was not stated
- 79% were new clients during the period, 11% were repeat clients and 10% were existing clients.<sup>44</sup>

Female and male clients had slightly different law type profiles, with female clients more likely to receive services for family law type problems (50.5% female clients/33% male clients) and males more likely to receive services for civil (53.9% female clients/63.1% male clients) and criminal law type problems (3.9% female clients/9% male clients).

43 As per CLSIS CC6. Client by Law Type reports.

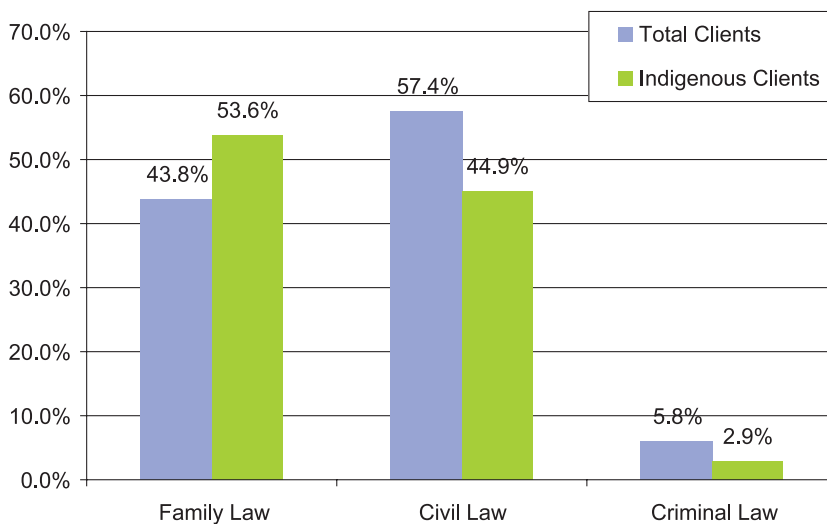
44 As per CLSIS CA1.1 Activity Summary count of 2107 total clients for 2009/10 FY.



**FIGURE 1: Law Type Profile for Male and Female LCCLC Clients**

Source: LCCLC 2011, JSA 2011

Indigenous clients were less likely than Total Clients to receive services for civil and criminal law problems and more likely to receive services for family law problems. Note that for 2009/10, Indigenous clients comprised 3% of total clients (n=69).



**FIGURE 2: Law Type Profile for Total and Indigenous LCCLC Clients**

Source: LCCLC 2011, JSA 2011

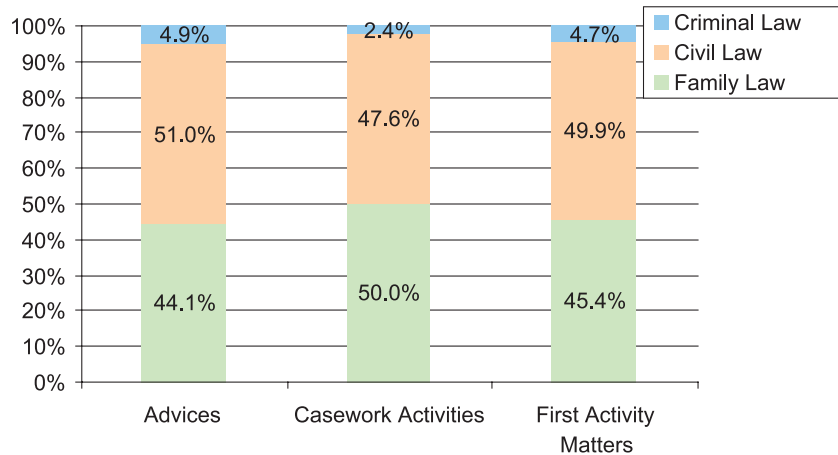
## Activity Profile

LCCLC conducted 46 information and 2059 advices activities in 2009/10. The centre opened 998 new cases during the year and closed 966 cases, including 864 minor cases, 91 medium and 11 major cases. LCCLC also completed 4 non-casework projects during the year including 1 CLE project and 2 Law Reform and Policy projects. There were also 16 non-casework projects open and still going throughout the period.<sup>45</sup>

<sup>45</sup> As per CSLIS CA1.1 Activity Summary

## Problem Type Profile

LCCLC works across all areas of law, but a large proportion of its activities (advices, casework and first activity matters) are focused on family and civil law problem types, with a large proportion dedicated to family/domestic violence and other civil violence/retraining order problems.



**FIGURE 3: Law Type Profile by Advice, Casework and First Activities**

Source: LCCLC 2011, JSA 2011

### First Activity Matters

First Activity Matters are a count of the first interaction or ‘activity’ a client has with the service within the period of time specified. First Activities would most likely be advices and are thought to represent the most common problem types generated by clients of the service. For LCCLC in the 2009/10 FY, there were 2143 first activity matters. The most common problem types were Family/Domestic Violence, Other Civil Law, Wills/Probate, Contact and Residency and Property. Around one quarter of all first activities are related to Family/Domestic Violence problem types, plus around 7% of all first activities are Other Civil Violence/Restraining Order problems.

**TABLE 4: LCCLC First Activity Matters by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# FIRST ACTIVITIES	% FIRST ACTIVITIES
Total Family/Domestic Violence	533	24.87%
Total Other Civil Law	329	15.35%
Total Wills/Probate	208	9.71%
Total Contact and Residency	169	7.89%
Total Property	137	6.39%
Total Credit and Debt	95	4.43%
Total Immigration	91	4.25%
Total Offences Against Property and Other Offences	90	4.20%
Total Motor Vehicle	68	3.17%
Total Divorce and Separation	67	3.13%
Total Govt/Administrative Law	56	2.61%
Total Neighbourhood Disputes	55	2.57%
Total Employment	49	2.29%
Total Other Family Law	35	1.63%
Total Injuries	35	1.63%
Total Consumer Complaints	34	1.59%
Total Tenancy	22	1.03%
Total Child Protection	17	0.79%
Total Govt Pensions Benefits Allowances	17	0.79%
Total Child Support	11	0.51%
Total Offences Against Persons	11	0.51%
Total Discrimination	9	0.42%
Total Child/Spousal Maintenance	4	0.19%
Total Environment	1	0.05%
<b>TOTAL FIRST ACTIVITY MATTERS</b>	<b>2143</b>	<b>100.00%</b>

Source: LCCLC 2011, JSA 2011

### Advices

The problem type profile of advice activities in 2009/10 is similar to first activities, with a strong emphasis on Family/Domestic Violence, Other Civil Law, Wills/Probate and Contact and Residency. Advice services were also diverse across a range of problem types. Within these areas of law, key problem types included:

- Family or domestic violence order, 18.71%
- Other civil violence/restraining orders, 6.38%
- Child contacts or contact orders, 5.24%
- Wills/probate power of attorney, 3.87%
- Elder abuse (physical, sexual, psychological, social, neglect, aged care), 3.13%





**TABLE 5: LCCLC Advices by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# ADVICES	% ADVICES
Total Family/Domestic Violence	519	22.84%
Total Other Civil Law	350	15.40%
Total Wills/Probate	225	9.90%
Total Contact and Residency	196	8.63%
Total Property	143	6.29%
Total Credit and Debt	105	4.62%
Total Offences Against Property and Other Offences	96	4.23%
Total Immigration Law	93	4.09%
Total Motor Vehicle	80	3.52%
Total Divorce and Separation	68	2.99%
Total Govt/Administrative Law	60	2.64%
Total Neighbourhood Disputes	57	2.51%
Total Employment	53	2.33%
Total Injuries	43	1.89%
Total Consumer Complaints	41	1.80%
Total Other Family Law	39	1.72%
Total Tenancy	22	0.97%
Total Child Protection	21	0.92%
Total Govt Pensions Benefits Allowance	21	0.92%
Total Offences Against Persons	15	0.66%
Total Child Support	11	0.48%
Total Discrimination	8	0.35%
Total Child/Spousal Maintenance	5	0.22%
Total Environment	1	0.04%
<b>TOTAL ADVICES</b>	<b>2272</b>	<b>100.00%</b>

Source: LCCLC 2011, JSA 2011

### Casework Activities

LCCLC casework activities for 2009/10 FY were again spread across a range of problem types. Whilst Family/Domestic Violence matters were a key area of activity, these types of matters comprised 40% of casework activities. Other Civil Law, Wills/Probate, Contact and Residency and Credit and Debt were also primary areas of casework activities. Within these areas of law, key problem types included:

- Family or domestic violence order, 37.87%
- Other Civil Violence/Restraining Orders, 14.4%
- Wills/probate power of attorney, 5.27%
- Wills/probate guardianship/trusteeship, 4.03%
- Credit and debt owed by client, 2.11%
- Elder abuse (physical, sexual, psychological, social, neglect, aged care), 1.63%



**TABLE 6: LCCLC Casework Activities by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# CASEWORK ACTIVITIES	% CASEWORK ACTIVITIES
Total Family/Domestic Violence	418	40.08%
Total Other Civil Law	208	19.94%
Total Wills/Probate	117	11.22%
Total Contact and Residency	41	3.93%
Total Credit and Debt	38	3.64%
Total Motor Vehicle	27	2.59%
Total Property	26	2.49%
Total Offences Against Property and Other Offences	21	2.01%
Total Immigration Law	19	1.82%
Total Govt/Administrative Law	17	1.63%
Total Divorce and Separation	16	1.53%
Total Injuries	15	1.44%
Total Neighbourhood Disputes	14	1.34%
Total Consumer Complaints	12	1.15%
Total Employment	12	1.15%
Total Other Family Law	11	1.05%
Total Child Protection	8	0.77%
Total Govt Pensions Benefits Allowance	8	0.77%
Total Tenancy	4	0.38%
Total Discrimination	4	0.38%
Total Offences Against Persons	4	0.38%
Total Child Support	1	0.10%
Total Child/Spousal Maintenance	1	0.10%
Total Environment	1	0.10%
<b>TOTAL CASEWORK ACTIVITIES</b>	<b>1043</b>	<b>100.00%</b>

Source: LCCLC 2011, JSA 2011

## 6.1.2 Analysis of programs offered by the centre

A brief analysis of the likely economic outcomes of selected programs provided by the Loddon-Campaspe CLC in Bendigo are provided in the table below, together with a brief description of the programs, their aims and key outcomes. This information is based on a series of interviews carried out with key centre staff during the visit to the centre in March 2011.



**TABLE 7: Loddon Campaspe Community Legal Centre Program Matrix**

LCCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	OVERVIEW OF DESIRED OUTCOMES	ECONOMIC CONSIDERATIONS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Generalist Legal Service	<p><b>AIMS:</b> To provide free legal information, advice and casework to disadvantaged groups with limited access to justice – all within a community development framework.</p> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Telephone advice Monday 1-4pm and Thursday 9.30am-12.30pm</li> <li>• Evening Advice Service</li> <li>• Wednesday 6-8pm.</li> <li>• Day appointments Thursday 1-4pm</li> <li>• Outreach appointments available in Shepparton, Echuca, Kyneton and Maryborough.</li> <li>• CLE</li> </ul>	<p>Resolution of issues, including providing important information where people do not have a case.</p>	<p>Facilitates access to the legal system, and in many situations resolution to a problem, for many people who would not have any other means of accessing the system.</p> <p>Hold government agencies and institutions to account where they are not enacting their own policies.</p>	<p>Reduces the need for litigation through appropriate triaging of matters, assisting in negotiation or advising where there may be limited merit to a matter, and where the client would not have the skills or knowledge to do so on their own.</p>	<p>Prevents issues from developing further or worsening by making referrals both internal, and working in an holistic way with clients to address a range of legal and non-legal issues.</p>
CLE – Youth Credit and Debt Project	<p><b>AIMS:</b> To provide information, advice and raise awareness among young people about credit/debt.</p> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Presentations and information sessions.</li> <li>• Creative work with young people – making videos, audio recordings etc.</li> <li>• Preparation of information materials, fliers, resource sheets.</li> <li>• Targeted visits to alternative schools, TAFE, drug/alcohol services</li> </ul>	<p>Assist young people to resolve existing debt issues, not enter into dangerous credit arrangements in the first place, change their attitude, reduce stress levels and prevent problems from escalating to larger legal issues and family issues.</p>		<p>Reducing reckless lending practices to young people may reduce costs to wider community.</p> <p>Dealing with many individual matters time consuming and inefficient.</p>	<p>Creditor receives some or all of what is owed.</p> <p>Establish better habits to avoid/prevent future credit/debt issues and/or escalation of existing problems to larger legal issues with greater ramifications (eg incarceration)</p>

LCCLC PROGRAM		PROGRAM AIMS, SERVICES, ETC	OVERVIEW OF DESIRED OUTCOMES	ECONOMIC CONSIDERATIONS		
				Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Family Violence Court Program		<p><b>AIMS:</b> To provide information and advice to people experiencing family violence and seeking legal action, facilitate improved level of safety for victim and any children.</p> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Outreach to Bendigo Court 1 day/wk</li> <li>• Outreach to Maryborough and Echuca Courts every second Tuesday.</li> <li>• Clinical legal education partnership with La Trobe University (4-6 students per semester)</li> <li>• Provides duty solicitor to assist non-represented parties, principally applicants, in family violence matters</li> <li>• Provides follow up advice and casework as relevant</li> <li>• Engages in a range of awareness raising and networking activities as part of a preventative focus</li> </ul>	<ul style="list-style-type: none"> <li>• The most appropriate outcome in family violence matters that come before the court (principally related to applications for Intervention Orders)</li> <li>• Safety of victims of family violence, imbalance in representation between applicant and respondents is addressed (e.g. the latter are more likely to be represented by Legal Aid due to prioritisation of matters likely to have serious consequences)</li> <li>• Greater awareness of family violence issues and service co-ordination in this area as part of a preventative approach.</li> </ul>	<p>Greatly reduces the number of unrepresented matters.</p> <p>Elevates the seriousness of family violence in the eyes of police, government agencies, potential perpetrators and the community.</p>	<p>Greater understanding of the legal remedies and process, make more efficient process.</p> <p>Representation streamlines the court process.</p>	<p>Reduce experiences of violence.</p> <p>Higher public profile of issue lead to it being taken more seriously by offenders, greater police accountability.</p>
Legal Volunteer Program		<p><b>AIMS:</b></p> <ul style="list-style-type: none"> <li>• To augment/increase CLC services with additional expertise and staffing provided by legal volunteers.</li> </ul> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Volunteer solicitors, mainly from local private practices, provide free advice nights in Bendigo (2 hrs/wk w/ 3 vol sols) and Shepparton (2 hrs/wk w/ 2 vol sols)</li> <li>• Student vols also support centre operations.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased accessibility of free legal advice for the community.</li> <li>• Increased awareness of CLC and its work amongst community and private legal profession.</li> </ul>	<p>Ensures timely, accessible advice likely to resolve issues.</p> <p>Provides access to appropriate follow up legal advice or casework where required through the private, public or community legal sector.</p>	<p>Provides at least 10 hrs per week of voluntary legal advice.</p> <p>Provides additional voluntary hours to support centre activities.</p> <p>Timely resolution of matters, including regarding whether or not there is a case, increased ability to self-represent or gain early resolution.</p>	<p>Prompt and appropriate resolution of matters is likely to reduce flow-on effects to other aspects of a person's life.</p>

LCCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	OVERVIEW OF DESIRED OUTCOMES	ECONOMIC CONSIDERATIONS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
<p>Secondment to Seniors' Rights Victoria</p>	<p><b>AIMS:</b> Assist people experiencing elder abuse (financial, psychological, social or physical).</p> <p><b>SERVICES:</b> Solicitor and caseworker seconded to Seniors Rights Victoria. Model provides for initial interview by a solicitor and a caseworker/advocate to deal with older persons' issues in a holistic way. Help prepare safety plans, guardianship matters, refer to other services for assistance if required.</p>	<p>Works from a 'rights' model that supports the dignity of older people, seeks to empower the older person, and to gain what they consider to be the most appropriate outcome.</p>	<p>Ensuring that older people are aware of their rights and potential remedies, and alerts those caring for them that older people have rights and remedies, assists the proper operation of the legal system.</p>	<p>Dealing with issues that have the potential to involve more protracted disputes at the early or interim stage has the potential for significant cost savings.</p> <p>Having a solicitor and caseworker is a cost effective way of dealing with non-legal problems that often accompany legal issues.</p> <p>Where family relationship arrangements must change, issues with recovery of money invested and require a subsidised low or high care placement, or becoming effectively homeless.</p> <p>Legal remedies can be expensive and involve supreme court action to establish whether they have an equitable interest in property.</p>	<p>Preventative aspects of CLE in relation to ensuring knowledge of rights, entering into appropriate agreements can avoid externalities (e.g. ability to be financially independent, remain in own home, etc)</p> <p>Maintenance of positive family relationships also promotes healthy aging and support for young people.</p> <p>Avoid homelessness, organised appropriate support to stay in the home.</p>



LCCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	OVERVIEW OF DESIRED OUTCOMES	ECONOMIC CONSIDERATIONS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
<p><b>AIMS:</b> Provide advice to most vulnerable and disadvantaged due to resource constraints as there is a lack of access to assistance as few migration services available.</p> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• 3 x 1hr appointments in Bendigo per fortnight.</li> <li>• Matters often related to DV where someone is in Australia on a spouse/partner visa and is being threatened/abused, temporary protection visa holders applying for or where partner has died within the temporary visa period.</li> <li>• Services also provided in Shepparton through GV migration clinic.</li> </ul> <p>Immigration Advice Service</p>	<p>Provide advice sufficient to achieve an outcome for the client. May be a permanent visa, access to more appropriate legal services – such as a Legal Aid lawyer, and in cases of DV that person and children are in safer situation.</p>	<p>Great demand for migration services for vulnerable and disadvantaged people in regional Victoria. CLCs like LCCLC becoming registered in migration law and using pro bono solicitors to meet some of the need, but governments relying on these services without providing much additional funding and clients have little to no capacity to pay.</p>	<p>Preventing people remaining in unsafe relationships/situations due to visa status.</p> <p>Avoid people returning to unsafe situations/country.</p> <p>Reunite and/or keep families together where may be separated.</p>		
<p><b>AIMS:</b> Promote CLC services and their value in the GV. Encourage government to fund a permanent CLC in the region.</p> <p><b>SERVICES:</b></p> <ul style="list-style-type: none"> <li>• Telephone advice Monday 2-4pm.</li> <li>• Evening advice by appointment Tuesdays 6-8pm (2 vol sois)</li> <li>• 10 local lawyers on advice roster</li> <li>• Cobram Family Violence Service</li> <li>• GV Hospice Outreach</li> <li>• Migration Clinic</li> <li>• CLE and community consultation</li> </ul> <p>Matters often related to family (contact and residency), credit and debt, family violence</p> <p>Goulburn Valley CLC Pilot</p>	<ul style="list-style-type: none"> <li>• Has provided access to services for disadvantaged groups who previously had no access, particularly face to face.</li> <li>• Has documented and demonstrated the need that exists for services in the region.</li> <li>• Raised awareness about role of CLCs.</li> </ul>	<p>Documenting and demonstrating need for increased servicing.</p>	<p>Reducing pressure on LAC office in Shepparton by increased access to services and education.</p>	<p>Providing service where people need it, avoiding costly trips to other centres/ Melbourne to access services.</p>	

LCCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	OVERVIEW OF DESIRED OUTCOMES	ECONOMIC CONSIDERATIONS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Family Relationship Centre Solicitor	<p><b>AIMS:</b> Assist people to come to a negotiated agreement that is in the best interests of the child/ren.</p> <p><b>SERVICES:</b> Bendigo and Shepparton based give information sessions (2-3 sessions/wk), advice, assistance to mediators (eg. re consent orders) to achieve informal agreement, through a therapeutic approach.</p>	Negotiated outcomes between parents that is in the best interests of the child/ren.	Reserves court process for those issues that truly require litigation where mediation has failed.	Avoid court proceedings. Less conflict and better outcomes for children.	Prevent continued stress, strain among families and children due to on-going conflict.
Homeless Persons' Service	<p><b>AIMS:</b> To provide legal assistance to people experiencing or at risk of homelessness</p> <p><b>SERVICES:</b> Free legal advice for issues related to housing and tenancy, fines and infringements, Centrelink, credit and debt, family and criminal matters, victims of crime, guardianship and administration, discrimination and human rights. Late morning sessions (10am-12pm) on Fridays at St Luke's Anglicare or the Legal Centre.</p>	To move beyond the immediate presenting crisis to the underlying issues which are keeping someone in homelessness (or at risk) and prevent/mitigate those issues.			Prevent or reduce homelessness and institutionalisation of vulnerable people.
Bulk Debt Scheme	<p><b>AIMS:</b> Bulk debt negotiation scheme to help low-income debtors in financial hardship.</p> <p><b>SERVICES:</b> Identifies people who need immediate financial relief through debt waiver and fast tracks a resolution, helping the creditor to wipe a bad debt and move on.</p>	More efficiently assist a greater number of people with debt issues by bundling and negotiating issues together.		Instead of negotiating hardship cases or repayment plans on a case-by-case basis matters with a common creditor are bundled and negotiated together.	Relieving hardship for people struggling with debt.

Source: JSA interviews with LCCLC staff, March 2011

### 6.1.3 Assessment of Economic Benefit

A random sample of twenty cases and advices were selected and the economic benefits evaluated. In addition, staff provided twenty cases evaluated by them as being of high value, and the economic benefits of these cases were also estimated.

The results of the analysis are tabulated below.

**TABLE 8: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	13	\$12,120	\$950	\$1,228,915	\$95,537 (\$3,999 excluding one benefit estimated at \$1.19 million).
Random Cases	7	\$38,770	\$540	\$7,130	\$6,634
Selected Cases	20	\$118,750	\$73,455	\$1,348,000	\$77,010 (\$17,510 excluding one benefit estimated at \$1.19 million).

Source: JSA research and analysis

In 2009-10 the Advocacy and Rights Centre had a total budget of around \$1.2 million. The Community Legal Centre program had expenditure of \$531,000. In that period, the centre had 1,043 cases and 2,272 advices. Using the averages for the random sample above, the total benefit is estimated at \$224 million, a cost benefit ratio of over 400, however this is inflated by the inclusion of one very high value advice in the data set. Excluding the very high value advice, the total benefit is estimated at \$16 million, a cost benefit ratio of over 30.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. The use of average costs for services will also under and over estimate the benefit associated with a particular outcome. There is considerable comfort in the high cost benefit ratio, suggesting that if only one in thirty outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.

A range of high value cases were identified, including in the random selection. The maximum benefit was \$1.19 million, representing the benefit of avoiding institutional accommodation and support for a disabled person over a twenty year period. If the Community Legal Centre was instrumental in one such outcome every two years, this would justify the cost of the centre.

The other major benefit is in the area of child abuse. The avoidance of institutional and other costs in matters of child abuse has been assessed at \$38,000. 14 such cases each year would justify the centre economically.





## 6.2 Geraldton Resource Centre

### 6.2.1 Centre Profile

The Geraldton Resource Centre (GRC) is located in Geraldton, Western Australia (in the Mid West Region of WA around 400 km north of Perth). GRC's geographic catchment includes the LGAs of Geraldton, Greenough and the Mid West region of WA.

#### Current Staffing Profile

Based on information received from the centre, the current staffing profile for GRC is as follows.

**TABLE 9: Staffing Profile, GRC**

ROLE	FTE
Managers (Corporate Services, Operations, Assistant)	3.0
Administration (Non-Legal Secretary, Accounts, Etc)	1.9
Legal Team: Principal Solicitor	0.9
Legal Team: Paralegals	2.8
Legal Team: Law Graduate	1
Legal Team: Tenant Advocate	1.8
Legal Team: Financial Counsellor	2
Legal Team: Community Legal Education	0.8
Legal Team: Legal Secretary	1
Other Programs: Money Business (Leader & Family Helpers/Outreach)	4.8
Other Programs: Private Rental Program (Caseworker)	0.8
Other Programs: Re-entry Program (Leader, Caseworkers, Transport)	5
Other Programs: Homelessness Support (Caseworkers)	2
Other Programs: Supported Housing (Caseworkers)	2
Other Programs: Home Visiting	0.5
Other Programs: Emergency Relief	0.3
<b>TOTAL</b>	

Source: GRC 2011, JSA 2011

The centre also receives support from a range of volunteers. Clayton Utz and other lawyers provide pro bono legal assistance on a case by case basis. In general, the centre's volunteer profile is as follows:

**TABLE 10: Volunteer Profile, GRC**

ROLE	HOURS PER WEEK	FTE
Legal volunteers: pro bono supervising solicitor	3	0.1
Legal volunteers: law graduates	12	0.3
Student volunteers (TAFE Certificate III/IV and Diploma of Community Service placements)	6	0.2
Administrative volunteers	3	0.1
<b>TOTAL</b>	<b>24</b>	<b>0.7</b>

Source: GRC 2011, JSA 2011

## Current Service Provision

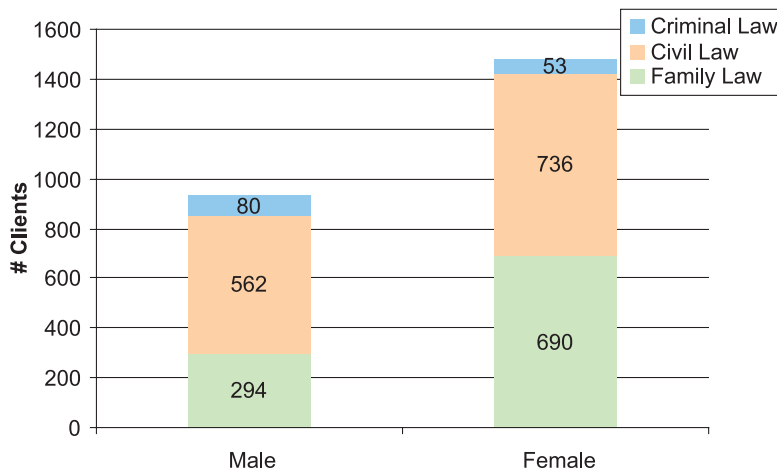
The GRC is comprised of many complementary services including: Geraldton Community Legal Centre, Rural Women’s Legal Outreach Service, Gascoyne Community Legal Service, Financial Counselling Service, Tenant Advocacy Service, Community and Home Visiting Scheme, Supported Housing Assistance Program, Re-Entry Service, Transport of Prisoners Program, Private Rental Accommodation Casework and Money Business.

## Client Profile

During the 2009/10 FY, the GRC provided service to 1702 clients.<sup>46</sup>

- 85% civil law clients, 27% family law clients and 3% criminal law clients (note that a client can have multiple law types)
- 51% female clients, 47% male clients, 1% client sex/gender unknown
- 49% Indigenous clients
- 1% were under 18 years, 41% were aged 18-34 years, 35% were aged 35-49 years, 14% were aged 50-64 years, 5% were aged 65 or older and 3% age was not stated
- 53% were new clients during the period, 34% were repeat clients and 13% were existing clients.<sup>47</sup>

Female and male clients had basically equivalent law type profiles.



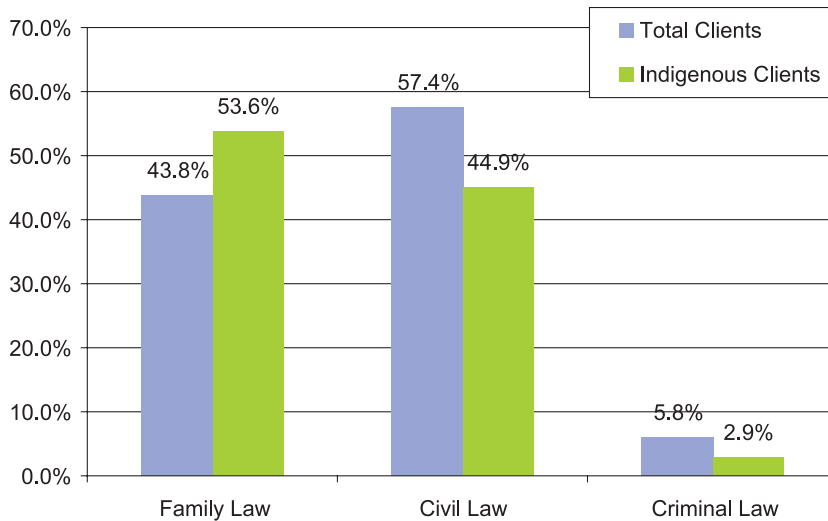
**FIGURE 4: Law Type Profile for Male and Female GRC Clients**

Source: GRC 2011, JSA 2011

Indigenous clients were less likely than Total Clients to receive services for family and criminal law problems and more likely to receive services for civil law problems. Note that for 2009/10, Indigenous clients comprised 49% of total clients (n=835).

46 As per CLSIS CC6. Client by Law Type reports.

47 As per CLSIS CA1.1 Activity Summary count of 1616 total clients for 2009/10 FY.



**FIGURE 5: Law Type Profile for Total and Indigenous GRC Clients**

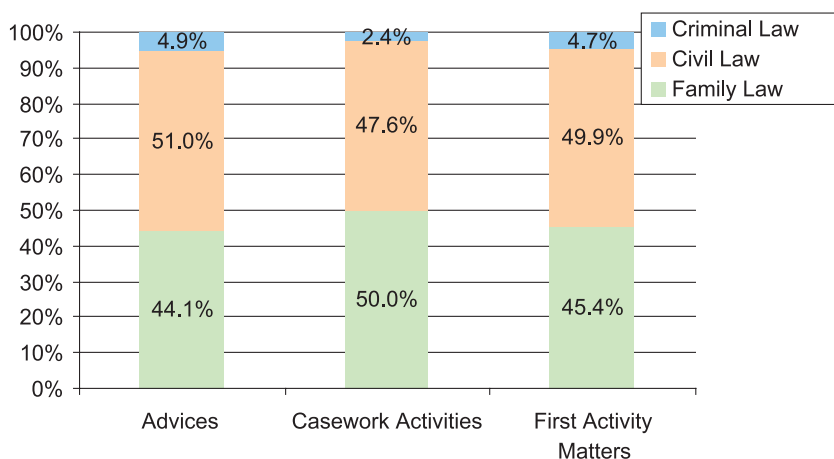
Source: GRC 2011, JSA 2011

### Activity Profile

- GRC conducted 1320 information and 1967 advices activities in 2009/10.
- The centre opened 575 new cases during the year and closed 511 cases, including 230 minor cases, 227 medium and 54 major cases.
- GRC also completed 112 non-casework projects during the year including 69 CLE projects and 5 Law Reform and Policy projects.
- There were also 146 non-casework projects open and still going and throughout the period.<sup>48</sup>

### Problem Type Profile

GRC works across all areas of law, but a large proportion of its activities (advices, casework and first activity matters) are focused on civil and family law problem types, with a large proportion dedicated to tenancy, credit and debt and other civil law problems. There is a definite difference between the profile of advice and casework activities, with a far smaller proportion of casework activities related to family law problem types compared to advices.



**FIGURE 6: Law Type Profile by Advice, Casework and First Activities**

Source: GRC 2011, JSA 2011

48 As per CSLIS CA1.1 Activity Summary

## First Activity Matters

First Activity Matters are a count of the first interaction or ‘activity’ a client has with the service within the period of time specified. First Activities would most likely be advices and are thought to represent the most common problem types generated by clients of the service. For GRC in the 2009/10 FY, there were 1779 first activity matters. The most common problem types were related to tenancy, credit and debt, other civil law, government pensions and benefits, and contact and residency. Key problem types included:

- Credit and debt other (9.95%)
- Tenancy access (9.27%)
- Other civil (7.25%)
- Government pensions/benefits allowances Other (6.58%)
- Change of name or birth records (6.46%)

**TABLE 11: GRC First Activity Matters by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# FIRST ACTIVITIES	% FIRST ACTIVITIES
Total Tenancy	389	21.87%
Total Credit and Debt	328	18.44%
Total Other Civil Law	176	9.89%
Total Govt Pensions Benefits Allowances	137	7.70%
Total Contact and Residency	133	7.48%
Total Other Family Law	126	7.08%
Total Property	90	5.06%
Total Divorce and Separation	62	3.49%
Total Govt/Administrative Law	60	3.37%
Total Injuries	54	3.04%
Total Wills/Probate	50	2.81%
Total Family/Domestic Violence	36	2.02%
Total Employment	32	1.80%
Total Child Support	23	1.29%
Total Offences Against Property and Other Offences	23	1.29%
Total Child Protection	14	0.79%
Total Consumer Complaints	14	0.79%
Total Discrimination	10	0.56%
Total Offences Against Persons	7	0.39%
Total Motor Vehicle	6	0.34%
Total Child/Spousal Maintenance	3	0.17%
Total Immigration	3	0.17%
Total Neighbourhood Disputes	2	0.11%
Total Environment	1	0.06%
<b>TOTAL FIRST ACTIVITIES</b>	<b>1779</b>	<b>100.00%</b>

Source: GRC 2011, JSA 2011

## Advices

The problem type profile of advice activities in 2009/10 is similar to first activities, with a strong emphasis on tenancy, credit and debt, contact and residency, other civil law, other family law and government pensions and benefits. Advice services were also diverse across a range of problem types. Within these areas of law, key problem types included:



- Credit and Debt Other (10.93%)
- Tenancy access (8.39%)
- Other civil (6.09%)
- Change name or birth records (5.94%)
- Government pensions/benefits allowances Other (5.56%)
- Tenancy Other (4.01%)
- Child residency (3.82%)
- Child contact and contact orders (3.59%)

**TABLE 12: GRC Advices by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# ADVICES	% ADVICES
Total Tenancy	514	19.43%
Total Credit and Debt	477	18.03%
Total Contact and Residency	287	10.85%
Total Other Civil Law	228	8.62%
Total Other Family Law	175	6.62%
Total Govt Pensions Benefits Allowance	173	6.54%
Total Property	144	5.44%
Total Divorce and Separation	118	4.46%
Total Wills/Probate	87	3.29%
Total Injuries	85	3.21%
Total Govt/Administrative Law	73	2.76%
Total Family/Domestic Violence	59	2.23%
Total Child Support	39	1.47%
Total Employment	36	1.36%
Total Child Protection	34	1.29%
Total Offences Against Property and Other Offences	33	1.25%
Total Consumer Complaints	22	0.83%
Total Motor Vehicle	17	0.64%
Total Discrimination	17	0.64%
Total Offences Against Persons	12	0.45%
Total Child/Spousal Maintenance	7	0.26%
Total Immigration Law	4	0.15%
Total Environment	2	0.08%
Total Neighbourhood Disputes	2	0.08%
<b>TOTAL ADVICES</b>	<b>2645</b>	<b>100.00%</b>

Source: GRC 2011, JSA 2011

### Casework Activities

GRC casework activities for 2009/10 FY were also spread across a range of problem types. However, the vast majority of casework activities were associated with civil law problem types. Tenancy, credit and debt, injuries, other civil law and government/administrative law were primary areas of casework activities. Within these areas of law, key problem types included:

- Tenancy access (18.13%)
- Credit and debt - Other (13.6%)



- Tenancy rent (7.16%)
- Injuries compensation (5.85%)

**TABLE 13: GRC Casework Activities by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# CASEWORK ACTIVITIES	% CASEWORK ACTIVITIES
Total Tenancy	327	47.81%
Total Credit and Debt	176	25.73%
Total Injuries	44	6.43%
Total Other Civil Law	23	3.36%
Total Govt/Administrative Law	16	2.34%
Total Property	15	2.19%
Total Govt Pensions Benefits Allowance	14	2.05%
Total Motor Vehicle	13	1.90%
Total Contact and Residency	12	1.75%
Total Discrimination	9	1.32%
Total Divorce and Separation	7	1.02%
Total Child Protection	5	0.73%
Total Other Family Law	5	0.73%
Total Child Support	4	0.58%
Total Consumer Complaints	4	0.58%
Total Motor Vehicle	4	0.58%
Total Offences Against Property and Other Offences	4	0.58%
Total Family/Domestic Violence	2	0.29%
<b>TOTAL CASEWORK ACTIVITIES</b>	<b>684</b>	<b>100.00%</b>

Source: GRC 2011, JSA 2011

## 6.2.2 Analysis of programs offered by the centre

An analysis of the likely social and economic benefits of selected programs provided by the Geraldton Resource Centre is provided in the table below, together with a description of the programs, their aims and key outcomes.

Primarily, the CLC operates to provide assistance to people who would not otherwise have access to expert legal advice. It also assists people to access the legal and other systems where their access is limited, for example due to limited literacy. The CLC seeks to negotiate outcomes between parties and works with other programs within Geraldton Resource Centre to assist clients.

While the range of programs within Geraldton Resource Centre is much wider than those offered by the CLC component, the centre operates in a synergistic way, and in this way provides a social benefit much greater than that provided directly by the CLC component. The programs are intended to address the root cause of matters that otherwise present as legal issues and provide social and economic benefits across a range of areas. Primary areas include financial counselling, assistance with tenancy matters and programs aimed at addressing recidivism.



**TABLE 14: GRC Program Matrix**

GRC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Generalist Legal	<p>Provide legal services to the community with an emphasis on self empowerment, using paralegals and one solicitor with a practicing certificate. This limits the ability to do court work, with paralegals limited to support role in court.</p> <p>Telephone and face to face advice and casework provided from Geraldton and Carnarvon offices</p> <p>Outreach to clients based on need and appointments. Paralegals have specific geographic areas they service based on funding requirements.</p> <p>CLE and info sessions, regular Radio Mama interviews (Aboriginal radio station for the Mid West region) &amp; ABC</p> <p>Principal Solicitor does law reform work and joint submissions with other organisations.</p>	<p>Provide people with enough information to solve their issue. If additional assistance is required the centre will provide it in order to achieve a beneficial outcome for the client.</p>	<p>Hold government agencies and institutions to account where they are not enacting their own policies.</p> <p>Service fills gaps from Legal Aid, ALS (primarily criminal with some civil) and FVPLS (advice &amp; case work for Aboriginal women only).</p> <p>Facilitates access to the legal system, and in many situations resolution to a problem, for many people who would not have any other means of accessing the system.</p>	<p>GRC reduces court action by assisting a client to negotiate an agreement, where they would not have the skills or information to do so on their own.</p>	<p>GRC stops issues from developing further or worsening by making referrals both internal &amp; external of GRC for increased and specialised support for the client.</p>



GRC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
<p>Indigenous Women's paralegal</p>	<p>Provide legal information, advice and casework for Aboriginal women on criminal injuries compensation, motor vehicle injuries and child protection.</p> <p>Weekly appointments at GRC office</p> <p>Monthly outreach to Meekatharra, Mullewa, Cue, Mt Magnet for client appointments, liaison with services, information sessions</p> <p>Weekly outreach to Geraldton women's refuge</p> <p>Regular interviews with Radio Mama</p>	<p>To get clients compensation for injuries or to get their children back in their care.</p>		<p>Injuries compensation (CIC) claims require client to supply many external documents that cost money which may prevent a client from lodging a claim. GRC networks and assistance can facilitate reduced cost or free access to documents (e.g. Psychiatrists report). Clients are unlikely to access the system for CIC without GRC assistance. Legal Aid only provides initial advice and private solicitor fees high and any compensation received would pay lawyer and not client.</p>	<p>GRC is preventing women doing nothing about the violence they have experienced and injuries sustained.</p>
<p>Tenant advocates (Aboriginal specific and general)</p>	<p>Advocacy for clients in tenancy matters with private and social rental organizations through:</p> <p>Telephone and face to face advice and casework</p> <p>Assist clients at Residential Tenancy Magistrates Court</p> <p>CLE and information sessions (1 per month to 4 outreach locations, weekly at Geraldton Aboriginal Medical Service, irregularly at prison)</p> <p>Radio Mama interviews</p>	<p>Keep people housed and in tenancy agreement.</p> <p>To assist people to maintain their home, pay rent, know their rights, take responsibility and function successfully on their own.</p>	<p>Clients are unlikely to access legal system to have problem addressed without assistance of GRC.</p> <p>Other options are TAS hotline in Perth, consumer protection office, ALS, but all have limitations and will not do face to face outreach or court assistance.</p>		<p>GRC is preventing:</p> <p>Increasing debt</p> <p>Breakdown of the relationship between tenant and landlord (private or public)</p> <p>More people on tenancy 'blacklist'</p> <p>Loss of tenancy</p> <p>Homelessness</p>





GRC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Financial counselling	<p>To resolve issues with outstanding credit/debt for the benefit of client and creditor – with the client coming first; and improve money management skills through:</p> <ul style="list-style-type: none"> <li>Telephone and face to face advice and casework,</li> <li>Negotiation with creditors including utilities</li> <li>CLE and information sessions</li> <li>Regular monthly outreach to Mid West communities for workshops and client appointments</li> <li>Approve Hardship Utilities Grant Scheme (HUGS) applications</li> </ul>	<p>Negotiated outcomes where client can pay what they can afford and creditor gets something.</p> <p>Empowerment by giving clients skills they need to manage their own situation, providing them with options, and making sure they are aware of their rights and responsibilities.</p>	<p>Informing clients of their rights with collection agencies, and acting on their behalf regarding aggressive collection methods, intimidation, misleading clients, coercion and other deceptive practices.</p> <p>Informing creditors where they are not following codes of conduct, their own policies and the like.</p>	<p>Other options for assistance include Dept of Commerce, State Financial Counselling hotline, Legal Aid or a private lawyer. Most would be unable to cope with increased demand or are too costly for clients.</p> <p>Professional legal advice would cost a client at least \$280 per hour</p> <p>Dept of Commerce refers to GRC regularly.</p> <p>Hotline regularly closes down due to too many clients. It serves all of WA with 4 or 5 financial counsellors.</p>	<p>GRC is preventing:</p> <ul style="list-style-type: none"> <li>Bankruptcy where client has assets</li> <li>Loss of tenancy</li> <li>Foreclosures on properties</li> <li>People living without basic utilities and necessities</li> <li>Additional stress, depression, illness, and suicide</li> <li>Family violence</li> </ul>
Re-entry support	<p>Provide one-on-one support for prisoners at Greenough Regional Prison for 6 months pre-release and 12 months post-release by assisting with:</p> <ul style="list-style-type: none"> <li>Sourcing identification documents (birth certificate, medicare card, bank account)</li> <li>Outstanding issues including debts, cars, pets, child support</li> <li>Contacting family members</li> <li>Food, clothing, lifts, help seeking employment etc</li> <li>Make referrals to services w/in and outside GRC</li> </ul>	<p>Keep prisoners from re-offending for as long as possible.</p>			<p>Reduce recidivism</p>



GRC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
TOP (Transport Options Program)	<p>Transport prisoners via car, bus or plane back to their home community upon release.</p> <p>Rides are provided as far north as Exmouth and east to Meekatharra, with others using public transport.</p>	<p>Return prisoners to their home community &amp; connections immediately to prevent them from re-offending due to inability to get home and lack of accommodation and support.</p>			Reduce recidivism
Transitional Accommodation Support Service (TASS)	<p>Partnership with Homes West (three properties) provides six-month leases and support upon release from prison for singles or families reuniting.</p> <p>Assist with white goods, furniture, amenities, food etc to make it a 'home' upon release.</p>	<p>Provide supported accommodation for prisoners upon release to keep them from reoffending and re-integrate into the community.</p>			Reduce recidivism
Outreach	<p>Provide 12 months of support to prisoners who have returned to remote communities.</p>	<p>Keep prisoners from re-offending for as long as possible.</p>			Reduce recidivism
Money Business	<p>Money management service funded by FaHCSIA that provides:</p> <p>Financial literacy workshops using information from various government departments (eg. Dept of Commerce, WA Community Services etc) delivered in partnership with other organizations.</p> <p>Workshops are held weekly in Geraldton and regularly across many outreach locations in the Mid West based on a roster and expressed demand.</p> <p>Advice and casework to identify issues and prepare budgets with individual clients that arises from workshops, walk-ins and referrals from walk-in and outside GRC.</p> <p>Weekly visit to Geraldton Aboriginal Health Service</p> <p>Monthly ad in local Aboriginal paper.</p> <p>Free tax returns (eg. FY 09/10 completed 150)</p> <p>Prepare HUGS applications for Financial Counsellor to review and approve.</p> <p>Complete and process No Interest Loan Scheme (NILS) applications.</p>	<p>To improve outcomes in a financial way for individuals and the community.</p>		<p>With many services within GRC, referrals and problem solving for clients is more efficient.</p> <p>GRC is preventing or reducing:</p> <p>Incorrect payments to and from Centrelink and the</p> <p>Number of people experiencing financial hardship and accumulating debt</p>	<p>Receive referrals from Mental Health, Dept of Justice, Judges, Drug and Alcohol services etc where client is advised they require financial counselling assistance.</p> <p>GRC benefits those services by supporting clients at a personal, case managed level.</p> <p>Reduced costs for low-income households by providing Facilitate access to programs (eg. NILS, HUGS, free patches to quit smoking etc)</p>

GRC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/outcomes	Avoiding externalities
Private Rental Accommodation Casework (PRAC)	<p>Provide assistance to those seeking or in private rental tenancy including:</p> <p>For existing tenants - negotiation with real estate agents and property owners re: arrears, property maintenance, anti-social behaviour</p> <p>For new tenants – review tenancy history, work in partnership with other GRC services to relieve outstanding debts, liaise with references, bond assistance forms, gather private rental list and discuss needs, arrange/accompany to viewing, assist with property application, refer to other services for furniture etc</p> <p>Regular interviews on Radio Mama</p>	<p>To prevent homelessness by assisting client to keep tenancy or attain stable accommodation whilst waiting for social housing (Dept of housing wait list 6 years, priority list 12-18 months)</p>		<p>GRC is preventing issues with landlords escalating to court, if possible.</p>	<p>GRC is preventing:</p> <p>Homelessness</p> <p>Families from being separated due to homelessness.</p> <p>If able to assist people to keep successful private tenancies, GRC reduces demand on public housing system and waiting list.</p>
Homelessness – Prisoners	<p>Locate accommodation and provide support for prisoners referred from Corrective Services, Community Justice and Youth Justice.</p> <p>Funded to house up to 16 clients per 12 month period.</p> <p>Source houses through private market, public, family member, etc – solely Geraldton based</p> <p>Weekly home visits for tenants</p> <p>Background checks on all properties to assess suitability of placement</p>	<p>To see clients housed for 12 months.</p>			<p>GRC is preventing:</p> <p>Homelessness</p> <p>Recidivism or length of time between re-offending</p>
Homelessness – General	<p>Locate accommodation (public or private) and provide support for those who are homeless or at risk of imminent homelessness.</p> <p>Funded to house up to 10 clients every six months.</p> <p>Weekly or semi-regular home visits for clients</p> <p>Assistance with anything to maintain tenancy – assistance with job search, independent living skills etc.</p>	<p>To see clients housed for 12 months.</p>			<p>GRC is preventing:</p> <p>Homelessness</p> <p>Living in unsafe and violent situations with or without children</p> <p>Depression, suicide</p>

Source: Staff interviews during week of 11-15 April 2011 and centre publications



## 6.2.3 Assessment of Economic Benefit

A random sample of twenty cases and twenty advices was selected and the economic benefits evaluated. In addition, staff provided one case evaluated by them as being of high value, and the economic benefits of this case was estimated.

The results of the analysis are tabulated below.

**TABLE 15: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$2,860	\$600	\$173
Random Cases	20	\$168,000	\$8,820	\$68,000	\$12,241 (\$4,241 if a training course with an assessed benefit of \$160,000 is excluded)
Selected Cases	1	\$224,000	\$0	\$0	\$224,000

Source: JSA research and analysis

In 2009-10 the Geraldton Legal Centre had total expenses of around \$520,000. In that period, the centre had 684 cases and 2,645 advices. Using the averages for the random sample above, the total benefit is estimated at \$8.8 million, a cost benefit ratio of about 17.

A large benefit has been associated with a training session carried out by the CLC for another organisation. It is debatable as to whether this benefit should be ascribed to the legal centre rather than to the other agency. Excluding this training session, the total benefit is estimated at \$3.4 million, a cost benefit ration of over six.

The average cost over cases and benefits is \$137, suggesting the cost benefit ratio on advices is 1.3. As cases are likely to take more resources than advices, the economic return on advices is likely to be marginal.

The major uncertainty in the estimate is the degree to which the benefit would have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. However in the worst case, the CLC would need to be instrumental in one in six cases to break even, hence it is likely that a positive cost benefit ratio is achieved.

One high value case was identified. If the Community Legal Centre was instrumental in five such outcomes in two years, this would justify the cost of the centre.

## 6.3 Consumer Credit Legal Centre NSW

The Consumer Credit Legal Centre NSW is located in Surry Hills, New South Wales (an inner city suburb of Sydney). CCLC NSW provides a statewide service across NSW and a national service for its insurance law program.

### 6.3.1 Centre Profile

#### Current Staffing Profile

Based on information received from the centre, the current staffing profile for CCLC is as follows.

**TABLE 16: Staffing Profile, CCLC**

ROLE	FTE
Administration (3 staff, 1 also does some Solicitor work)	2.3
Solicitors (10 staff)	9
Financial Counsellors (7 staff)	5
<b>TOTAL</b>	

Source: CCLC 2011, JSA 2011

The centre also receives support from a range of volunteers. In general, the centre's volunteer profile is as follows:

**TABLE 17: Volunteer Profile, CCLC**

ROLE	HOURS PER WEEK	FTE
Legal volunteers	0	0
Student volunteers	1-3 PLT students completed 15 week placements	2
Administrative volunteers	0	0
<b>TOTAL</b>		

Source: CCLC 2011, JSA 2011

#### Current Service Provision

##### Client Profile

During the 2010 calendar year, the CCLC provided service to 6925 clients.<sup>49</sup>

- 49.5% female clients, 49.9% male clients, 0.6% client sex/gender unknown
- 1.0% Indigenous clients
- 0.2% were under 18 years, 22.9% were aged 18-34 years, 36.4% were aged 35-49 years, 21.4% were aged 50-64 years, 5.3% were aged 65 or older and 13.8% age was not stated
- 94.5% were new clients during the period, 4.1% were repeat<sup>50</sup> clients and 1.4% were existing<sup>51</sup> clients.<sup>52</sup>

49 As per CLSIS CC6. Client by Law Type reports.

50 Previous file closed.

51 File still open.

52 As per CLSIS CMR1.1 Activity Summary count of 6901 total clients for 2010.

### Activity Profile

- CCLC conducted 6832 information and 9896 advice activities in 2010.
- The centre opened 487 new cases during the year and closed 455 cases, including 144 minor cases, 178 medium and 133 major cases.
- CCLC completed 4 non-casework projects during the year including 1 CLE project and 1 Law Reform and Policy project.
- There were 5 non-casework projects open and still going and throughout the period.<sup>53</sup>

### Problem Type Profile

CCLC provides advice and casework across particular civil law problem types related to credit and debt, consumer complaints and insurance claims.

### First Activity Matters

First Activity Matters are a count of the first interaction or ‘activity’ a client has with the service within the period of time specified. First Activities would most likely be advices and are thought to represent the most common problem types generated by clients of the service. For CCLC in the 2010 FY, there were 8311 first activity matters. 78.1% of matters were associated with credit and debt problem types, 9.9% were related to consumer complaints, generally concerning insurance, and 12% were related to motor vehicle crashes. The following table below shows the first activity matters by problem type sorted high to low.

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53 As per CSLIS CMR1.1 Activity Summary



**TABLE 18: CCLC First Activity Matters by Total Problem Type Sorted High to Low**

CODE	PROBLEM TYPE	# FIRST ACTIVITIES	% FIRST ACTIVITIES
3420	Credit and debt consumer credit	1602	19.28%
3440	Credit and debt owed by client	1186	14.27%
3425	Credit and debt mortgage hardship	1047	12.60%
5320	Consumer complaints financial/insurance/super etc	658	7.92%
3410	Credit and debt bankruptcy	477	5.74%
5510	Motor vehicle accident	420	5.05%
3471	Statement of claim	416	5.01%
3460	Credit and debt collection	291	3.50%
3472	Judgment debt	262	3.15%
5520	Motor vehicle property damage	257	3.09%
5521	Motor vehicle 3rd party recovery by insurer	253	3.04%
3490	Credit and debt Other	211	2.54%
3461	Repossession car	159	1.91%
3476	Garnishee (wages/salary/account)	137	1.65%
3430	Credit and debt owed to client	102	1.23%
3470	Credit and debt recovery (court)	76	0.91%
3482	Credit reporting dispute	75	0.90%
3412	Bankruptcy Notice	70	0.84%
3473	Writ for levy of property	70	0.84%
5590	Motor vehicle Other	70	0.84%
3481	Credit report enquiry	68	0.82%
3475	Notice to vacate	52	0.63%
3414	Part IX Agreement	42	0.51%
5322	Insurance - storm/flood	42	0.51%
5380	Consumer complaints fair trade/trade/sell practice	39	0.47%
5390	Consumer complaints Other	39	0.47%
3480	Credit and debt information/privacy	32	0.39%
3413	Creditor's Petition	31	0.37%
3477	Examination notice/order	30	0.36%
3474	Writ of possession	20	0.24%
3462	Repossession other goods	16	0.19%
5370	Consumer complaints services	16	0.19%
3411	Debtor's Petition	10	0.12%
5360	Consumer complaints products	10	0.12%
5361	Mathematics tutoring software	8	0.10%
3441	Debt to insurance company (not MVA)	6	0.07%
5340	Consumer complaints legal/solicitors	5	0.06%
5321	Insurance - bushfire	4	0.05%
5310	Consumer complaints building	2	0.02%
<b>TOTAL FIRST ACTIVITIES</b>		<b>8311</b>	<b>100.00%</b>

Source: CCLC 2011, JSA 2011



**Advices**

The problem type profile of advice activities in 2010 is similar to first activities, with 81% of advices related to credit and debt, 9.2% related to consumer complaints, largely insurance matters, and 9.9% dealing with motor vehicle crashes. The following table below shows advices by problem type sorted high to low.





**TABLE 19: CCLC Advices by Total Problem Type Sorted High to Low**

CODE	PROBLEM TYPE	# ADVICES	% ADVICES
3420	Credit and debt consumer credit	2114	17.03%
3425	Credit and debt mortgage hardship	1959	15.79%
3440	Credit and debt owed by client	1538	12.39%
5320	Consumer complaints financial/insurance/super etc	908	7.32%
3471	Statement of claim	799	6.44%
3410	Credit and debt bankruptcy	625	5.04%
5510	Motor vehicle accident	520	4.19%
3472	Judgment debt	516	4.16%
3460	Credit and debt collection	450	3.63%
5521	Motor vehicle 3rd party recovery by insurer	311	2.51%
5520	Motor vehicle property damage	305	2.46%
3490	Credit and debt Other	297	2.39%
3461	Repossession car	268	2.16%
3476	Garnishee (wages/salary/account)	251	2.02%
3470	Credit and debt recovery (court)	183	1.47%
3412	Bankruptcy Notice	175	1.41%
3475	Notice to vacate	143	1.15%
3473	Writ for levy of property	127	1.02%
3430	Credit and debt owed to client	126	1.02%
3482	Credit reporting dispute	97	0.78%
5590	Motor vehicle Other	90	0.73%
3481	Credit report enquiry	75	0.60%
3477	Examination notice/order	64	0.52%
3413	Creditor's Petition	59	0.48%
5380	Consumer complaints fair trade/trade/sell practice	59	0.48%
5390	Consumer complaints Other	56	0.45%
3474	Writ of possession	54	0.44%
5322	Insurance - storm/flood	49	0.39%
3414	Part IX Agreement	43	0.35%
3480	Credit and debt information/privacy	34	0.27%
3462	Repossession other goods	28	0.23%
5370	Consumer complaints services	25	0.20%
5361	Mathematics tutoring software	16	0.13%
3411	Debtor's Petition	11	0.09%
5360	Consumer complaints products	11	0.09%
5340	Consumer complaints legal/solicitors	9	0.07%
3441	Debt to insurance company (not MVA)	7	0.06%
5321	Insurance - bushfire	5	0.04%
5310	Consumer complaints building	3	0.02%
<b>TOTAL ADVICES</b>		<b>12410</b>	<b>100.00%</b>

Source: CCLC 2011, JSA 2011



## Casework Activities

The problem type profile of CCLC casework activities for 2010 calendar year was similar to first activities and advices, with a slightly greater emphasis on consumer complaints. 79% of casework activities were associated with credit and debt, 12.6% were related to consumer complaints, largely involving insurance matters, and 8.1% related to motor vehicles. The following table below shows casework activities by problem type sorted high to low.

**TABLE 20: CCLC Casework Activities by Total Problem Type Sorted High to Low**

CODE	PROBLEM TYPE	# CASEWORK ACTIVITIES	% CASEWORK ACTIVITIES
3420	Credit and debt consumer credit	166	26.82%
3425	Credit and debt mortgage hardship	117	18.90%
5320	Consumer complaints financial/insurance/super etc	69	11.15%
3440	Credit and debt owed by client	44	7.11%
3471	Statement of claim	32	5.17%
3472	Judgment debt	24	3.88%
3475	Notice to vacate	23	3.72%
5521	Motor vehicle 3rd party recovery by insurer	19	3.07%
3461	Repossession car	16	2.58%
5510	Motor vehicle accident	15	2.42%
5520	Motor vehicle property damage	14	2.26%
3460	Credit and debt collection	13	2.10%
3410	Credit and debt bankruptcy	11	1.78%
3476	Garnishee (wages/salary/account)	11	1.78%
3473	Writ for levy of property	8	1.29%
3413	Creditor's Petition	5	0.81%
3470	Credit and debt recovery (court)	5	0.81%
3412	Bankruptcy Notice	4	0.65%
5322	Insurance - storm/flood	4	0.65%
3482	Credit reporting dispute	3	0.48%
3430	Credit and debt owed to client	2	0.32%
3474	Writ of possession	2	0.32%
3477	Examination notice/order	2	0.32%
3490	Credit and debt Other	2	0.32%
5361	Mathematics tutoring software	2	0.32%
5380	Consumer complaints fair trade/trade/sell practice	2	0.32%
5590	Motor vehicle Other	2	0.32%
3481	Credit report enquiry	1	0.16%
5390	Consumer complaints Other	1	0.16%
<b>TOTAL CASEWORK ACTIVITIES</b>		<b>619</b>	<b>100.00%</b>

Source: CCLC 2011, JSA 2011

### 6.3.2 Analysis of programs offered by the centre

An analysis of the likely social and economic benefits of selected programs provided by the Consumer Credit CLC are provided in the table below, together with a description of the programs, their aims and key outcomes.

At the highest level, the CLC functions to provide an expert knowledge base in the area of consumer credit acting in the public interest and providing valuable input to policy makers. The centre also serves a compliance function, by assessing the performance of lenders and insurance companies against codes of practice and statutory regulation and ensuring, as far as they are able, that those codes of practice and regulations are complied with. At a more practical level, benefits are achieved by the CLC facilitating negotiation between parties, with these benefits accruing to creditors, debtors and to the broader community. Importantly, and similar to other centres, the centre seeks to address the root cause of matters that would otherwise present as legal problems by providing counselling and support to clients.



**TABLE 21: CCCLC Program Matrix**

CCCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/ outcomes	Avoiding externalities
Credit and Debt Hotline & Casework Service	<p><b>AIMS:</b> To provide legal advice and casework, financial counselling information and referrals to NSW residents in relation to credit, debt and financial hardship.</p> <p><b>SERVICES/ACTIVITIES:</b> Clients receive initial information and advice (including legal advice) required to resolve their problem on their own if possible. If the matter is more complex and/or the client is unable to self-advocate, face to face financial counselling or legal assistance will be offered. Legal assistance may include making submissions on behalf of the client to an appropriate dispute resolution service. Provide professional advice to financial counsellors, CLCs, Legal Aid and other services as required. Appear on behalf of clients in courts and tribunals including the NSW Supreme Court. Lodge complaints on behalf of clients to regulatory organisations (such as Australian Securities &amp; Investments Commission, Legal Services Commissioner, and Insolvency Trustee Service of Australia) to ensure that they are aware of relevant systemic breaches of legislation.</p>	<p>Majority of clients able to resolve their issues on their own.</p> <p>Clients with urgent, complex matters, strong public interest component, limited ability to self-advocate, and/or is severely disadvantaged (including pensioner, low income family, disability, NESB) assisted with additional advice and casework to help solve issue.</p>	<p>Ensure that lenders and creditors are operating according to law and codes of practice.</p> <p>Ensure External Dispute Resolutions Schemes are accessible for consumers, fair and accountable.</p>	<p>Negotiation and planning with debtors and creditors can significantly reduce use of court procedures.</p>	<p>Reduce unnecessary bankruptcies – where creditors lose out entirely on recovering their debts and the individual may experience limitations in the future and rely on government subsidies.</p> <p>Can be positive outcome for creditors, to receive some repayment of debt versus none at all.</p>
Insurance Law Service	<p><b>AIMS:</b> To provide nationwide free legal information, advice and casework for people who have problems with insurance claims. To identify legitimate barriers to making claims. To prevent unnecessary bankruptcies. To raise the profile of the dispute resolution process.</p> <p><b>SERVICES/ACTIVITIES:</b> Legal information and advice provided nationally via a 1300 number for insurance related matters (primarily related to motor vehicle, natural disaster and/or difficulty receiving claims).</p>	<p>Clients having trouble making claims are able to resolve their issues. Barriers to making claims are identified and reformed if possible.</p>	<p>Monitor and ensure insurance industry is acting in accordance with established laws and codes of practice.</p>	<p>Negotiation between parties can significantly reduce use of court procedures.</p>	



CCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/ outcomes	Avoiding externalities
Mortgage Hardship Service	<p><b>AIMS:</b> To provide information, advice and casework to homeowners in NSW in order to help people stay in and save their homes if possible. If staying in the home/saving the home is not financially sustainable for the client, assist to minimise the loss (e.g. Sale of property etc).</p> <p><b>SERVICES/ACTIVITIES:</b> Telephone information, advice and referrals. Casework for appropriate clients (see above). Provide free advice via a duty roster once per week at the NSW Supreme Court for unrepresented litigants in the possessions list (e.g. Assist with urgent stays on Writs for Possession).</p>	<p>A client's home is retained and a sustainable repayment program is achieved.</p> <p>If a home is unable to be saved, a strategy is developed to minimise the loss and to assist client to repay some debt and move forward.</p>		<p>Negotiation between parties can significantly reduce use of court procedures.</p>	<p>Loss of a home. Unnecessary bankruptcies. Personal and family stress, health issues, etc.</p>
Policy and Law Reform	<p><b>AIMS:</b> To provide feedback and accountability to the credit/lending industry &amp; regulators.</p> <p><b>ACTIVITIES/SERVICES:</b> Prepare policy submissions Represent CCLC on multiple advisory committees, panels, reference groups etc – at a high level.</p>	<p>Serve an accountability function and provide feedback to the consumer credit process at a very high level (e.g. Commonwealth – ASIC, Treasury, State, Major Banks and other lenders, creditors/collection agencies). Assist in the reform of laws to improve/safeguard the system for consumers.</p>			



CCLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS	
			Proper operation of the legal system	Efficiency of service provision/ outcomes
			Avoiding externalities	
<p>Training &amp; Education</p>	<p><b>AIMS:</b>            To inform and train community sector professionals about key issues related to consumer credit (such as changes to laws, etc) in order to improve service provision to clients.            To inform the public regarding key issues, their rights and responsibilities related to consumer credit in order to reduce incidence and severity of problems experienced by consumers.            To increase awareness of availability of CCLC services.            To encourage and facilitate debate on law-reform issues.</p> <p><b>SERVICES/ACTIVITIES:</b>            Conduct regular training for Financial Counsellors in urban and rural NSW.            Respond to media inquiries to provide public education on key issues through newspaper, radio, magazines and TV.            Develop and distribute education materials for the sector (e.g. Credit Law Toolkit to inform financial counsellors, legal aid solicitors and community sector lawyers how to use new Commonwealth laws. 1100 copies distributed free to services across Australia or Mortgage Stress Handbook).</p>	<p>Informed and competent service providers (e.g. Financial counsellors, solicitors, etc) and public/consumers.            Reduced incidence/severity of consumer credit problems.</p>		

Source: Based on information received from Karen Cox during 05/05/11 interview and Centre's 2009/10 Annual Report.



### 6.3.3 Assessment of Economic Benefit

A random sample of twenty cases and twenty advices were selected and the economic benefits evaluated. In addition, staff provided cases evaluated by them as being of high value. Typically the economic benefits of these cases were similar to those in the random sample of cases, consequently these were not evaluated.

The results of the analysis are tabulated below.

**TABLE 22: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$54,047	\$17,850	\$3,595
Random Cases	20	\$0	\$11,670	\$35,910	\$2,379

Source: JSA research and analysis

In 2009-10 the Consumer Credit Legal Centre had total expenses of around \$1,378,000. In that period, the centre had 619 cases and 12,410 advices. Using the averages for the random sample above, the total benefit is estimated at \$46.1 million, a cost benefit ratio of around 33.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. However there is considerable comfort in the high cost benefit ratio, suggesting that if only one in thirty outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.

No particular high value cases were identified, however there is a benefit associated with most matters, the average benefit is quite high, and a very large number of advices are processed. Of particular interest, particularly with regard to mortgage dispute, the earlier the centre was involved particularly prior to legal action, the greater the benefit. The overall impression is that the centre deals with a range of people and matters and does this in a very efficient way, particularly not wasting people’s time and the centre’s resources where there is no case, and strategically following through on selected matters for a range of reasons. This is an effective use of community resources and is reflected in the high benefit cost ratio.

The economic benefits of the proper process of the law with respect to contracts are difficult to determine.

The economic benefit of contract law largely comes from allowing people to conduct transactions over time by making sure that customers get what they pay for, and suppliers provide no more than they have been paid for, that is that prices reflect accurately reflect services. The economic costs if society didn’t have a proper regulatory system around contracts could be enormous, but because society does have such a system, it (probably) functions at a level where costs just equal benefits. It is expected that on average, the marginal costs of pursuing a claim would be equal to the marginal benefits however this will not always be the case, particularly where there is asymmetric information. The Consumer Credit Legal Centre performs an important function in this regard, by providing expert advice at low cost to offset the high cost to individuals in obtaining sufficient information to reach an informed view. Insurance companies and financiers are dealing with claims and the courts all the time, and so would be much more likely to know the law than an individual who may have one or two matters in a lifetime. This provides an opportunity for moral hazard, where a company may reject a claim without appropriate support, but taking advantage of the customer’s lack of sophistication. This benefit is best assessed in terms of willingness to pay, that is what price is the community prepared to pay to have access to good legal advice at no cost.

By way of example, the cost of the centre per advice is \$111. This may represent good value in terms of the community’s willingness to pay, as a “flag fall” with a private solicitor is likely



to be around \$300, and the centre has a very high level of expertise as they deal with these matters all the time. On a per capita basis and taking the adult population of NSW as 4.9 million,<sup>54</sup> the cost of the centre per adult is \$0.30 per year. In this regard, even though the average benefit associated with cases is about half the benefit associated with advices, the cases probably serve a training or currency purpose, ensuring that solicitors in the centre are up to date with the law. More importantly, there is an additional benefit arising from case work as matters can often be settled quickly as creditors and insurers know that the CLC is prepared to run cases through court or external dispute resolution and are therefore more inclined to settle than if the CLC offered advice only with no opportunity to engage the legal system.

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54 ABS Census 2006





## 6.4 Marrickville Legal Centre

The Marrickville Legal Centre (MLC) is located in Marrickville, New South Wales (an inner suburb of Sydney) and was established in 1979. MLC's primary geographic service catchment includes the 12 LGAs of Ashfield, Auburn, Bankstown, Burwood, Canada Bay, Canterbury, Hurstville, Kogarah, Marrickville, Rockdale, Strathfield and Sutherland.

### 6.4.1 Centre Profile

#### Current Staffing Profile

MLC staff are divided into three teams: legal, tenancy and administration. Based on information received from the centre, the current staffing profile as at March 2011 for each team is as follows.

**TABLE 23: Staffing Profile Summary, MLC**

ROLE	HOURS PER WEEK	FTE
Total Permanent	262.5	7.5
Total Temporary	136.5	3.9
Total Volunteer	256	7.3
<b>TOTAL</b>	<b>655</b>	<b>18.7</b>

Source: MLC 2011, JSA 2011

**TABLE 24: Detailed Staffing Profile, MLC**

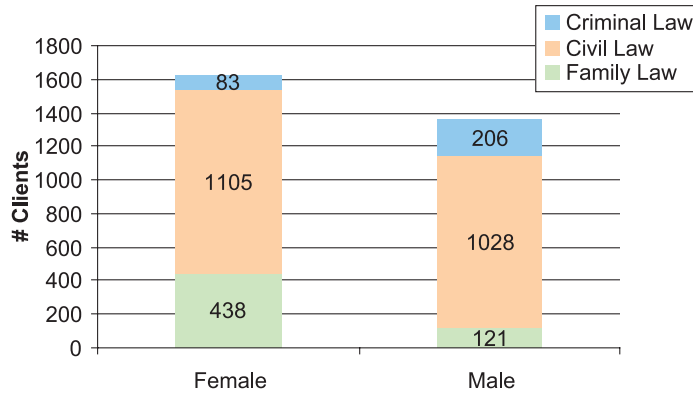
TEAM	ROLE	HOURS PER WEEK	FTE
Legal	Principal Solicitor (Permanent)	35	1
Legal	Solicitor (Permanent)	91	2.6
Legal	Solicitor (Temporary)	28	0.8
Legal	Solicitor (Secondee from Private Firm)	16	0.45
Legal	Solicitor (Volunteer)	5	0.14
Legal	Paralegal (Temporary)	7	0.2
Legal	Legal Student (Volunteer)	70	2
Legal	Evening Advice Solicitor (Volunteer)	68	1.9
Legal	Evening Advice Assistant (Volunteer)	17	0.5
Tenancy	Advocate (Permanent)	45.5	1.3
Tenancy	Advocate (Temporary)	52.5	1.5
Tenancy	Information/Referral Officer (Permanent)	17.5	0.5
Administration	Centre Coordinator (Permanent)	35	1
Administration	Information/Referral Officer (Permanent)	17.5	0.5
Administration	Finance (Permanent)	21	0.6
Administration	DVPASS Coordinator (Temporary)	35	1
Administration	DVPASS Worker (Temporary)	14	0.4
Administration	Student (Volunteer)	80	2.3
<b>TOTAL</b>		<b>655</b>	<b>18.7</b>

Source: MLC 2011, JSA 2011



- 48% of clients had a stated age. Of the group of clients with a known age: 8% were under 18 years, 31% were aged 18-34 years, 34% were aged 35-49 years, 20% were aged 50-64 years, and 7% were aged 65 or older.
- 87% were new clients during the period, 11% were repeat clients and 2% were existing clients.<sup>56</sup>

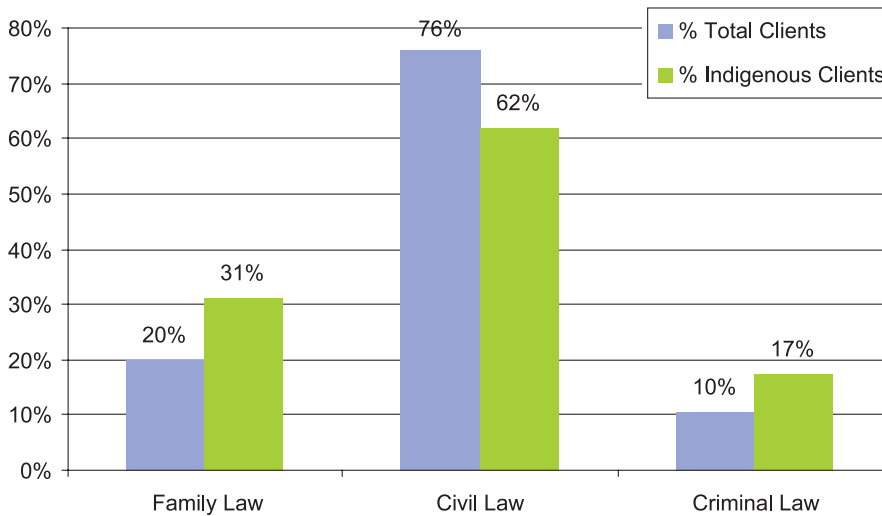
Female and male clients had slightly different law type profiles, with female clients more likely to receive services for family law type problems and males more likely to receive services for criminal law type problems.



**FIGURE 7: Law Type Profile for Male and Female MLC Clients**

Source: MLC 2011, JSA 2011

Indigenous clients were less likely than Total Clients to receive services for civil law problems and more likely to receive services for family and criminal law problems. Note that for 2009/10, Indigenous clients comprised 1% of total clients (n=29).



**FIGURE 8: Law Type Profile for Total and Indigenous MLC Clients**

Source: MLC 2011, JSA 2011

## Activity Profile

MLC conducted 2994 information and 3582 advices activities in 2009/10. The centre opened 285 new cases during the year and closed 250 cases, including 168 minor cases, 61 medium and 2 major cases. MLC also completed 102 non-casework projects during the year including 59 CLE projects and 28 Law Reform and Policy projects. The following table shows a breakdown of activities by funded service type.

<sup>56</sup> As per CLSIS CA1.1 Activity Summary count of 2840 total clients for 2009/10 FY.

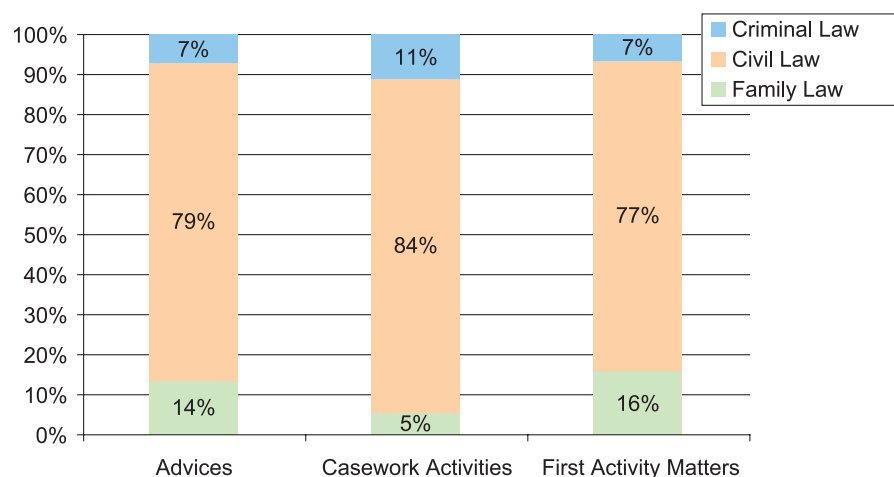
**TABLE 25: MLC Activities by Funded Service Type**

SERVICE TYPE/SPECIFIC PROJECT	Advice	Cases open at start	Cases opened during period	Cases closed during period	CLE Activities completed during period	LRLP Activities completed during period
TOTAL ACTIVITIES	3582	75	285	250	59	28
<i>Funded Service Type</i>						
Generalist	1758	52	158	142	21	4
Generalist credit and debt	33		6	3		
Generalist DVAS	414				2	
Generalist tenancy	1097	8	44	29	5	
Generalist Youth	236	15	75	74	29	23
FRC	44		2	2	2	1

Source: MLC 2011, JSA 2011

### Problem Type Profile

MLC works across all areas of law, but a large proportion of its activities (advices, casework and first activity matters) are focused on civil law problem types.



**FIGURE 9: Law Type Profile by Advice, Casework and First Activities**

Source: MLC 2011, JSA 2011

### First Activity Matters

First Activity Matters are a count of the first interaction or ‘activity’ a client has with the service within the period of time specified. First Activities would most likely be advices and are thought to represent the most common problem types generated by clients of the service. For MLC in the 2009/10 FY, there were 3850 first activity matters. The most common problem types were Tenancy, Employment, Family/Domestic Violence, Credit/Debt and Offences Against Property or Other Offences. Over a third of all first activities are related to Tenancy problem types; however the table below shows the diversity of problem types captured during first activities in 2009/10.



**TABLE 26: MLC First Activity Matters by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# FIRST ACTIVITY MATTERS	% FIRST ACTIVITY MATTERS
Total Tenancy	1392	36.2%
Total Employment	431	11.2%
Total Family/Domestic Violence	415	10.8%
Total Credit and Debt	376	9.8%
Total Offences Against Property and Other Offences	226	5.9%
Total Govt/Administrative Law	201	5.2%
Total Motor Vehicle	188	4.9%
Total Contact and Residency	131	3.4%
Total Consumer Complaints	130	3.4%
Total Injuries	73	1.9%
Total Discrimination	73	1.9%
Total Other Civil Law	62	1.6%
Total Offences Against Persons	33	0.9%
Total Other Family Law	29	0.8%
Total Wills/Probate	23	0.6%
Total Child Support	16	0.4%
Total Property	16	0.4%
Total Neighbourhood Disputes	10	0.3%
Total Divorce and Separation	8	0.2%
Total Govt Pensions Benefits Allowances	8	0.2%
Total Child/Spousal Maintenance	3	0.1%
Total Child Protection	3	0.1%
Total Immigration Law	3	0.1%
<b>TOTAL FIRST ACTIVITY MATTERS</b>	<b>3850</b>	<b>100.0%</b>

Source: MLC 2011, JSA 2011

### Advices

The problem type profile of advice activities in 2009/10 is similar to first activities, with a third of advices dealing with Tenancy matters and smaller proportions related to Credit/Debt, Employment, Family/Domestic Violence and Offences Against Property and Other Offences. Advice services were also diverse across a range of problem types. Within these areas of law, key problem types included:

- Family or domestic violence order, 8.1%
- Credit/debt owed by client, 7.5%
- Tenancy other, 7.5%
- Government/Administration issues relating to fines, 4.8%

**TABLE 27: MLC Advices by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# ADVICES	% ADVICES
Total Tenancy	1760	33.0%
Total Credit and Debt	638	12.0%
Total Employment	571	10.7%
Total Family/Domestic Violence	467	8.8%
Total Offences Against Property and Other Offences	340	6.4%
Total Govt/Administrative Law	328	6.2%
Total Motor Vehicle	317	5.9%
Total Consumer Complaints	236	4.4%
Total Contact and Residency	166	3.1%
Total Injuries	131	2.5%
Total Discrimination	105	2.0%
Total Other Civil Law	82	1.5%
Total Offences Against Persons	46	0.9%
Total Other Family Law	36	0.7%
Total Wills/Probate	29	0.5%
Total Property	18	0.3%
Total Child Support	17	0.3%
Total Neighbourhood Disputes	15	0.3%
Total Divorce and Separation	9	0.2%
Total Govt Pensions Benefits Allowances	7	0.1%
Total Child/Spousal Maintenance	4	0.1%
Total Child Protection	3	0.1%
Total Immigration Law	2	0.0%
Total Environment	1	0.0%
<b>TOTAL ADVICES</b>	<b>5328</b>	<b>100.0%</b>

Source: MLC 2011, JSA 2011

### Casework Activities

MLC casework activities for 2009/10 FY were spread across a range of problem types. Whilst Tenancy matters were again a key area of activity, these types of matters comprised 17% of casework equal to Credit/Debt casework. Employment, Government/Administrative law, Offences Against Property and Other Offences, and Injuries were primary areas of casework activities. Within these areas of law, key problem types included:

- Credit/debt owed by client, 12.5%
- Government/Administration issues relating to fines, 8.2%
- Injuries compensation, 4.7%
- Employment unfair dismissal, 4.5%
- Tenancy termination by lessor, 4.0%
- Road traffic and motor vehicle regulatory offences, 3.8%



**TABLE 28: MLC Casework Activities by Total Problem Type Sorted High to Low**

PROBLEM TYPE	# CASEWORK ACTIVITIES	% CASEWORK ACTIVITIES
Total Tenancy	73	17.2%
Total Credit and Debt	73	17.2%
Total Employment	61	14.4%
Total Govt/Administrative Law	48	11.3%
Total Offences Against Property and Other Offences	40	9.4%
Total Injuries	31	7.3%
Total Motor Vehicle	18	4.2%
Total Other Civil Law	18	4.2%
Total Consumer Complaints	16	3.8%
Total Discrimination	12	2.8%
Total Family/Domestic Violence	10	2.4%
Total Contact and Residency	9	2.1%
Total Offences Against Persons	7	1.6%
Total Wills/Probate	3	0.7%
Total Property	2	0.5%
Total Neighbourhood Disputes	2	0.5%
Total Child Support	1	0.2%
Total Other Family Law	1	0.2%
<b>TOTAL CASEWORK ACTIVITIES</b>	<b>425</b>	<b>100.0%</b>

Source: MLC 2011, JSA 2011

### 6.4.2 Analysis of programs offered by the centre

An analysis of the likely social and economic benefits of selected programs provided by the Marrickville LC is provided in the table below, together with a description of the programs, their aims and key outcomes.

Primarily, the CLC operates to provide assistance to people who would not otherwise have access to expert legal advice. It also assists people to access the legal and other systems where their access is limited due to lack of skills or sophistication. The CLC runs particular programs in the areas of young people, tenancy and domestic violence.



**TABLE 29: MLC Program Matrix**

MLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS	Efficiency of service provision/ outcomes	Avoiding externalities
<p>Generalist Legal Services</p>	<p>To provide access to justice for people who would not otherwise have it.</p> <p>To provide information and advice to anyone living in the 12 LGAs of the MLC catchment, that is not-selective or means tested, in certain areas of law.</p> <p>To provide minor casework assistance and casework to clients who are particularly disadvantaged in their access to justice including Indigenous, NESB, women experiencing/escaping DV, people with mental health issues and/or disabilities, youth, and people who are gay/lesbian.</p> <p>Youth and Indigenous clients are able to see solicitor without an appointment, to avoid failure to return.</p> <p>Outreach once per fortnight for NESB living in Rockdale and Kogarah at the St George Migrant Resource Centre.</p> <p>Investigating new outreach to Burwood, Homebush West, and Belmore/Campsie areas based on legal needs strategic planning.</p> <p>Mentor and train PLT student placements.</p> <p>CLE, law reform and policy work.</p> <p>Family Relationship Centre partnership.</p> <p>Facilitate access to Victim's Compensation for CALD and vulnerable women.</p>	<p>People who wouldn't normally have access to legal advice can determine what their problem is, what options they have to deal with it, be connected to the most appropriate legal service to deal with their problem, and eventually obtain a resolution.</p> <p>Resolution of issues, including providing important information where people do not have a case.</p>	<p>Impact on Government: The centre agitates for reform where systemic issues are identified. Holds government agencies and institutions to account where they are not enacting their own policies.</p> <p>Impact on private enterprise: In employment law matters having a represented client achieves better results in more efficient way as employers take the matter more seriously. Representation 'levels the playing field'.</p> <p>Impact on 'legal system': Improves and increases accessibility to the system.</p> <p>The centre facilitates pro bono work by legal firms, practices and professional. There are 80 volunteer solicitors in the MLC advice program, and each gives 1 evening per fortnight of time.</p>	<p>Providing clients with information about their rights, responsibilities, and procedural issues (such as the correct forum/arena and way to do things) saves considerable time and resources.</p> <p>If a client does not start a matter in the correct forum (CTTT, local court, Fair Work Australia, etc) they waste the registrar's time.</p> <p>If someone commences a claim incorrectly, the court may require multiple amendments to get it right. This is very inefficient for the client, court and all involved.</p> <p>With fines, often the person should pay what they can, as opposed to progressing a case where they have no grounds.</p> <p>Much of the work of the centre is in negotiated settlements without litigation, estimated at 90% of the time. This is a considerable cost saving, as the highest costs are incurred in a trial with a judge or magistrate's time.</p> <p>The earlier someone comes to the centre the more efficient and greatest cost savings are achieved.</p> <p>Reduces the need for litigation through appropriate triaging of matters, assisting in negotiation or advising where there may be limited merit to a matter, and where the client would not have the skills or knowledge to do so on their own.</p>	<p>By providing clients with information about reasonable expectations – such as with debt and family law matters – this can streamline the process, saving time and money for all parties concerned and often achieving a more desirable outcome for all concerned.</p> <p>In a debt matter, negotiating a payment plan and avoiding court provides creditor with something rather than continued costs chasing someone.</p> <p>With family law and care arrangements, the best interests of the child may not mean 50/50 time split. Working through with a parent what they are likely to achieve as opposed to continued fighting, stress, etc may give a better result.</p> <p>Prevents issues from developing further or worsening by making referrals.</p>





MLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS	Avoiding externalities
<p>Inner West Tenants' Advice and Advocacy Service</p>	<p>Assist tenants and promote tenants' rights.</p> <p>Provide tenants within the 5 LGAs of the IWTAAAS catchment with information, advice and representation in the CTTT (NSW Consumer, Trader and Tenancy Tribunal) if appropriate.</p> <p>Advice is provided over the telephone, with follow up advocacy such as liaising with real estate agents, writing letters and tribunal action if appropriate.</p> <p>Weekly outreach to Ashfield/Homebush West area is proposed (not commenced).</p> <p>Law reform and policy submissions.</p> <p>CLE with community workers, particularly about the priority housing system with Housing NSW (process, how to appeal, etc).</p> <p>Funded for 105 hours per week or nearly 3 FTE through the Office of Fair Trading and Rental Bond Board. (currently have more staff due to one-off funding increase and surplus)</p> <p>Duty advocacy at CTTT 1/2 day per fortnight at Sydney registry to assist with conciliation resolution (not funded to do this, shared with 4 other services and supported by MLC).</p> <p>Outreach program to Newtown Neighbourhood Centre.</p> <p>Outreach program targeted to boarders and lodgers.</p>	<p>To promote tenants rights and help people attain secure and stable accommodation.</p> <p>Addressing housing crisis in NSW, preventing homelessness, addressing systemic barriers that prevent people from accessing their rights.</p> <p>Tenants enforcing their rights.</p> <p>Protecting tenants from termination.</p> <p>Making sure properties are fit to live in.</p> <p>Making sure people have access to public housing and are appropriately housed to meet their needs.</p> <p>Make sure problems are fixed and issues addressed. If a tenant has suffered they are able to receive compensation.</p>	<p>Proper operation of the legal system</p> <p>Impact on Government: Ensure HNSW are following their policies, procedures and legislation. Make submissions to the Minister and others to have practices changed where systemic issues exist.</p> <p>Aim to ensure the Office of Fair Trading are doing their job of enforcement with regard to the Residential Tenancies Act.</p> <p>Ensure administration within the CTTT is correct (lost applications, application cheques/ payment, etc). Gather evidence to support reform of practices (ex: applications in threat of lock-out as opposed to only after lock-out has occurred).</p> <p>Impact on private enterprises: Ensure best practice, negotiate outcomes and conduct tribunal action with Real Estate Agents. Facilitate 'Misleading and deceptive conduct' claims as a consumer matter for Boarding House lodgers using Australian Consumer Laws.</p> <p>Impact on 'legal system': Impact on CTTT, district and high courts through interpretation of the laws.</p>	<p>Efficiency of service provision/ outcomes</p> <p>Resolution of disputes between tenants and landlords through negotiated outcomes that would otherwise be heard by a magistrate or tribunal at a higher cost.</p> <p>Providing clients with information about their rights, responsibilities and process ensures that people are not making erroneous or unnecessary claims that are time/resource intensive for courts to work through. Giving clients realistic expectations about their matter can streamline legal processes and save resources.</p> <p>'Government often thinks that if they fund us more they will have more problems, but it is really the opposite as often once client gets information they realise they do not have a case.'</p> <p>Tenancy matters can exacerbate existing mental health issues, achieving a resolution can limit the cost and flow on impacts.</p>

MLC PROGRAM	PROGRAM AIMS, SERVICES, ETC	DESIRED OUTCOMES	IDENTIFIED SOCIAL AND ECONOMIC BENEFITS		
			Proper operation of the legal system	Efficiency of service provision/ outcomes	
			Avoiding externalities		
Domestic Violence Pro-Active Support Service (DVPASS)	<p>Make contact and provide support and referral to people who have had contact with police where DV was identified and the client consented to having details passed on for further support and referral services.</p> <p>Telephone assessment of risk, safety and needs. Provide information and referral and ensure that client is connected to appropriate services.</p> <p>Auspiced by MLC and based in 3 LACs in the Inner West area (Leichardt, Marrickville and Newtown).</p> <p>Liaise with LAC DVLOs (domestic violence liaison officers) and other police officers. Provide briefings and education for officers in the stations.</p> <p>CLE for community workers.</p> <p>Sit on interagency panels and committees.</p> <p>Participate in DVCAS (domestic violence court advocacy service) at two local courts once per month (Balmain LC and Newtown LC).</p>	<p>To maximize safety for women, children and others who are victims of DV – and to hold perpetrators responsible.</p> <p>To identify repeat victims and provide them with additional support.</p> <p>To engage those who have consented to further contact and improve their level of safety and put in place mechanisms to improve their safety.</p> <p>Currently 30-40% of DV call-outs have consent granted for further contact. Typically the service can only make contact with 2/3rds of so of the referrals we receive.</p> <p>Provide seamless support so people do not 'fall through the cracks' and repeat the cycle of violence.</p> <p>To find a balance between the needs of the victims and the needs of the criminal justice system.</p>	<p>Impact on Government: Location within NSW Police Stations is unique and vital for continued liaison, relationship building and cultural change amongst police. There is now a DV code of practice and good attendance and engagement with the reference group for this program. There has been an improvement and change in police attitudes and behaviour regarding DV with the program. More commands are requesting that a DVPASS be located within them and that is a sign that the service is having an impact.</p> <p>Impact on the 'legal system':</p> <p>Participation in the DVCAS secondee roster to see women in the safe room at local courts on their AVO mention date.</p>	<p>The cost of DV across the nation is astronomical in terms of police resources, mental/physical/reproductive health impacts and criminal justice interventions.</p> <p>1. in every 3 police call outs in our LACs in DV related.</p> <p>This is an inexpensive program at \$100k per year, and without it women would be cast adrift after contact with police. Contact and referral hopefully intervenes in the cycle of violence and reduces impacts by connecting people with services. The service aims for a 72 hour call back, as research has shown that there is a window of time during the crisis period where victim is more likely to accept assistance.</p>	<p>Intervention at critical point in violence cycle to reduce repeat violence and improve safety of women and children.</p> <p>Raising awareness about different forms of DV. There may not always be physical injuries that you can see.</p>

Source: Based on information received from interviews with key MLC staff from the Generalist Legal Service, Childrens Legal Service, Inner West Tenancy Team, and DVPASS program on 20/05/11 and other centre documents.

### 6.4.3 Assessment of economic benefit

A random sample of twenty cases and twenty advices were selected and the economic benefits evaluated. In addition, staff provided cases evaluated by them as being of high value, however the economic benefits of these cases were similar to those in the random sample of cases, consequently these were not evaluated.

The results of the analysis are tabulated below.

**TABLE 30: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$4,490	\$6,850	\$567
Random Cases	20	\$0	\$6,168	\$1,140	\$365

Source: JSA research and analysis

In 2009-10 Marrickville Legal Centre had total expenses of around \$877,000. In that period, the centre had 425 cases and 5,328 advices. Using the averages for the random sample above, the total benefit is estimated at \$3.2 million, a cost benefit ratio of around 4, and sufficiently high to justify the expenditure on the centre.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. If one in four outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.



## ■ APPENDIX A: Economic analysis of cases and advices

### Loddon Campaspe Community Legal Centre

A random sample of twenty cases and advices were selected and the economic benefits evaluated. In addition, staff provided twenty cases evaluated by them as being of high value, and the economic benefits of these cases were also estimated.

The results of the analysis are tabulated below.

**TABLE 31: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	13	\$12,120	\$950	\$1,228,915	\$95,537 (\$3,999 excluding one benefit estimated at \$1.19 million).
Random Cases	7	\$38,770	\$540	\$7,130	\$6,634
Selected Cases	20	\$118,750	\$73,455	\$1,348,000	\$77,010 (\$17,510 excluding one benefit estimated at \$1.19 million)

Source: JSA research and analysis

In 2009-10 the Advocacy and Rights Centre had a total budget of around \$1.2 million. The Community Legal Centre program had expenditure of \$531,000. In that period, the centre had 1,043 cases and 2,272 advices. Using the averages for the random sample above, the total benefit is estimated at \$224 million, a cost benefit ratio of over 400 however this is inflated by the inclusion of one very high value advice in the data set. Excluding the very high value advice, the total benefit is estimated at \$16 million, a cost benefit ratio of over 30.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. The use of average costs for services will also under and over estimate the benefit associated with a particular outcome. However there is considerable comfort in the high cost benefit ratio, suggesting that if only one in thirty outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.

A range of high value cases were identified, including in the random selection. The maximum benefit was \$1.19 million, representing the benefit of avoiding institutional accommodation and support for a disabled person. If the Community Legal Centre was instrumental in one such outcome every two years, this would justify the cost of the centre.

The other major benefit is in the area of child abuse. The avoidance of institutional and other costs in matters of child abuse has been assessed at \$38,000. 14 such cases would justify the centre economically.

Following this assessment, a different methodology was followed in other centres whereby 20 random advices and 20 random cases were evaluated. This was because:

- The benefits of the random cases and advices were considerable;
- Cases and advices with high value were identified in the random process;
- Cases identified by the centre were not necessarily of high economic value; and
- A larger random selection provides a higher degree of reliability.

## Random sample of cases and advices

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Case</b></p> <p>A had an access agreement in place with the mother but had not accessed the children for some time. In addition, there was an intervention order in place with the children's mother. He wished to make contact with the children and the CLC sent a letter to the mother. A negative response was received. The approach for contact by A appeared to be in response to the mother's application to have the intervention order extended to cover the children as well. A sought to have the intervention order revoked and was advised by the CLC that this may be unsuccessful but if he wished to proceed he should go to court.</p>	<p>There is evidence that children in joint custody (following relationship breakdown) are better adjusted (across a range of psychological testing instruments) by comparison with children in sole custody arrangements.<sup>1</sup> Such lack of 'adjustment' may have economic consequences with respect to employment and reliance on a range of support and welfare services and this is reflected in s65DAA of the Family Law Act 1975 (Commonwealth) where joint parenting is assessed in the context of the best interests of the child and in practicality. At the same time, there are considerable costs associated with family violence and with child abuse.<sup>2,3</sup></p> <p><b>Estimate of Benefit</b></p> <p>For a benefit from the operation of the law in this case, it would be necessary for an economically inefficient outcome to arise in the absence of the legal centre. In this case, it appeared that the legal centre assessed that the court would find against the revocation of the intervention order, and this outcome would occur in the absence of intervention by the legal centre. Hence there is no benefit.</p>	<p>If the CLC had not advised the father then he may have progressed the matter through the courts as a litigant in person at considerable expense and with small chance of success. Hence there may have been reductions in court time and costs, with respect to the magistrates court regarding the intervention order.</p> <p><b>Estimate of benefit</b></p> <p>The total annual budget for the Magistrates' Court of Victoria was \$77 million.<sup>4</sup> During the same period, there were 176,132 criminal cases finalised, 44,926 civil claims finalised and 68,011 family law, family violence and after hours matters giving a total number of matters of 289,069,<sup>5</sup> or an average cost of \$270 per matter. It is likely the median cost per matter is somewhat less than this, but there is no data available regarding the range of complexity in the matters considered. There is also an additional cost from litigants in person with the <i>2004 Annual Review of Western Australian Courts</i> reporting a 20% increase in time for self represented litigants.<sup>6</sup></p> <p>Hence the benefit is assessed at \$270 plus 20%, or \$320.</p>	<p>None identified.</p> <p><b>Estimate of benefit</b></p> <p>No benefit.</p>



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<p><b>3. Advice</b></p> <p>C had sought to propose a number of refugees under Australia's offshore humanitarian program. One of his applications had been refused. He sought an FOI regarding the reasons for refusal. A draft request for access to documents was prepared but not sent. He was advised by the CLC that he should be realistic regarding the number of people he could realistically propose, and focus his efforts on those people.</p>	<p>The acceptance of refugees into Australia would appear to be based on humanitarian rather than economic reasons.</p> <p><b>Estimate of benefit</b></p> <p>Nil</p>	<p>There is a social cost associated with the preparation and consideration of sponsorship and visa applications and FOI applications. It is likely that appropriate advice from the CLC led to a reduction in applications which may have had limited likelihood of success.</p> <p><b>Estimate of benefit</b></p> <p>In 2010 the government subsidy of the Department of Immigration and Citizenship was \$1,184 million.<sup>11</sup> In the same period, 4,322,710 permanent and temporary visas were granted,<sup>12</sup> giving a cost per visa granted of about \$270. Applications will be more or less expensive depending on the degree of assessment, and there are activities covered by the Department that do not relate directly to visas such as border control. Nonetheless the estimate gives some idea of the order of magnitude. If it is assumed that the advice of the CLC led to M not making one application, then the benefit is assessed at \$270.</p>	<p>None identified.</p> <p><b>Estimate of benefit</b></p> <p>Nil</p>
<p><b>4. Advice</b></p> <p>D had an intellectual disability and was the father of a child. He had separated from the mother and had regular contact with the child. He no longer wanted to contact the child as the mother was abusive towards him and acted inappropriately. He did not wish to apply for an intervention order and thought it was best to no longer see the children but was concerned that his breach of the access order would result in problems. He was advised that by not contacting the children he would be in breach of the access order but that the mother would be unlikely to respond to this breach.</p>	<p>There is evidence that children in joint custody (following relationship breakdown) are better adjusted (across a range of psychological testing instruments) by comparison with children in sole custody arrangements.<sup>13</sup> Such lack of 'adjustment' may have economic consequences with respect to employment and reliance on a range of support and welfare services and this is reflected in s65DAA of the Family Law Act 1975 (Commonwealth) where joint parenting is assessed in the context of the best interests of the child and in practicality. At the same time, there are considerable costs associated with family violence and with child abuse.<sup>14, 15</sup></p> <p><b>Estimate of Benefit</b></p> <p>For a benefit from the operation of the law in this case, it would be necessary for an economically inefficient outcome to arise in the absence of the legal centre. While there is a likely to be a cost associated with the child only seeing one parent, this cost is difficult to quantify and is probably offset by other costs incurred if D was to continue to see the child.</p>	<p>D received appropriate advice relatively easily by accessing the CLC. Due to his intellectual problems, it is likely that he would have had difficulty accessing a private lawyer or obtaining information through other avenues.</p> <p><b>Estimate of Benefit</b></p> <p>Nil</p>	<p>If D had continued to access the children, it is likely an intervention order would be required with a range of costs associated. D's decision appears to have avoided these costs.</p> <p><b>Estimate of Benefit</b></p> <p>The cost of obtaining an intervention order has been assessed at \$330. This excludes any costs arising from breach or enforcement.</p>





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<p><b>7. Advice</b></p> <p>G had not been issued a certificate by her TAFE college as she had not completed a placement requirement of the course due to difficulties in travel. She believed she had been discriminated against. She was counselled to use the college's grievance procedure.</p>	<p>It could be seen that discrimination may not be economically efficient; insofar as discrimination results in people not being allocated to their most efficient use. However in the alternative, legislation aimed to avoid discrimination through positive discrimination may not be economically efficient to the extent it provides economic rent to a particular interest group. It could also be considered an equity measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There is likely to have been a significant reduction in transaction costs and administration costs incurred by S pursuing a case with little merit.</p> <p><b>Assessment of benefit</b></p> <p>Based on costs of administrative review calculated above, the benefit is likely to be around \$3-400. This is around one day's wages for a professional person and on this basis seems reasonable. The benefit is taken as \$350.</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>8. Advice</b></p> <p>H had taken his young son from his ex partner as he thought the child was in danger. He was concerned that this action would adversely affect his position in any future custody hearing. He was advised that as there were no orders in place it is unlikely that his actions would prejudice future proceedings.</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There is a significant social cost associated with abused children and with foster care. If the father was unsure of his position, he may have left the baby with the mother, placing it in danger. It is noted that the benefit could have been increased by recommending mediation between the father and the mother as this would be likely to save costs down the track with regard to facilitating an early family law outcome and avoiding opportunities for enmity to develop between the parties.</p> <p><b>Assessment of benefit</b></p> <p>Taylor et al estimate that 177,300 children experienced abuse in 2007 at a lifetime cost of \$6,712 million.<sup>19</sup> This is an average lifetime cost per child of about \$38,000 and this could be taken as the benefit from the CLC advice.</p>
<p><b>9. Advice</b></p> <p>I had crashed her car and had been charged with dangerous driving. Her license was suspended pending a psychiatric report. As she was experiencing acute mental illness she sought to appeal the suspension. As she was eligible for legal aid, she was referred to them.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The CLC facilitated the efficient referral of the file to legal aid. People with mental illnesses and similar problems can have difficulty navigating their way through bureaucracies, with consequent administrative costs and loss of time.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

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<p><b>10. Case</b></p> <p>J's previous partner is subject to an intervention order and is currently in jail for breaches of that intervention order. He will be released shortly. A fears for her safety and that of her child. She was advised to report a previous breach of the intervention order that resulted in charges against her previous partner. She was also given advice regarding a Bsafe kit, a notification system for those with an intervention order, at risk of the intervention order being breached and who have had a risk assessment by a family violence service.</p>	<p>There is a public benefit arising from the proper operation of the legal system. If the intervention order is not enforced it is meaningless and will not serve its function of preventing violence. Failure to enforce the intervention order may have resulted in further social costs including the personal safety of the mother and child, and other costs such as the mother needing to relocate to avoid the previous partner.</p> <p><b>Assessment of benefit</b></p> <p>Access Economics<sup>20</sup> estimate the lifetime costs per victim of domestic violence at \$43,285.<sup>21</sup> This value improperly includes \$5,975 in transfers. Deducting this, the benefit is estimated at \$37,000.</p>	<p>A was given direction on how to proceed, facilitating her engagement with the legal system in the most efficient way.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>11. Advice</b></p> <p>K had a mental illness and was aggrieved regarding his involuntary committal. He wished to sue the hospital but was advised by the CLC that he had no course of action.</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Timely advice from the CLC may have avoided further costs elsewhere in the legal system if K had pursued the matter as a litigant in person. Such costs are likely to be exacerbated by his mental illness.</p> <p><b>Assessment of benefit</b></p> <p>Costs have been estimated previously at \$330.</p>	<p>None identified.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>12. Advice</b></p> <p>Her intellectually disabled child lives with L but the daughter is violent and L is concerned for the safety of herself, her husband and her other child. She was advised to see the duty lawyer at the magistrates court and apply for an intervention order.</p>	<p>There is a considerable cost associated with family violence and the purpose of intervention orders, among other things, is to avoid these costs.</p> <p><b>Assessment of benefit</b></p> <p>The cost of assault was estimated at \$1,800 per assault in 2001.<sup>22</sup> or about \$2,400 in today's dollars. This does not include the cost of police, court action or incarceration with these costs estimated previously at around \$3,350, giving a total likely cost of \$5,750 for a significant assault.</p>	<p>Her understanding of the process to be followed through timely advice probably reduced personal and administrative costs associated with finding a solution to her problem.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>If circumstances deteriorated so that the daughter could no longer live with her, there is likely to be a significant social cost involved in providing supported care and accommodation for the daughter.</p> <p><b>Assessment of benefit</b></p> <p>In 2010 Disability Services in the Victorian Department of Human Services provided residential accommodation support to 5,200 clients at an annual cost of \$584 million, or \$112,300 per client.<sup>23</sup> This is equivalent to \$1.19 million in Net Present Value over 20 years at 7%.</p>

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<p><b>13. Advice</b></p> <p>M's property backed onto three townhouses. Her fence needed repairing however two of three neighbours refused. She was advised to use the "Notice to Fence" process to resolve her problem. The process was outlined to her.</p>	<p>M understood where the responsibility lay, that is that it is shared between the landholders. This avoided an economically inefficient outcome whereby she may have paid for all of the fence, or alternatively went without a fence.</p> <p><b>Assessment of Benefit</b></p> <p>Nil</p>	<p>Administrative and personal costs were also reduced through knowing the correct process to follow. For example, M may have gone directly to court without a proper basis if she had not properly served notice on the other parties, incurring additional expense for her and for society.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>14. Advice</b></p> <p>N's ex partner had been making payments on a car financed and registered in N's name in lieu of paying child support. The partner advised of an intention to divorce and stopped making payments on the car, which was repossessed. N had some savings and was advised to come to an arrangement with the finance company regarding paying off the outstanding amount. She was advised she could recover this money as part of the property settlement associated with the divorce. She was also advised to formalise child support arrangements.</p>	<p>The apportionment of responsibility under contract is important for ensuring finance, for example, continues to be offered at the lowest possible price. If N defaulted on her loan, a range of costs would be incurred by society including the costs of repossession and sale of the car, with this cost probably borne by N. Any shortfall in value would also be borne by society in the form of higher interest rates. These costs were avoided by the proper application of the law.</p> <p><b>Assessment of benefit</b></p> <p>A range of 'deadweight' costs will be incurred with the repossession and sale of a car. The following is based on a 2006 Holden Commodore valued at an average of \$9,500.<sup>24</sup></p> <p>Pickles Auctions in Melbourne charge a fee of \$770 per vehicle for a successful sale.<sup>25</sup> Vehicles sold at auction sell for a wholesale price, and so there would be expected to be another loss. To give some idea, Redbook<sup>26</sup> shows a 25% difference between trade in price and private sale price. If the trade in price reflects wholesale prices, then the expected loss is \$2,400. A repossession operator in Melbourne estimated around \$1,200 for this repossession including towing charges to Melbourne. Hence the total cost of repossession and sale is estimated at \$4,370 with this cost borne by the car owner.</p>	<p>No benefit evident</p> <p><b>Assessment of Benefit</b></p> <p>Nil</p>	<p>Formalising arrangements are likely to lead to reduced costs in the future arising from 'back dating' and recovery of outstanding money.</p> <p><b>Assessment of Benefit</b></p> <p>The child support agency reports a cost per case of \$585.<sup>27</sup></p>

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<p><b>15. Advice</b></p> <p>O contacted the CLC regarding initiation of divorce proceedings. He was given an overview of the process and provided with a copy of the divorce kit.</p>	<p>Relationship breakdown, separation and divorce are a fact of our society with our legal system facilitating separation. From an economic perspective, we appear to have taken the view as a society that the benefits to children from not living in a home where conflict exists or where parents are unhappy exceed the social costs of family breakdown such as welfare payments to single parents and the effects of poverty on children. In addition, a range of measures, such as sharing property and maintenance, are in place to minimise those social costs. Hence it is economically efficient to facilitate separation at minimum cost.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>It is likely that having proper information and understanding the steps to be followed led to a reduction in administrative costs incurred elsewhere in the legal system associated with dealing with inquiries from O.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>16. Case</b></p> <p>P contacted the CLC regarding an intervention order sought by his estranged wife. The CLC facilitated his agreement to an intervention order without making any admissions to the allegations. The matter was resolved at the mention stage.</p>	<p>Generally it is economically efficient for violence to be avoided. It is not clear that this was the case here, as the intervention order may have been a strategic move by the estranged wife to improve her bargaining position in any divorce proceedings and this seems to have been P's concern.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>If the CLC had not assisted the man, then the process may have gone to contest, with an increase in administrative costs.</p> <p><b>Assessment of benefit</b></p> <p>Allow 50% saving on average self represented magistrate's case cost estimated above at \$330 gives a benefit of \$160.</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>17. Advice</b></p> <p>Q contacted the CLC regarding his rejected claim against council for damage to a car caused by a limb falling from a tree. He had not lodged a claim with the insurer. He was advised to lodge a claim with the insurance company and to seek the insurance excess from the council.</p>	<p>If the CLC had not assisted Q may have been in the position of paying insurance premiums and incurring the costs of damage regardless. This would lead to a market failure, as the insurance company would not see the full cost of providing insurance. Proper administration of insurance through engaging the contract is economically efficient. Insofar as council was responsible for the damage, proper allocation of risk is economically efficient.</p> <p><b>Assessment of benefit</b></p> <p>The cost of repairs was not known. Assuming a repair cost of \$3,000 and an insurance excess of \$1,000, the benefit is assessed at \$2,000.</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

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<p><b>18. Advice</b></p> <p>P contacted the CLC regarding sponsoring a migrant to Australia under a skilled migration visa. He was referred to an immigration lawyer as he did not fit the CLC criteria (their focus is refugees and family reunification).</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The matter was not progressed further</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>19. Case</b></p> <p>Q had lost her job due to stress and depression, was unable to make her home payments and had been struggling for some time. She was advised to sell her home and pay out her debts. An agreement was negotiated with the bank whereby she would pay the outstanding payments (\$3,040) and place her house on the market rather than have the bank seize possession. Unfortunately, the lady did not proceed with placing her house on the market</p>	<p>It is economically efficient for people to be responsible for their debts.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>It would be a better outcome for her if she sold the house rather than bank selling it, as any expenses incurred by the bank come out of her equity in the home. If the home is sold cheaply then the buyer is better off to the degree that the owner is worse off, that is there is no overall social cost, however transaction costs have also been incurred which are of no benefit to society and these should be considered a cost. Hence the negotiated settlement would have been in everybody's best interests due to the reduction in transaction costs.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>20. Advice</b></p> <p>R was concerned as to whether an organisation had a liability if defamatory or incorrect information was posted on a website. He was advised that there would be little or no liability however anything that does not have approval should be corrected or deleted. The case was then closed.</p>	<p>No benefit identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The matter was not progressed further.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

## Selected 'high value' cases

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Case</b></p> <p>T has a psychiatric disorder resulting in her keeping a large number of cats as pets. She has not been hospitalised for some years and it is thought that her attachment to her pets has played a large part in this. Due to the large number of pets and the state of her property, council issued her a notice to reduce the number of pets to two. The CLC contacted council and negotiated an arrangement whereby she was able to keep a reasonable number of animals. She cleaned her property and agreed to maintain cleanliness and installed a cat shelter.</p>	<p>Presumably the law around limiting the number of pets is to ensure they are properly looked after and are not a nuisance to others. This outcome could be expected to be economically efficient to the extent that cost to others is avoided, and those costs might be negative rather than positive, in the sense that people would pay a price to avoid consuming things such as smell and noise.</p> <p><b>Assessment of benefit</b></p> <p>Clearly there is a cost to neighbours in reduced amenity from noise or smell, but there is little or no data on which to estimate such costs.</p>	<p>Negotiating an agreement with council probably reduced transaction costs, for example if council had to enforce the order for two pets, expense would be involved in removing excess pets and having them put down.</p> <p><b>Assessment of benefit</b></p> <p>The cost of a magistrate's court hearing and police enforcement has been estimated previously at \$2,670.</p>	<p>If T was placed under stress from the removal of her pets, this could result in her hospitalisation, with high resultant costs compared to living in her own home.</p> <p><b>Assessment of benefits</b></p> <p>In 2009-10 Psychiatric Disability Rehabilitation and Support Services supported 13,383 clients at an output cost of \$90.3 million.<sup>28</sup> This is \$6,750 per client, or \$72,000 as present value over 20 years.</p>
<p><b>2. Case</b></p> <p>The Us applied for custody of their child V who currently resides with them. Her mother had custody of V however she was found to be at risk of harm arising from violence and exposure to drug use. The CLC facilitated the grandparent's successful application for V to live with them.</p>	<p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services.</p> <p><b>Assessment of benefit</b></p> <p>The lifetime cost of child abuse and neglect has been estimated above at \$38,000 per child and it is likely this cost has been avoided.</p>	<p>The CLC ensured the process was efficient compared to the grandparents acting as litigants in person.</p> <p><b>Assessment of benefit</b></p> <p>As estimated above, this benefit is of the order of \$60.</p>	<p>If the child was placed in temporary or foster care at state expense, considerable expense would be incurred. In addition, placement with the paternal grandparents was a good outcome for V because she continued to have contact with her grandparents and with other family members. Loss or reduction in this cost may have led to additional social costs arising from poor development on the part of V.</p> <p><b>Assessment of benefit</b></p> <p>Assessed above.</p>
<p><b>3. Case</b></p> <p>W currently has custody of her child with her previous domestic partner having access rights. He had previously had custody of the son however he was placed with X as the child was considered to be at risk. The CLC assisted X in obtaining an intervention order protecting both her and her child.</p>	<p>The lifetime cost of child abuse and neglect has been estimated above at \$38,000 per child and it is likely this cost has been avoided.</p> <p><b>Assessment of benefit</b></p> <p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. There is also a cost associated with assault.</p>	<p>As estimated above, this benefit is of the order of \$60.</p> <p><b>Assessment of benefit</b></p> <p>W was represented to a contested hearing. The process was more efficient than if she had been a litigant in person.</p>	<p>None identified.</p> <p>Nil.</p> <p><b>Assessment of benefit</b></p>

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<p><b>4. Case</b></p> <p>Y lives on a pension and suffers from anxiety and depression. She was called by her doctor's surgery to come in to see the doctor. She considered this urgent and drove her unregistered car to the surgery. She was issued an infringement notice by police for \$511 for driving an unregistered car. Y approached the CLC as the matter was proceeding to enforcement. The CLC was able to negotiate a diversion whereby Y made a \$100 donation to a charity.</p>	<p>It is economically efficient for the tax burden to be spread across the community and for vehicles to be roadworthy. Hence driving unregistered vehicles is penalised.</p> <p><b>Assessment of benefit</b></p> <p>There is a cost to society in that Y did not pay the fine and this lowers the price of breaking the law. Conversely, she has paid some price and it is likely that the court took the view that in her circumstances the price she paid exceeded any benefit to her from her unlawful act. Hence the benefit is assessed at nil.</p>	<p>Typical court costs have been assessed above at \$330. In addition there would be enforcement costs but no readily available data is available.</p> <p><b>Assessment of benefit</b></p> <p>The process was streamlined compared to an enforcement process involving court time and police time.</p>	<p>The additional stress and expense of paying the fine would be likely to be displaced elsewhere through accessing other services.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>







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<p><b>8. Case</b></p> <p>It was alleged that C had entered the home of her former partner and stole some personal property. Subsequently both obtained intervention orders against each other which she breached by sending him text messages. The CLC represented her, negotiating the withdrawal of eight of ten charges, with these charges related to the alleged theft. C pleaded guilty to breaching the intervention order and the magistrate ordered community service and a good behaviour bond with no conviction recorded.</p>	<p>There is an economic cost associated with theft and with violence, and hence there is an economic benefit associated with the law generating a price for theft and for violence in terms of sanctions.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>C may have been unrepresented at the hearing. The process of negotiation and pleading guilty probably lead to reduced administrative and court costs associated with the matter. There was little substantiation for the charges of theft. The withdrawal of these charges saved court time and costs and she may have been improperly found guilty which would mean the legal system had not operated properly.</p> <p><b>Assessment of benefit</b> Jail time may have been avoided. Assuming two days jail, the benefit is \$680.</p>	<p>C had previously worked as a child care worker and a criminal conviction would have been detrimental to any future employment prospects, increasing her likelihood of being dependent on Centrelink payments in the future.</p> <p><b>Assessment of benefit</b> Nil due to likely substitution of employment</p>
<p><b>9. Case</b></p> <p>D drove over a crest and came across another car stopped in the roadway. She was unable to stop in time and struck the other car. It appeared that D was self insured. The insurer of the other car sought to recover the costs of damage of around \$10,000. The CLC assisted D. The circumstances were such that there was likely to be contributory negligence from both parties, and so the insurer withdrew their claim.</p>	<p>The attempt by the insurance company to shift their liability to another party constitutes moral hazard, in that it is likely that if the insurance company was dealing with another insurance company, they would probably have agreed quite quickly to contributory negligence. The resulting market distortion is that those paying insurance obtain their insurance more cheaply than would otherwise be the case to the extent that the insurance company is able to shift their liability to others (need to think about this some more). The enforcement of an efficient market is in the public interest. Against this must be set the moral hazard of a person of limited means driving a car of little value and not carrying insurance in the anticipation that their expected cost in the case of an accident is restricted to the value of their car. Generally speaking, the benefits of having income, assets and a line of credit far outweigh the advantages of being debt proof.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>If the insurance company had pursued the claim, additional administrative costs would be incurred, both internally and within the court system.</p> <p><b>Assessment of benefit</b> As assessed previously, court costs would be of the order of \$330, and there would be additional administrative costs to the insurance company. The benefit has been assessed at \$330.</p>	<p>None identified.</p> <p><b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>10. Case</b></p> <p>E had stolen a total of \$520 from her employer on numerous. She was under 18 and needed money for a medical procedure. She did not use her own money as her parents tracked her account and she did not want them to know. With the assistance of the CLC, she admitted guilt and made restitution. She was given a diversion order, requiring a \$150 donation, with no conviction recorded.</p>	<p>By one view, the economic purpose of the criminal justice system is to ensure the expected cost of crime exceeds the expected benefit of crime. Hence there is a social cost if the price paid by E was too small to serve as a disincentive to others, meaning that others may be more likely to commit similar crimes in the future.</p> <p><b>Assessment of benefit</b></p> <p>Presumably the price paid by E was sufficient to act as disincentive towards future theft by her and by others. The benefit is difficult to quantify and is assessed as nil.</p>	<p>If the matter had progressed to a contest, it is likely that court costs would have been much higher.</p> <p><b>Assessment of benefit</b></p> <p>It seems that considerable court time had gone to the matter, however there is likely to have been some saving. Again this is difficult to quantify.</p>	<p>If a criminal conviction was recorded, E may have had future difficulty in finding work and may have become a welfare recipient. There is a cost associated with people entering the criminal justice system, including the cost of incarceration and the danger of becoming a habitual criminal.</p> <p><b>Assessment of benefit</b></p> <p>As discussed above, employment is likely to be a substitution and so the benefit is assessed as zero.</p>
<p><b>11. Case</b></p> <p>B suffered from a mental illness and had difficulty managing her own affairs. She was due to be discharged from hospital and was in financial difficulties. Her case worker had applied to have an administrator appointed to assist with B's affairs. She preferred the administrator to be a personal friend rather than State Trustees. The CLC facilitated the execution of a power of attorney (which is less restrictive) and arranged with the case worker for the VCAT application for an administrator to be withdrawn.</p>	<p>There is an economic benefit to society if people's affairs are properly managed.</p> <p><b>Assessment of benefit</b></p> <p>The benefit is difficult to quantify and has been assessed as zero.</p>	<p>Settling the matter by negotiation reduced expenditure in conducting the VCAT determination, albeit at the expense of additional costs by the CLC.</p> <p><b>Assessment of benefit</b></p> <p>As discussed above, the cost of a VCAT finalisation is about \$430</p>	<p>Administration by a friend rather than the public trustee reduced the public cost of administration markedly, noting that the friend is likely to incur some costs in administering her affairs. There is likely to be a benefit in encouraging someone to remain as self sufficient as possible and avoiding institutionalisation.</p> <p><b>Assessment of benefit</b></p> <p>In 2008-09, The Office of the Public Advocate spent \$2.6 million providing guardianship services to 636 clients,<sup>31</sup> or about \$4,090 per client per year. Over a twenty year life at 7%, this is a net present value of \$43,000 for one person.</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>14. Case</b> F was served with a warrant relating to a relatively minor offence, involving breaking a window which occurred many years previously. At that time F's life was in some disarray however since then her circumstances have changed markedly. The CLC approached the police to drop the charges but they continued to press the charges. The magistrate dismissed the charges subject to a restitution order.</p>	<p>By one view, the economic purpose of the criminal justice system is to ensure the expected cost of crime exceeds the expected benefit of crime. Hence there is a social cost if the price paid by F was too small to serve as a disincentive to others, meaning that others may be more likely to commit similar crimes in the future.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Nil</p>	<p>The police have limited resources and it is in the public interest for those resources to be committed where they obtain the greatest value. Test cases such as this assist the police in not committing resources pursuing matters of little or no value.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>15. Case</b> G is a middle aged man with a physical disability. Over 10 years prior, his father H arranged for State Trustees to be appointed as G's administrator as he was aware that H may not be able to assist his son as had been his practice. G sought to have the administration order lifted on the basis that it was no longer required and was successful.</p>	<p>There is an economic benefit to society if people's affairs are properly managed.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Nil</p>	<p>G is now able to manage his own affairs and the cost of public administration has been avoided. There is a secondary benefit in empowering someone to manage their own affairs, with this perhaps being a growth opportunity for G in making him less reliant on other social supports generally in his life.</p> <p><b>Assessment of benefit</b> In 2008-09, The Office of the Public Advocate spent \$2.6 million providing guardianship services to 636 clients, or about \$4,100 per client per year. Over a twenty year life at 7%, this is a net present value of \$43,000 for one person.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>16. Case</b></p> <p>H had paid child support for his child and was up to date until he was seriously injured in a motor vehicle accident, resulting in H being unable to work. Due to his changed circumstances, his only income since then has been welfare payments. He has accrued a significant debt with the Child Support Agency, much of which was penalties, and which he is unable to pay. It is noted that if he had contacted the Child Support Agency regarding his changed circumstances, it is likely his payments would have been reduced and he would not have been in these circumstances. The CLC applied to have the debt waived and was successful.</p>	<p>If children are seen as a commodity of marriage, an economically efficient outcome in terms of the number of children one has requires both parties to pay the price of child rearing.</p> <p><b>Assessment of benefit</b> Zero.</p>	<p>There is a public cost associated with ongoing attempts by the Child Support Agency to recover the money which is no longer being incurred.</p> <p><b>Assessment of benefit</b> As discussed above, the child support agency reports a cost per case of \$585.</p>	<p>There were positive health outcomes for H, as he has clinical depression and the stress exacerbated his condition.</p> <p><b>Assessment of benefit</b> Nil.</p>
<p><b>17. Case</b></p> <p>I was a migrant with limited English. He was dismissed from his job and approached the CLC regarding unfair dismissal. During conciliation, it became apparent that much of the problem related to poor communication arising from I's lack of English and the employer's failure to respond to appropriately to this. I was reinstated.</p>	<p>It is economically efficient for people to be allocated to their best use. At the same time, labour laws may not be economically efficient insofar as they encourage rent seeking by certain groups in society. Alternatively, they may be considered an equity measure.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Nil</p>	<p>I has regained his job rather than being reliant on welfare payments. His employer has retained a skilled and trained worker. The employer reviewed its communication strategy with its significant Sudanese workforce which is likely to lead to improved productivity of the enterprise.</p> <p><b>Assessment of benefit</b> As discussed above, loss of employment is a substitution. The employer has saved the cost of training a new employee but there is no basis on which to assess this benefit.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>18. Case</b></p> <p>J has an intellectual disability. He entered into a mobile phone contract and incurred significant debt which he was unable to pay. Following CLC representation and consideration by the Telecommunications Ombudsman, the debt was waived by the phone company. At the same time another part of the company pursued the debt and this took some time and effort to sort out.</p>	<p>There is a social cost with default by debtors in that the cost of default is added to the price paid by others and consequently the cost of services is greater than it would be otherwise. There is an inherent tension between the moral hazard associated with people incurring debt that they never intend to repay, thereby placing a cost on the rest of society, and misrepresentation or unconscionability by salesman, whereby people underestimate the cost of services and hence consume more than they would otherwise. Both outcomes are inefficient. The question then becomes whether the economically efficient outcome is best achieved by placing the responsibility with the creditor or the debtor. As a society we appear to have taken a shared view, with the creditor having some responsibility due to their exposure to loss, hence leading to credit checks and the like, and with the debtor having some responsibility due to their exposure to loss, such as loss of assets and garnishee orders.</p> <p>The phone company may have unlawfully recovered some or all of their loss by negotiating individually with uninformed debtors, thereby rewarding the company for recklessly contracting with those unlikely to be able to pay. Hence the incurring of the loss by the phone company places responsibility (in these circumstances) where the inefficiency can be best addressed, such as through more stringent vetting of contract applications.</p> <p><b>Assessment of benefit</b> Zero.</p>	<p>The phone company could have saved a considerable administrative cost if they went through a debt recovery process and were unsuccessful. That saving is an additional saving to society as the additional administrative costs would be recovered through increased costs of phone rentals.</p> <p><b>Assessment of benefit</b> As discussed above, the cost of debt recovery has been assessed at \$540.</p>	<p>None identified</p>
<p><b>19. Case</b></p> <p>K entered Australia on a spouse visa. Since that time she had had a child. However, her marriage had broken down due to domestic violence. As she did not have permanent residency, she was in danger of losing her visa. The CLC successfully applied for permanent residency for K.</p>	<p>There is likely to be a significant social cost associated with situations where:</p> <ul style="list-style-type: none"> <li>a person stays in a situation of domestic violence due to concerns regarding the threat of deportation</li> <li>a child is left in a situation of domestic violence due to one parent being deported or forced to leave Australia</li> <li>an Australian child being denied the benefits of citizenship.</li> </ul> <p>These costs were avoided in this case.</p> <p><b>Assessment of benefit</b> The cost of domestic violence has been assessed above as \$37,000.</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Zero</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Zero</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>20. Case</b></p> <p>L's family had fled his country of origin and travelled to a neighbouring country, where he lived for many years as a refugee. He then came to Australia using forged ID and again lived here as asylum seeker, and working in fulltime and casual positions. He approached the CLC to regularise his status. His application for a protection visa due to his refugee status was successful.</p>	<p>The economic benefits of accepting refugees are not apparent. It is likely that such programs are explainable in humanitarian terms. However this view also suggests that accepting refugees is a public good, that is that as a society we are prepared to pay some price to accept refugees.</p> <p><b>Assessment of benefit</b> Zero</p>	<p>If L had been detected by the immigration authority, costs would have been incurred in detaining or in deporting L.</p> <p><b>Assessment of benefit</b></p> <p>The Department of Immigration and Citizenship does not provide expenditure data on a program basis. Using other data above, the cost of incarceration has been assessed at around \$340 per day. Assuming six months incarceration, the benefit is assessed at \$62,000. This is likely to be an underestimate, as it does not include costs of assessing applications and any judicial review noting that the Department spent \$30 million on legal expenditure in 2009-10.<sup>33</sup></p>	<p>L is a useful, skilled and productive member of Australian society and his output would have been lost, with another migrant required to replace him.</p> <p>None identified</p>

## Geraldton Resource Centre

A random sample of twenty cases and twenty advices were selected and the economic benefits evaluated. In addition, staff provided one case evaluated by them as being of high value, and the economic benefits of this case was also estimated.

The results of the analysis are tabulated below.

**TABLE 32: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$2,860	\$600	\$173
Random Cases	20	\$168,000	\$8,820	\$68,000	\$12,241 (\$4,241 if a training course with an assessed benefit of \$160,000 is excluded)
Selected Cases	1	\$224,000	\$0	\$0	\$224,000

Source: JSA research and analysis

In 2009-10 the Advocacy and Rights Centre had total expenses of around \$520,000. In that period, the centre had 684 cases and 2,645 advices. Using the averages for the random sample above, the total benefit is estimated at \$8.8 million, a cost benefit ratio of about 17.

A large benefit has been associated with a training session carried out by the CLC for another organisation. It is debatable as to whether this benefit should be ascribed to the legal centre rather than to the other agency. Excluding this training session, the total benefit is estimated at \$3.4 million, a cost benefit ration of over six.

The average cost over cases and benefits is \$137, suggesting the cost benefit ratio on advices is 1.3. As cases are likely to take more resources than advices, the economic return on advices is likely to be marginal.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. However in the worst case, the CLC would need to be instrumental in one in six cases to break even, hence it is likely that a positive cost benefit ratio is achieved.

One high value case was identified. If the Community Legal Centre was instrumental in five such outcomes in two years, this would justify the cost of the centre.



## Random sample of cases

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Case</b></p> <p>A had four children with her previous partner B. They had divorced and two children lived with the father while the other children lived with the mother. B was charged with sexual abuse of three young girls living in neighbouring houses. The children were removed to their mother's care. Following counselling, the eldest daughter revealed she had been sexually abused by her father's friend, C. C was charged and pleaded guilty. A then learnt that her daughters had been sexually abused by their father from an early age. B was charged with additional offences and also pleaded guilty. The episode had a significant impact on A and her daughters with one suffering from depression and very aggressive. A was unable to work due to ongoing personal and family stress. The CLC assisted A in her application for Criminal Injuries Compensation (under WA legislation) for herself and for her children. The application was successful and a number of payments were made, including \$62,000 to one child, \$33,000 to another and \$29,000 to the mother.</p>	<p>The economic, and indeed the general, rationale for victim's compensation is not clearly evident. A number of bases are put forward. O'Connor<sup>34</sup> for example identifies a range of rationales including an incentive to victims to participate in the criminal justice system, the moral obligation on the state to recompense victims of crime, the state's monopoly on crime control, social contract theory, shared risk and social welfare theory and the humanitarian rationale. From an economic perspective, the effect of compensating victims of crime is to place the price for failure to prevent crime with the wider community through government. Against this argument, the approach is unlikely to be particularly useful, as the cost is not seen by those who provide the criminal justice system, except at a high level. Alternatively, compensation can be seen as an equity measure. Often the provision of public goods, such as the criminal justice system, is justified by a positive cost benefit ratio, with reference to the Kaldor-Hicks principle; that is that the winners only theoretically compensate the losers. However in many areas, where winners or losers are easily identifiable, it is possible to use the more powerful Pareto principle, with the winners compensating the losers to the extent that the winners, or the losers, can be identified. The wider community receives a benefit from the criminal prevention system, but due to lack of resources on the part of the community, that benefit is not exhaustive and it is cost effective to accept some level of failure. While overall the community are winners, the losses are not spread evenly across the community. Criminal injury compensation is one way of spreading those losses across the community. Both approaches are similar, in that the place the price for failure of the criminal justice system with the community, rather than some finite number of individuals within that community. From an alternate perspective, there can be moral hazard associated with such an approach. If the victim contributed to the crime in some way by their actions, it is not economically efficient for them to be rewarded by the community as this could lead to the perverse outcome of an increase in crime. This report adopts the untested view that the tribunal assessing claims gives regard to such considerations, and that the price paid to the victim is a fair assessment of the cost to the victim, discounted for any contributory negligence on the part of the victim, noting however that a detailed review of a victim's compensation system may not in fact find this to be the case. In this regard, victim's compensation is considered to be an equity consideration, and, as such probably performs a limited function with regard to economic efficiency.</p> <p><b>Assessment of Benefit</b></p> <p>Nil</p>	<p>Assistance with the proper preparation of applications for Victim's Compensation is likely to reduce administrative costs, for example in requesting additional information and in revisiting decisions.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There may be some benefits with money providing access to counselling and the like.</p> <p><b>Assessment of Benefit</b></p> <p>Nil</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>3. Case</b></p> <p>E owned a house and other property with her husband in South Australia. They had been married three years and had a son. There was an alleged history of domestic violence and E relocated with her young son and teenage daughter to Western Australia. H was also in generally poor health. She was referred to the CLC by a sexual assault and family violence support service. She was assisted with a range of matters over a two year period relating to the settlement of her marital affairs. These included advice regarding a successful application for a Violence Restraining Order; an application for child support payments; applications for legal aid related to custody issues and to property settlement issues; obtaining priority housing and a complaint regarding a breach of the Violence Restraining Order. Legal Aid applications were complicated by jurisdictional matters between the states, however aid was obtained for the custody matters and an arrangement was brokered with a private solicitor to manage her property settlement with payment to be made on property settlement.</p>	<p>There are a range of matters in this case. Violence is not in the economic interests of society, for example it incurs costs through lost production on the part of the injured person and costs associated with medical treatment. Furthermore, prevention of violence is likely to result in lower costs than the punishment of violence alone. Accordingly, application and enforcement of Violence Restraining Orders are likely to result in an economically efficient outcome to society.</p> <p>If children are seen as a commodity of marriage, an economically efficient outcome in terms of the number of children one has requires both parties to pay the price of child rearing.</p> <p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. For these reasons our legal system facilitates access to children by both parents in the case of separation, appearing to take a view that having access to both parents will lead to the best developmental outcome for the child, however it also recognises that sometimes access by parents can result in harm to the children. Hence the legal system has an important role in balancing between these considerations.</p> <p>Relationship breakdown, separation and divorce are a fact of our society with our legal system facilitating separation. From an economic perspective, we appear to have taken the view as a society that the benefits to children from not living in a home where conflict exists or where parents are unhappy exceed the social costs of family breakdown such as welfare payments to single parents and the effects of poverty on children. In addition, a range of measures, such as sharing property and maintenance, are in place to minimise those social costs.</p> <p>It is noted that generally across these benefits, the CLC played a brokering role, enabling E to carry out what functions she could, obtaining a legal aid grant where appropriate (itself an equity concern and perhaps made scarce by rationing rather than by individual price) and obtaining private assistance with the property settlement, thereby internalising the costs with the parties.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>The CLC provided H with guidance through the legal system, with a probable reduction in administrative costs, for example time with the court registry or within legal aid.</p> <p><b>Assessment of benefit</b> This benefit is difficult to quantify and is assessed at nil.</p>	<p>The facilitation of priority housing for E meant that costs associated with homelessness, such as emergency housing and disruption of schooling were minimised.</p> <p><b>Assessment of benefit</b> This benefit is difficult to quantify and is assessed at nil.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>4. Case</b></p> <p>F was employed as a kitchen hand at a mine site. She cut her thumb and received first aid treatment, however the injury was quite severe and the injury eventually required plastic surgery in Perth. In the meantime, and prior to the plastic surgery, she had obtained other employment as a first aid officer on another mine site. She was concerned that she had been underpaid while working as a kitchen hand and that her worker's compensation payments ceased when she resigned. She was advised that her compensation payments appeared to be appropriate. A copy of her employment contract was obtained from her previous employer, and it appeared she had been correctly paid.</p>	<p>It is in the interests of society that contracts be upheld and that insurance claims be properly administered to ensure that risk is appropriately priced. In this case this outcome occurred consequently there was no benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Proper advice is likely to have minimised administrative costs elsewhere, for example if F had pursued a claim with no merit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No apparent benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>5. Case</b></p> <p>G had received a Criminal Injuries Compensation Claim. She felt the amount assessed was inadequate. The CLC obtained a copy of the Assessor's Reasons for Decision and discussed this with G. G decided not to progress her claim.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Appropriate and timely advice is likely to have saved further administrative costs arising from an administrative appeal against the decision.</p> <p><b>Assessment of benefit</b></p> <p>Costs associated with administrative review have been estimated elsewhere as of the order of \$350.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>6. Case</b></p> <p>The CLC undertook a submission to model provisions regulating Residential Tenancy Databases. The project did not proceed due to resignation of a staff member. A submission was made by the National Association of Community Legal Centres or the National Association of Tenancy Organisations.</p>	<p>Such databases are subject to abuse and can seriously limit a tenant's access to housing. There are costs and benefits on both sides. Where tenants have a poor history, further damage or non payment of rent can lead to an increased cost to society. Rents may increase, or the supply of rental accommodation may decrease, as a response to effective average rents being lower than the apparent market rate. At the same time, there is a social cost associated with homelessness, such as the cost of emergency housing, overcrowding, disruption of schooling, inability to cook meals and reliance on charities or on public institutions. The is likely to be a concern that tenancy data bases unduly favour the interests of landlords in minimising costs, but can do so at the expense of generating externalities, thereby increasing public costs. On this basis, regulation of Tenancy Data Bases would appear to be economically efficient to ensure an optimum trade off between these two areas of social cost leading to a minimisation of overall social cost.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>7. Case</b></p> <p>H's daughter was terminally ill and the daughter wished H to have the care of her children due to concerns regarding the children's father. The CLC assisted H in obtaining a grant of legal aid with regard to parenting orders. Due to the father's imprisonment, the parenting orders could not be finalised, and the CLC assisted H with a further application for a grant of legal aid to support an application for a Violence Restraining Order.</p>	<p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. For these reasons our legal system facilitates access to children by both parents in the case of separation, appearing to take a view that having access to both parents will lead to the best developmental outcome for the child, however it also recognises that sometimes access by parents can result in harm to the children. Hence the legal system has an important role in balancing between these considerations. In this case, the CLC facilitated this process.</p> <p><b>Assessment of benefit</b></p> <p>The lifetime cost of child abuse has been assessed elsewhere as \$38,000. There appear to be at least two children and so the benefit is taken as \$76,000.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>8. Case</b></p> <p>The CLC assisted I in obtaining his deceased wife's superannuation by compiling documentation and preparing and forwarding correspondence to the insurance company. The matter was finalised without I needing to apply for probate.</p>	<p>The notion of consumer sovereignty (in the absence of market failure) is axiomatic to economically efficient outcomes, that is economically efficient outcomes are about maximising utility across society, and this is best achieved by summing individual transaction decisions. Using this model, the trade off between consuming one's assets and divesting them to one's heirs can be seen as a way of maximising one's utility, with the ultimate divestment of assets reflecting one's values. Giving something away is the same as spending it, although it is difficult to see what utility a person may get from something when they are dead. Perhaps the best view is that one gets utility from the promise of expenditure. Hence ensuring that assets are disbursed in accordance with a will may be seen as a way of ensuring consumer sovereignty is maintained.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>Because the matter was finalised, there was no need to incur the costs of obtaining probate.</p> <p><b>Assessment of benefit</b></p> <p>The Supreme Court of WA does not provide financial information in their Annual Review. Hence the Victorian cost of \$6,850 per finalisation has been adopted as the benefit.</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Nil</p>







DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>10. Case</b></p> <p>K approached the CLC a number of times over a seven year period regarding a Criminal Injury Compensation claim relating to injuries and sexual abuse she suffered as a foster child while under the care of DCP. K was itinerant, and was in and out of prison and women's refuges making regular contact difficult. There was no record of criminal proceedings related to the alleged abuse, and K did not sign and return a form requesting her medical records. The matter did not progress further.</p>	<p>As discussed previously, such compensation is likely to be a transfer in response to equity considerations rather than economically efficient in and of itself.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>It appears there was insufficient basis to progress a claim. By advising K of the requirements to substantiate a claim, the administrative cost of assessing a claim that may lack merit was avoided.</p> <p><b>Assessment of benefit</b></p> <p>The cost of administrative review has been estimated elsewhere at around \$350.</p>	<p>None identified</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>11. Case</b></p> <p>L contacted the CLC in finalising her deceased husband's estate. The CLC advised her that superannuation payments were not part of the estate, but rather were to be paid to her as a beneficiary. They assisted her with correspondence and negotiations with the three insurance companies and she received the various superannuation payments. The estate was insolvent and they prepared correspondence to various creditors advising of this. Under WA law, funeral expenses have priority in settling the estate, consequently L could receive the only asset of the estate, a refund cheque from the Australian Taxation Office, as a partial offset for funeral expenses she had incurred.</p>	<p>With regard to bankruptcy, there are a number of areas of economic consideration. If people undertake consumption and then default on their debt, the effect will be to increase the price of credit, either through higher interest rates or higher prices for goods. Hence it is economically efficient to ensure people are responsible for debts they incur. At the same time, circumstances can occur where someone is unable to pay their debts. Laws around bankruptcy then seem to have two effects. Firstly, the process of winding up assets as a group and paying each creditor a share is likely to reduce transaction costs significantly compared to each creditor individually suing the debtor and then attempting to collect their debt. The cost of the bankruptcy is spread across all debtors, noting that secured creditors have priority, which has the effect of spreading risk. Secondly, compared to the alternative, say debtors prison, externalities are avoided in the sense that the person can continue to work if they have employment and may contribute to the wealth of society.</p> <p>In this context, the economic efficiency of superannuation going to beneficiaries or dependents rather than to the estate is not clear. It is also not clear why funeral expenses are treated similar to a secured creditor under Western Australian Law. Such matters are likely to be equity considerations.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>12. Case</b></p> <p>The CLC conducted a DIT accredited mediation course to The Department of Corrective Services (DoCS) for Aboriginal Community Mediators. Four people received training. The purpose was to avoid aboriginal community violence (family feuding). DoCS has a program of engaging respected aboriginal community members to act as mediators when violence erupts to avoid violence and escalation. Costs of violence include assaults, injuries, criminal justice, property damage including bystanders and damage to public housing.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There is likely to be savings in court time and police action from early mediation of disputes.</p> <p><b>Assessment of benefit</b></p> <p>The cost of police action, court action and incarceration associated with one assault has been assessed previously at \$3,350. The benefit is likely to depend heavily on outcome and there is no data on which to form a view. Assuming that each mediator has one successful outcome per year over a ten year period, the value of the benefit at 7% is \$23,000 over four mediators, or \$92,000.</p>	<p>It is likely that properly trained mediators can reduce costs in the legal and enforcement systems by resolving disputes at an early stage and hence there are likely to be significant savings in externalities.</p> <p><b>Assessment of benefits</b></p> <p>The cost of assault has been assessed previously at \$2,400. Again assuming each mediator has one successful outcome per year over a ten year period, the value of the benefit at 7% is \$17,000 over four mediators, or \$68,000.</p>
<p><b>13. Case</b></p> <p>M's friend had agreed to provide M with an interest free loan of \$10,000 to be repaid at \$20 per week and asked M to sign a standard form of loan agreement covering the loan. The CLC reviewed the loan agreement for M and proposed some amendments, a number of which were agreed to by the lender. The agreement was then signed by both parties.</p>	<p>The basic economic purpose of contracts is to ensure that exchanges are honoured when they do not occur simultaneously. Alternatively, if contract law did not exist, parties to a transaction would need to build a surcharge into the price negotiated to allow for the average probability of default. Finally, contracts allocate risk and responsibility, so each party is clear on their relative position. If M had signed the original contract, he may have been taken advantage of some time in the future, and hence paid more than expected. The case is complicated by the fact that the loan was interest free and between friends; however it could be that at some time the relationship soured and the lender then used the contract to his advantage. Similarly, if there was no contract and A defaulted, the lender may have had little recourse to recover his money.</p> <p><b>Assessment of benefit</b></p> <p>While there is likely to be a benefit, any benefit ascribed to a particular case is likely to be marginal as it would be expected in a properly functioning system that the marginal costs are equal to the marginal benefits.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>14. Case</b> N was a part aboriginal child who was taken from his mother, and, along with his brother, placed under the guardianship of a Mr White. The two children worked as unpaid agricultural labourers until 1958 when the matter came to the attention of Departmental Welfare Officers. The boys received no schooling and N is illiterate. The CLC assisted N with his application for compensation under the Redress Scheme set up by the WA government in 2008 to acknowledge and apologise to adults, who as children, were abused and/or neglected while they were in the care of the State. Redress also provides access to support and counselling services and, for eligible applicants, an ex-gratia payment of between \$5,000 and \$45,000.</p>	<p>The economic purpose of the payment is not evident, as payment under the scheme was ex-gratia. There is no acceptance of negligence on the part of government, and the payment is not assessed in terms of damages. <b>Assessment of benefit</b> Nil</p>	<p>Some of these clients could have brought negligence claims against the government so the redress scheme was probably cost effective. Alternatively, it was a streamlined process for settling a number of matters out of court. It is not clear that either of these benefits can be ascribed to this case. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>15. Case</b> O's biological father was recently deceased. His biological father had two children from a more recent relationship and one of these children had advertised her intention to apply for Letters of Administration over the father's estate. O understood he was not named as a beneficiary in his father's will. The CLC assisted O in preparation and submission of a caveat against the making of a grant or reseal in the estate, and assisted O in obtaining pro bono assistance from the NT Law Society with regard to his claim.</p>	<p>There appear to be some cases where overriding the intentions of a person's will might be justified economically. These are likely to be areas where the person's estate includes assets that another person may have contributed to in one way and another, and so if the assets are left to a third person, the second person has paid for something and not received a benefit. As an example, a person's spouse may be left out of their will however the assets of their estate may include a significant contribution from the efforts of their spouse. Presumably there is a transaction cost associated with continually calculating and protecting each person's share of the assets of a marriage, or alternatively, a cost associated with each person maintaining their personal assets and affairs. If the law overrides a will in such cases, partners to a marriage will not feel compelled to incur such costs. Such considerations do not appear to be applicable in this case as O had had little or no contact with his biological father. <b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>
<p><b>16. Case</b> P lived with her partner from the age of 13 until the age of 19. During that time she had two children, one at the age of 14 and one at the age of 17. She was subjected to domestic violence on a number of occasions, suffering injuries including bruising and broken bones. In 2001 the partner was found guilty of an assault on her and was jailed. P relocated and is living with her mother. As a result of the history of violence, P's schooling was interrupted. On a number of occasions she obtained employment, but had to leave her job because of continuing violence from her partner. The CLC assisted P with a successful applicant for Criminal Injury Compensation and she obtained \$19,000.</p>	<p>As discussed previously, victim's compensation is likely to be an equity consideration, and, as such probably performs a limited function with regard to economic efficiency. <b>Assessment of benefit</b> Nil</p>	<p>Assistance with the proper preparation of applications for Victim's Compensation is likely to reduce administrative costs, for example in requesting additional information and in revisiting decisions. <b>Assessment of benefit</b> Assuming 20% saving for a self represented litigant on an administrative cost of \$350, the benefit is assessed at \$70.</p>	<p>It is not clear that the money has had a particular impact on J's life or has offset the damage she has suffered to any extent. She reported in follow up that the money has been spent and she is feeling depressed. <b>Assessment of benefit</b> Nil</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>19. Case</b></p> <p>T maintained a tenancy for seven years. The property was sold and T's tenancy terminated. T requested assistance from the CLC to reclaim a portion of her rental bond disputed with the new owner. The CLC acted on behalf of T to request copy of Bond Disposal Form from Bond Administrator at the Department of Commerce, which showed that T allowed the bond to be transferred to the new owner. The CLC acted on behalf of T to request a copy of rental payments paid during the tenancy to the new owner. These records showed that outstanding rent was owed. The new owner agreed to refund the bond if T could produce bank statements to show that the rent had been paid.</p>	<p>The basic economic purpose of contracts is to ensure that exchanges are honoured when they do not occur simultaneously. Alternatively, if contract law did not exist, parties to a transaction would need to build a surcharge into the price negotiated to allow for the average probability of default. Finally, contracts allocate risk and responsibility, so each party is clear on their relative position. In this case it appears that the parties acted in accordance with the contract and the true price was paid.</p> <p><b>Assessment of benefit</b></p> <p>Nil.</p>	<p>A negotiated settlement was obtained, thereby saving a range of administrative costs and court costs.</p> <p><b>Assessment of benefit</b></p> <p>The cost of review, based on VCAT data, is assessed at \$430</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>20. Case</b></p> <p>U sought to make a Criminal Injuries Claim for a number of offences by multiple perpetrators. The CLC acted on behalf of the client to request information for each of the offences from multiple agencies including the Department for Public Prosecution, District Court House, Geraldton Court House, Geraldton Police Station, Geraldton Regional Hospital, Carnarvon Court House, Victims Support Service with Centacare. Limited information was received from the letters sent. The application was not progressed.</p>	<p>As discussed previously, victim's compensation is likely to be an equity consideration, and, as such probably performs a limited function with regard to economic efficiency.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>It is probable that an application with limited merit was not progressed, thereby saving administrative costs associated with the claim.</p> <p><b>Assessment of benefit</b></p> <p>It is likely an administrative cost estimated at around \$350 has been saved</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

## A strategic case

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p>V had been charged with a number of sexual offences related to children. He is mentally impaired and so has been found unfit to plead to the charges. Consequently, he was detained under the Criminal Law (Mentally Impaired Defendants) Act in 2003. A release plan was prepared in 2005 with the assistance of the CLC and a pre-release program agreed by the review board in 2006. The progress of that pre release program has been slow, principally related to finding people and services to provide the necessary supports to V. In 2011, V had not yet been released and has effectively been held in jail without trial for ten years. During that period, the CLC has continued to advocate on V's behalf, including ensuring that he received all documentation related to case review and ongoing brokerage with support services.</p>	<p>The economic view of criminal law is that the expected price of crime (the probability of conviction multiplied by the penalty) exceeds the expected benefits. There are a number of caveats around this. Firstly, there is an argument that punishment should be graduated, as otherwise there is no incentive not to commit a more serious crime, as the serious crime will attract the same punishment as the less serious crime. Secondly, there is a public cost of law enforcement and punishment, so that as levels of crime enforcement and punishment go up, the marginal public cost will eventually exceed the marginal public benefit of the increased level of enforcement and punishment. Some of those public costs include the cost of incarceration, loss of productivity from imprisoned people and the cost of maintaining a police force and judicial system. Hence it could be expected that there will be an optimum level of punishment across a range of crimes. Thirdly, we accept that there will be some public cost of crime as a result of a decision to select an economically optimum level of crime enforcement and punishment and that that cost will be differentially distributed, that is it will be borne by victims of crime.</p> <p>With respect to this case there appear to be a number of matters which do not reflect an economically optimum outcome. By one view, the primary purpose of the provisions of the Act is to protect a mentally impaired person from an unfair trial. However in this case there has firstly been no trial, fair or unfair, and secondly if there had been a trial and the allegations were found proven, the sentence may have been five years. Hence the economically efficient punishment is likely to have been exceeded, particularly if the matter went to court and M was not found guilty. This has a number of effects with respect to community costs and the matters discussed previously.</p> <p>The principle of graduated punishment has been exceeded, as by one view, if one was mentally impaired and committed a sexual offence, one might decide to then go on a rampage of sexual offences as the punishment would not increase.</p> <p>A considerable cost of incarceration has been incurred, with the public supporting M in prison over a period of ten years. Furthermore, he is understood to be capable of working, and so society has lost whatever productive output he may have produced in the period.</p> <p>While it might be argued that his continued incarceration will prevent the possibility of any further crime, this is at odds with our system of justice, which from an economic point of view, appears to accept an optimal level of failure.</p> <p>Hence action by the CLC that results in an outcome that aligns with this view of an economically efficient outcome is likely to be cost effective.</p> <p><b>Assessment of benefit</b></p> <p>The cost of incarceration has been assessed previously at \$340 per day, or \$124,000 per year. Other costs include the cost of ongoing administrative review. Using the numbers above, and if five years is taken to be the economically efficient sentence, the cost to the community from the continued detention has been \$620,000. While difficult to estimate the impact with respect to time, if the CLC action brought forward his release by two years, the saving would be (as Present Value at 7%) \$224,000.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>



## Random Sample of Advices

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Advice</b> W had recently been retrenched. He was suffering from severe Parkinson's Disease and required assistance in filling out a claim form under his Unemployment Protection Policy in relation to his credit card debt.</p>	<p>If the contract was not honoured, there would have been an economically inefficient outcome in that W had paid too high a price for something and hence consumed more than an optimal amount or alternatively, too much of the product was supplied. <b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>
<p><b>2. Advice</b> X has recently separated from his wife and is caring for their two children. His wife has a problem with alcohol abuse. The CLC provided him with advice regarding property settlement procedures including an information pack, custody matters including an information pack and information on how to access a private lawyer.</p>	<p>If children are seen as a commodity of marriage, an economically efficient outcome in terms of the number of children one has requires both parties to pay the price of child rearing. There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. For these reasons our legal system facilitates access to children by both parents in the case of separation, appearing to take a view that having access to both parents will lead to the best developmental outcome for the child, however it also recognises that sometimes access by parents can result in harm to the children. Hence the legal system has an important role in balancing between these considerations. Relationship breakdown, separation and divorce are a fact of our society with our legal system facilitating separation. From an economic perspective, we appear to have taken the view as a society that the benefits to children from not living in a home where conflict exists or where parents are unhappy exceed the social costs of family breakdown such as welfare payments to single parents and the effects of poverty on children. In addition, a range of measures, such as sharing property and maintenance, are in place to minimise those social costs.</p>	<p>X received clear directions on how to negotiate the legal system and to access a private lawyer, and this is likely to have led to administrative savings, both in his own time and in time taken in courts and tribunals. <b>Assessment of benefit</b> In 2010, the Family Court of Western Australia reported 12,887 finalisations against expenditure of \$20.0 million,<sup>37</sup> or \$1,552 per finalisation. Using the figure of 20% for the cost imposed from a litigant in person, the advice from the CLC may have saved \$310 compared to the person being an unrepresented litigant.</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>
<p><b>3. Advice</b> Y had bought a car for cash from her previous partner following the breakdown of the relationship. The registration on the car was due however the previous partner had not signed the registration transfer papers so Y was unable to pay the registration. She was advised to contact the RTA, advise them of the circumstances and seek their advice.</p>	<p>There are likely to be a number of economic benefits from vehicle registration including the ability to trace ownership with regard to traffic infringements, insurance and the like. <b>Assessment of benefit</b> Nil</p>	<p>There is likely to have been some saving of Y's time. <b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>4. Advice</b> A HUGS (hardship utility grants scheme) application was made to enable Z to pay her gas bill.</p>	<p>No benefit as this is a transfer. <b>Assessment of benefit</b> Nil</p>	<p>A correct assessment and properly filled out application is likely to result in some administrative savings. <b>Assessment of benefit</b> Similar benefits have previously been assessed at \$70</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>
<p><b>5. Advice</b> A had bought items costing \$1,845 on a credit card with a 40 month interest free period. He had made minimum payments but when the interest free period ended, the payment was insufficient to cover the interest of 29.49% per annum. His current debt was \$4294.20. He was advised that the minimum payment was insufficient to cover the interest and that late payment incurs additional costs. A decided to continue paying the minimum amount.</p>	<p>There is a social cost with loan default in that part of the interest rate paid by society in general when borrowing includes a component for default. The consequence of default then is that people pay more for loans than they would if default never occurred. There is an inherent tension between the moral hazard associated with people incurring debt that they never intend to repay, thereby placing a cost on the rest of society, and misrepresentation by lenders, whereby people underestimate the cost of loans and hence consume more credit than they would otherwise. Both outcomes are inefficient. The question then becomes whether the economically efficient outcome is best achieved by placing the responsibility with the borrower or the lender. As a society we appear to have taken a shared view, with the lender having some responsibility due to their exposure to loss, hence leading to credit checks and the like, and with the borrower having some responsibility due to their exposure to loss, such as loss of assets and garnishee orders.</p> <p>However interest rates are highly differentiated, and by this view reflect the lenders assessment of the risk associated with a particular borrower. By this view, in a properly operating market, each person would pay a premium equal to their probability of default, and in this way higher interest rates can be seen as a form of insurance. Consumer protection legislation is then seen as an equity measure rather than an efficiency measure.</p> <p>It is not clear that his decision to keep paying the minimum amount will lead to the best outcome. If the creditors took action to recover the debt, his circumstances are such that it is likely the cost of recovery would greatly exceed any money they could lawfully recover. This would place the responsibility with the lender, and they are the party most able to take action to ensure an efficient outcome by not recklessly lending money to people who are unable to pay.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>	<p>A is an aged pensioner with no assets and living in social housing. His income goes to rental, food and utilities. His attempts to pay off the debt are likely to result in considerable hardship to him and reliance on wider social services. <b>Assessment of benefit</b> Any costs are likely to be a transfer and so are assessed at zero.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>6. Advice</b></p> <p>B had received a rental increase on her HomesWest home. She was advised that the rent had increased as she had her grandson and great grandson living with her. She had some concerns with regard to maintenance and repairs that had been carried out on her property. The CLC contacted HomesWest on her behalf to request maintenance.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>7. Advice</b></p> <p>C was a disability pensioner. He was one week behind in his rent and had arrears with regard to accounts, owing \$515 in total. The CLC negotiated with the Real Estate Agent for C to pay an extra \$60 per fortnight and arranged with Centrelink to take an additional amount from his payments until the debt was paid off.</p>	<p>Economically efficient outcomes are achieved by people paying their debts and for contracts to be enforced. This was achieved in this case.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A negotiated process is likely to have saved significant transaction costs on the part of the landlord, including recovery through the courts and possible lost rental income.</p> <p><b>Assessment of benefit</b></p> <p>Administrative review, such as by the rental tribunal, has been estimated elsewhere at \$430.</p>	<p>If C was evicted, he may have had difficulty finding another tenancy, leading to additional costs such as emergency housing and relocation fees.</p> <p><b>Assessment of benefit</b></p> <p>Emergency and social housing is a transfer and so is not treated as a cost. Typical removalist fees are around \$600 for a local move involving limited furniture and with packing done by the tenant and this is taken as the benefit.<sup>38</sup></p>
<p><b>8. Advice</b></p> <p>D has consent orders in place regarding access arrangements with her previous partner, E, to her two children. Due to lack of compliance by E and changed circumstances on the part of E she wishes to change the consent orders. She has tried to negotiate privately with E but has been unsuccessful. The CLC suggested the best approach may be to have an independent third party draw up parenting plan and referred her to Family Dispute Resolution service.</p>	<p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. For these reasons our legal system facilitates access to children by both parents in the case of separation, appearing to take a view that having access to both parents will lead to the best developmental outcome for the child.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A mediated process will reduce court time in D pursuing action for a breach of consent orders and varying consent orders.</p> <p><b>Assessment of benefit</b></p> <p>The cost of a finalisation in the WA Family Court is estimated at \$1,552 noting this is an average cost. Mediation services are funded by FASCHIA but no information is available on funding or outcomes in their annual report. Consequently this benefit cannot be estimated.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>9. Advice</b></p> <p>F had separated from her husband. She sought advice regarding property settlement and custody further to advice she had obtained from Legal Aid. The Family Law Advice sheet and Property Settlement Advice Checklist were reviewed with her, and a number of other matters discussed. It appeared she had prepared a draft letter to her husband regarding custody and property settlement however the letter was not discussed and it seemed she might reconsider the content in the light of discussions.</p>	<p>There is a considerable social benefit associated with children growing up to be productive members of society. Conversely, if people have, for example, psychological or developmental problems from poor parenting or parental conflict in the home, this can result in significant social cost through such things as welfare dependence, crime or usage of a range of support services. For these reasons our legal system facilitates access to children by both parents in the case of separation, appearing to take a view that having access to both parents will lead to the best developmental outcome for the child.</p> <p>Relationship breakdown, separation and divorce are a fact of our society with our legal system facilitating separation. From an economic perspective, we appear to have taken the view as a society that the benefits to children from not living in a home where conflict exists or where parents are unhappy exceed the social costs of family breakdown such as welfare payments to single parents and the effects of poverty on children. In addition, a range of measures, such as sharing property and maintenance, are in place to minimise those social costs.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>It appeared that F was seeking a second opinion. It may be that proper advice will lead to a reduction in dispute in finalising the separation arising from unrealistic expectations on the part of F.</p> <p><b>Assessment of benefit</b> This is difficult to assess, as the available data does not allow discrimination between levels of dispute.</p>	<p>Litigious disputes are likely to lead to considerable family resources being expended on legal costs, thereby increasing the likelihood that people may need to depend on the welfare system, for example public housing, however such costs are transfers.</p> <p><b>Assessment of benefit</b> Nil.</p>
<p><b>10. Advice</b></p> <p>G was concerned she was about to receive an eviction notice from DoH and had been called to a meeting at their office. She had put back a property inspection due to attending a funeral in Perth. During that time the police raided her home and found her son in possession of stolen goods. She currently has a notice to clean up her yard and intended to do that next week but it was likely to put her in financial hardship. G was referred to the service's indigenous tenancy advocate. DoH was contacted and advised that G would not attend a meeting until she had met with the tenancy advocate. A food voucher was provided to G.</p>	<p>It is important for economically efficient outcomes that people bear the consequences of their decisions. In this case, there is a risk to the landlord from poor maintenance or damage to the property. Hence regular inspections are allowable, traded off against the tenant's interest in quite enjoyment, as an overzealous landlord might effectively increase the rent paid (for example by wasting the tenants time) or alternatively reduce the amenity of the property to the tenant. This report assumes that position of the law reflects the optimum trade off between these two competing interests.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>If G was evicted it could result in a range of problems for her and for her son, including sharing housing with others or homelessness.</p> <p><b>Assessment of benefit</b> Nil.</p>





DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>16. Advice</b></p> <p>M's de facto partner passed away from natural causes and died intestate. The deceased had a superannuation policy worth \$23,000 of which the client was named as the sole beneficiary. The death certificate also listed two children as beneficiaries of the estate. The CLC advised the client that they were entitled to claim on the superannuation policy, although the trustee can make a discretionary decision if there are other parties with an interest in the estate. The CLC advised the client would require letters of Administration from the supreme court in Perth and would have to satisfy requirements to demonstrate their de facto marriage, including obtaining Stat Decs from friends and family to support her claim.</p>	<p>The rule when people do not make a will seems to be to leave the estate to close family members. The economic justification may be that where the person's estate includes assets that another person may have contributed to in one way and another, and if the assets are left to a third person, the second person has paid for something and not received a benefit. As an example, a person's spouse may be left out of their will however the assets of their estate may include a significant contribution from the efforts of their spouse. Presumably there is a transaction cost associated with continually calculating and protecting each person's share of the assets of a marriage, or alternatively, a cost associated with each person maintaining their personal assets and affairs. If the law overrides a will in such cases, partners to a marriage will not feel compelled to incur such costs. Extending this approach, it may be that those closest to the person are most likely to have contributed in some way to the assets of the estate. On this basis, if Y had contributed to the assets of the estate, it is not economically efficient for her to be deprived of her share of those assets.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>17. Advice</b></p> <p>N had counselled a couple, both individually and separately, regarding their relationship. During counselling the husband had made admissions to N regarding a sexual assault alleged by the wife. The wife had referred the matter to the police and wished N to provide evidence regarding the sessions with the husband. She was advised that the husband's permission would be required to release information regarding the session. If the police requested the information, she should ask them to advise their authority for requesting the information.</p>	<p>The economic benefit of client confidentiality principles would appear to be that the benefits of full information in treating or assisting someone in general outweigh the costs of withholding that information. In this respect, there appear to be categories where the public good outweighs the private good, for example when revealing a confidential transmission might protect others from immediate danger.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>18. Advice</b></p> <p>O's husband passed away. His will made bequests to his son and daughter, with O receiving the balance of the assets. Her step-son has made a claim on the superannuation claim worth \$65,949.14, although the client and daughter are listed as the sole beneficiaries, and, according to O, the relationship between her husband and his son had broken down. The case had a non-binding death nomination, thus the trustee had discretionary powers regarding the wishes of the deceased. She was advised that the son could make a claim, and that it would be in her best interest to be party to the complaint in order to have a voice at the tribunal regarding her husband's relationship with his son.</p>	<p>There appear to be some cases where overriding a deceased person's intentions might be justified economically. These are likely to be areas where the person's estate includes assets that another person may have contributed to in one way and another, and so if the assets are left to a third person, the second person has paid for something and not received a benefit. As an example, a person's spouse may be left out of their will however the assets of their estate may include a significant contribution from the efforts of their spouse. Presumably there is a transaction cost associated with continually calculating and protecting each person's share of the assets of a marriage, or alternatively, a cost associated with each person maintaining their personal assets and affairs. If the law overrides a will in such cases, partners to a marriage will not feel compelled to incur such costs.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>19. Advice</b></p> <p>P was renting a property which was condemned due to faulty electrical work. He then had to relocate. He was of the view that he had suffered stress and mental strain from living in property for approximately six months in dangerous conditions and was forced to move with short notice. He was then separated from his son for many weeks until appropriate accommodation found. He was advised there was little basis on which to progress his claim.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b> Nil</p>	<p>There is likely to be a saving in administrative and court time from a person not progressing a claim with little merit.</p> <p><b>Assessment of benefit</b> Tribunal costs have been previously assessed at \$430.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>20. Advice</b></p> <p>Q was assaulted by her ex-partner and her ex-partner's current partner. She suffered significant injuries from the assault including broken arm requiring multiple plates to be inserted, multiple broken ribs, stabbing wound to the leg, a fractured cheek requiring plastic surgery, a damaged eye socket and other head injuries. She is currently in the Women's Refuge for her personal safety and is separated from her children. The CLC provided the client with information regarding the process of making a claim for Criminal Injuries Compensation and the necessary information the client will need to provide.</p>	<p>As discussed previously, such compensation is likely to be a transfer in response to equity considerations rather than economically efficient in and of itself.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>Proper preparation of a claim is likely to lead to a reduction in administrative costs associated with the assessment of the claim.</p> <p><b>Assessment of benefit</b> Previously assessed at \$70</p>	<p>None identified</p> <p><b>Assessment of benefit</b> Nil</p>

## Consumer Credit Legal Centre

A random sample of twenty cases and twenty advices were selected and the economic benefits evaluated. In addition, staff provided cases evaluated by them as being of high value. Typically the economic benefits of these cases were similar to those in the random sample of cases, consequently these were not evaluated.

The results of the analysis are tabulated below.

**TABLE 33: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$54,047	\$17,850	\$3,595
Random Cases	20	\$0	\$11,670	\$35,910	\$2,379

Source: JSA research and analysis

In 2009-10 the Consumer Credit Legal Centre had total expenses of around \$1,378,000. In that period, the centre had 619 cases and 12,410 advices. Using the averages for the random sample above, the total benefit is estimated at \$46.1 million, a cost benefit ratio of around 33.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. However there is considerable comfort in the high cost benefit ratio, suggesting that if only one in thirty outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.

No particular high value cases were identified, however there is a benefit associated with most matters, the average benefit is quite high, and a very large number of advices are processed. Of particular interest, particularly with regard to mortgage dispute, the earlier the centre was involved particularly prior to legal action, the greater the benefit. The overall impression is that the centre deals with a range of people and matters and does this in a very efficient way, particularly not wasting people's time and the centre's resources where there is no case, and strategically following through on selected matters for a range of reasons. This is an effective use of community resources and is reflected in the high benefit cost ratio.

The economic benefits of the proper process of the law with respect to contracts are difficult to determine.

The economic benefit of contract law largely comes from allowing people to conduct transactions over time by making sure that customers get what they pay for, and suppliers provide no more than they have been paid for, that is that prices reflect accurately reflect services. The economic costs if society didn't have a proper regulatory system around contracts could be enormous, but because society does have such a system, it (probably) functions at a level where costs just equal benefits. It is expected that on average, the marginal costs of pursuing a claim would be equal to the marginal benefits however this will not always be the case, particularly where there is asymmetric information. The Consumer Credit Legal Centre performs an important function in this regard, by providing expert advice at low cost to offset the high cost to individuals in obtaining sufficient information to reach an informed view. Insurance companies and financiers are dealing with claims and the courts all the time, and so would be much more likely to know the law than an individual who may have one or two matters in a lifetime. This provides an opportunity for moral hazard, where a company may reject a claim without appropriate support, but taking advantage of the customer's lack of sophistication. This benefit is best assessed in terms of willingness to pay, that is what price is the community prepared to pay to have access to good legal advice at no cost.

By way of example, the cost of the centre per advice is \$111. This may represent good value in terms of the community's willingness to pay, as a "flag fall" with a private solicitor is likely





to be around \$300, and the centre has a very high level of expertise as they deal with these matters all the time. On a per capita basis and taking the adult population of NSW as 4.9 million,<sup>57</sup> the cost of the centre per adult is \$0.30 per year. In this regard, even though the average benefit associated with cases is about half the benefit associated with advices, the cases probably serve a training or currency purpose, ensuring that solicitors in the centre are up to date with the law. More importantly, there is an additional benefit arising from case work as matters can often be settled quickly as creditors and insurers know that the CLC is prepared to run cases through court or external dispute resolution and are therefore more inclined to settle than if the CLC offered advice only with no opportunity to engage the legal system.

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57 ABS Census 2006



## Random sample of cases

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Case</b></p> <p>A's house had been partially burnt in 2008. The insurance company had paid the estimated cost of repairs and the insured amount for contents. A believed he was entitled to payment for actual value of contents, costs of temporary accommodation, costs of removal of debris and the difference between the estimated cost of repairs and the actual cost expended by the new owner of the home in repairs. A subsequently received a decision from the Financial Ombudsman Service. That decision found A had generally received his entitlements, however he was advised he was entitled to the cost of removal of debris and some accommodation costs, subject to providing proof of payment for temporary accommodation and for removal of debris. The CLC advised A to accept the determination and provide copies of receipts with regard to debris and temporary accommodation.</p>	<p>The proper operation of contracts and risk sharing under insurance is important for a range of reasons related to economic efficiency.</p> <p><b>Assessment of benefit</b></p> <p>The marginal benefit associated with a single case is difficult to estimate. It is expected that on average, the marginal costs of pursuing a claim would be equal to the marginal benefits however this will not always be the case, particularly where there is asymmetric information. The Consumer Credit Legal Centre performs an important function in this regard, by providing expert advice at low cost to offset the high cost to individuals in obtaining sufficient information to reach an informed view. Insurance companies are dealing with claims and the courts all the time, and so would be much more likely to know the law than an individual who may have one or two matters in a lifetime. This provides an opportunity for moral hazard, where a company may reject a claim without appropriate support, but taking advantage of the customer's lack of sophistication.</p>	<p>The CLC may have reduced additional administrative costs through providing external advice and if he had gone to court it would have cost both parties and he may have lost the settlement.</p> <p><b>Assessment of Benefit</b></p> <p>Not quantified.</p>	<p>Not clear.</p> <p><b>Assessment of Benefit</b></p> <p>Nil.</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>2. Case</b></p> <p>B received a "Notice by Mortgagee requiring Possession" due to arrears. The CLC contacted the lender advising of B's hardship due to a stroke and proposing a payment plan. The CLC canvassed a number of options with B, including refinancing through Indigenous Business Australia. B decided to sell her house and obtain accommodation through the local aboriginal corporation.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Brokered a good outcome.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Possession by the mortgagee is likely to have resulted in considerable loss to S, both in terms of sale price and in terms of administrative costs deducted by the lender. Enforcement costs such as the court and sheriff are also incurred.</p> <p><b>Assessment of benefit</b></p> <p>Financial data is not provided in the NSW Supreme Court Annual Review. The net cost per settlement in the Victorian Supreme Court has been estimated elsewhere at \$6,850 and this is taken as the cost of obtaining appropriate judgements.</p> <p>In 2010 the NSW Sheriff's Office processed 445,191 operational matters.<sup>39</sup> Court Support Services had total expenses of \$94.9 million noting that this includes other services.<sup>40</sup> This gives a cost per matter of \$213.</p> <p>The total benefit is assessed at \$7,060.</p>
<p><b>3. Case</b></p> <p>C was a pensioner on disability support. C had entered into a mortgage for six months with a 'predatory lender' and had subsequently been issued with a possession notice. That possession notice was set aside on the grounds of unconscionability with the settlement allowing C time to refinance, reducing the legal costs and reducing the default interest. That refinancing was hindered by a default listing related to a credit card debt. The CLC negotiated with the credit card provider to pay outstanding amounts and then negotiated for the removal of the default listing with the credit agency. The CLC subsequently complained to ASIC regarding the licensing of the original lender.</p>	<p>The proper operation of contracts and risk sharing under loan contracts is important. Credit agencies are important in avoiding moral hazard. With respect to the 'predatory lender', consumer protection legislation is likely to serve an equity outcome, rather than an efficiency outcome.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The credit card matter was settled out of court hence saving a large amount of court time.</p> <p><b>Assessment of benefit</b></p> <p>Assessed above at \$540</p>	<p>The arranged settlement has allowed A to stay in his own home, probably at a lower cost to himself.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>4. Case</b></p> <p>D was in default on a mortgage and had been issued with a possession notice. The CLC negotiated payment terms with the lender to address the arrears.</p>	<p>The proper operation of contracts is important.</p> <p><b>Assessment of benefit</b></p> <p>Not quantified</p>	<p>The CLC is likely to have reduced administrative costs associated with mortgage default, such as appealing to the FOS, however expenses of around \$6,000 had been incurred in court and legal costs to generate the possession notice.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The client would probably have been somewhat worse off if she had lost her home.</p> <p><b>Assessment of benefit</b></p> <p>A mortgage sale is likely to involve a range of costs which were avoided. These include agents and auctioneer's costs. In December 2010, the median sales price for a house in NSW was \$440,000.<sup>41</sup> Typical agents fees in NSW are 2.5%, giving a cost of \$11,000 for a median priced dwelling.<sup>42</sup> This is taken as the benefit.</p>
<p><b>5. Case</b></p> <p>E was a fifty year old illiterate man who had suffered three heart attacks and could no longer work as a cleaner and was receiving the Disability Support Pension. He contacted the CLC as he was in financial hardship regarding a credit card debt which he was having difficulty repaying. A repayment plan was negotiated with the credit card company. The CLC researched his superannuation and discovered he had eight separate policies, three of which had cover for Total and Permanent Disability (TPD). The CLC assisted W with the various applications and provision of substantiating documentation required to make TPD claims. He negotiated with doctors to pay them following his payout. He subsequently received payments for around \$130,000.</p>	<p>The law worked in this case and W received his entitlement.</p> <p><b>Assessment of benefit</b></p> <p>As discussed previously, benefits are likely to be marginal with respect to costs. Benefit not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>W was depressed as a result of his financial situation and this may have had a cost.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>6. Case</b></p> <p>F had 10 unsecured loans with payday lenders. He had no assets. One lender went to court to recover the debt. The CLC negotiated a repayment scheme with the lender and this was agreed to at a pre trial review. The lender had lent the money to F over the internet and there were a number of irregularities which the CLC advised to ASIC. These included the company not being registered with ASIC, having a credit licence or being a member of an external dispute resolution scheme. The CLC used this case, and others, as a basis for lobbying for changes to legislation to address problems with payday lending including independent dispute resolution, licensing, responsible lending practices and an interest rate cap. The first three have now been addressed through legislative changes.</p>	<p>Variation in interest rates is an economically efficient outcome with each borrower paying an interest rate commensurate with his likely level of default. Government regulation of lending is most likely an equity measure, or perhaps intended to avoid market failure associated with asymmetric information whereby lenders know more about the true cost than borrowers.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A negotiated settlement is a better outcome than one through the courts.</p> <p><b>Assessment of benefit.</b></p> <p>No budgetary information is available for the NSW Local Court. The cost of an unrepresented matter in the Victorian Magistrates Court has been previously assessed at \$330.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>10. Case</b> Owing to a chronic illness, J was no longer able to work. She was unable to pay her mortgage repayments, and due to a drop in value of her home, there was likely to be a mortgage shortfall. J approached the CLC for advice regarding accessing her superannuation and making a total and permanent disability claim. She was advised if she accessed her superannuation and made the claim, the money could be accessed by her creditors in the event of bankruptcy, however if she accessed superannuation after bankruptcy the money would be protected. She decided to access her superannuation to assist with her living expenses while she finalised her mortgage through sale of her house. CCLC did not assist with this process but gave her the information she needed.</p>	<p>The economic purpose of making superannuation immune from bankruptcy is not clear, however it may be a way of shifting the cost of retirement from government (via pensions) to creditors (via protecting superannuation). <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>11. Case</b> K's husband had received a default notice from his credit card provider with regard to being behind in payments and approached the CLC to provide advice. Her husband had been ill two years earlier and had received no income for three months. He had recently lost his job and had been reemployed at a lower income. He was referred to a financial counsellor. The service assessed K's financial position and concluded she and her husband were insolvent as they could not pay their debts as they fell due and their assets were similar to their liabilities. They had around 15 creditors. They were further advised that a hardship application was unlikely to be successful as there was little evidence that their circumstances were likely to change for the better in the foreseeable future. K was referred to a face-to-face financial counselling service to assist in negotiating payment arrangements and to explore bankruptcy.</p>	<p>It is economically efficient that people be held liable for their debts. <b>Assessment of benefit</b> Not quantified</p>	<p>It was likely to be better to progress bankruptcy than to delay the inevitable. If the couple did not go bankrupt, the various creditors would pursue their debts separately at considerable cost and with no likely return. <b>Assessment of benefit</b> \$540 (estimated previously) multiplied by 15 creditors gives a total benefit of \$8,100.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil.</p>
<p><b>12. Case</b> L was no longer working and was in receipt of a carer's pension. She was in financial difficulties. Her lender had foreclosed on her loan and her house had been sold with a shortfall. She had a range of other debts and one creditor had served her with a statement of claim. The CLC advised she had little basis for a hardship variation or other claims against her lenders. L decided to apply for bankruptcy. As a result of investigations carried out as part of the case, the CLC found that a representative of one organisation, a major lender, provided misleading information. In addition, the contact details for the organisation on the Financial Ombudsman Service were out of date. As a result of a complaint by the CLC, the lender provided further training for staff and updated its details.</p>	<p>It is economically efficient for people to be responsible for their debts, however there is considerable expense in pursuing debt, especially where there are no assets. Hence the law facilitates bankruptcy. <b>Assessment of benefit</b> Not quantified.</p>	<p>Timely advice to seek bankruptcy is likely to save transaction costs as the various creditors chase up their debts individually and eventually seek bankruptcy or get payment orders that are unenforceable. <b>Assessment of benefit</b> The number of creditors is not known, but assuming two, the benefit is assessed at \$540 times 2, or \$1,080.</p>	<p>No apparent benefit.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>13. Case</b></p> <p>M's home had been damaged in floods. She was advised by the insurance company that damage from flooding was not covered by her policy and that they were awaiting a hydrology report prior to finalising her claim. The matter was taken over by Legal Aid Queensland.</p>	<p>It is economically efficient for contracts to be enforced.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>The CLC was involved in these matters to assist Legal Aid Queensland with a large case load arising from flooding.</p> <p>Assessment of benefit Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>14. Case</b></p> <p>N had made a claim against his insurance as a result of flood damage to his home. N was concerned about the progress of his claim. The CLC contacted the insurance company and reminded them of their obligations under the General Insurance Code of Practice to provide timely information. N received a compassionate payment from the insurer which was in line with what he believed his entitlement to be.</p>	<p>It is economically efficient for contracts to be enforced.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p>Nil</p>
<p><b>15. Case</b></p> <p>O's insurance claim for her stolen and damaged car had been rejected by the insurance company as investigations revealed a number of inconsistencies which led them to suspect fraud. The CLC advised her of a number of areas where she may be in breach of the Insurance Contracts Act 1984 and confirmed the legal basis of the insurers actions.</p>	<p>It is economically efficient for contracts to be properly enforced and that moral hazard is avoided.</p> <p><b>Assessment of benefit</b> Not quantified</p>	<p>Court action may have been avoided.</p> <p><b>Assessment of benefit</b> Assessed previously at \$540.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>16. Case</b></p> <p>P believed that he was incorrectly listed as defaulting with a credit agency. Upon review of documents the CLC advised him that the default listing appeared to be appropriate and that action by the creditor to recover the unpaid debt would also appear to be supported.</p>	<p>Credit listings are important as they provide information to inform the proper allocation of risk, itself economically efficient.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>17. Case</b></p> <p>Q had made a claim for storm damage to her home with her insurer. The insurance company assessed the damage claimed as being long term damage as a result of poor building practices. The CLC advised her of the contractual basis for the insurance company's decision and advised her what action would be required to substantiate her claim. The matter was not progressed.</p>	<p>It is economically efficient for contracts to be properly enforced and that moral hazard is avoided.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>The CLC advice avoided correspondence and a range of administrative costs with insurer and possible costs of mediation or court action.</p> <p><b>Assessment of benefit</b> Previously assessed at \$330.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>18. Case</b></p> <p>R had suffered a workplace injury that left him unable to work. He was receiving the Disability Support Pension and was awaiting a workers compensation settlement. He had received a default notice on a mortgage for a property owned by him. The property had been offered for sale but prices offered were not sufficient to pay off the outstanding debt. His hardship application had been rejected as the lender was of the view that his circumstances were likely to be permanent. A variation to payment terms was negotiated to provide additional time for R to sell his home. Due to a failure to sell the property and difficulty in servicing a number of other debts, R decided to hand over vacant possession to the lender and then file for bankruptcy.</p>	<p>It is economically efficient for people to be responsible for their debts, however there can be considerable administrative expense pursuing debts where there are no assets.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>Voluntary handover probably reduced administration costs to some extent, however this was most likely offset by other negotiations.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>19. Case</b></p> <p>S and his partner had rented a range of household furniture from a supplier. They were receiving Centrelink payments. Due to financial difficulties, they terminated the lease agreement and were required to pay an outstanding amount of \$290, or if not paid, total costs of \$825. There was some evidence that the supplier may have entered into an unsuitable lease contract as it was likely the lease payments would have involved substantial hardship. S did not progress the matter.</p>	<p>It is economically efficient for people to be liable for their debts.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>20. Case</b></p> <p>T had resigned from her previous job as a result of personal stress. She had fallen behind in her loan payments and her application for a hardship variation had been declined. She was expecting to recommence work soon with a different employer, and appealed to the Financial Ombudsman Service. A mediation settlement was reached however T decided not to accept that settlement and decided to seek legal advice elsewhere regarding the settlement.</p>	<p>The process worked but it appeared that she was unhappy with the outcome.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b> Nil</p>



## Random sample of Advices

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Advice</b></p> <p>A is on workers compensation and had received a default notice from his home loan lender. He had been advised by the bank to convert his loan to fixed interest, but was not able to pay the higher payments and so was issued a default notice. He changed back to a variable loan but was required to pay a break fee. The bank did not advise him of the option of a hardship variation when they suggested he fix the interest rate. The CLC advised the client to lodge in FOS and what to argue over a series of telephone advices. The client was successful in having the break fee refunded. The likely basis of the bank's decision was their failure to advise A of the hardship variation option.</p>	<p>Consumer Law is most likely an equity measure, or perhaps intended to avoid market failure associated with asymmetric information whereby lenders know more about the true cost than borrowers.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There was likely to be considerable expense associated with default and enforcement.</p> <p><b>Assessment of benefit</b></p> <p>Assessed as externality.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>This has been assessed previously at \$6,850 in court and enforcement costs and \$11,000 in agents fees, giving a total benefit of \$17,850.</p>
<p><b>2. Advice</b></p> <p>B owned a rental property which had burnt down while unoccupied. The insurer refused the claim on the basis that the property was not structurally sound. Following advice from the CLC, B argued that B had met her duty of utmost good faith as B had regularly maintained the property and was not aware of problems with security at the property. The insurer offered \$50,000 in settlement against her claim of \$70,000 which she accepted.</p>	<p>It is economically efficient for contracts to be enforced.</p> <p><b>Assessment of benefit</b></p> <p>In a properly operating system, marginal costs would be expected to equal marginal benefits, consequently the benefit is not quantified.</p>	<p>If the matter had been pursued through the courts there would be a considerable administration cost.</p> <p><b>Assessment of benefit</b></p> <p>Court and recovery costs have been previously assessed at \$6,850.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>3. Advice</b></p> <p>C had multiple debts including a \$90,000 shortfall on a property he had sold. His wife has stopped working due to medical problems and they are unable to service their debts. There was no equity in two other properties he owned due to a poor housing market. He was advised that, considering his circumstances, avoiding bankruptcy was unlikely and he should consider early bankruptcy rather than drawing down super, as this would be protected from bankruptcy.</p>	<p>It is economically efficient for people to be responsible for their debts, however there can be considerable administrative expense pursuing debts where there are no assets.</p> <p><b>Assessment of benefits</b></p> <p>Not quantified.</p>	<p>Voluntary bankruptcy may be a low cost option all around, as court action is avoided.</p> <p><b>Assessment of benefit</b></p> <p>This benefit has been previously assessed at \$6,850. Across two properties, this is a benefit of \$13,700.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>4. Advice</b></p> <p>D had guaranteed a loan for another property with her home. The other property was occupied by her son and in her husband's, son's and her name. The son defaulted on payment and the lender obtained possession of the property but has been unable to sell it. She wished to refinance and subdivide her home but is unable to do that because there is a caveat on the property arising from the guarantee. She was advised that the actions of the bank appeared to be within their rights (given her instructions) but she was also referred to a private solicitor for further assistance should she wish to pursue the matter further, or try to negotiate with the bank.</p>	<p>It is economically efficient for contracts to be properly enforced.</p> <p><b>Assessment of benefit</b></p> <p>Not quantified.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>5. Advice</b></p> <p>E was in financial difficulties over unpaid rates and loan repayments. He had no equity in either his home or his investment property. His application for hardship provisions was refused as there was no likelihood that his circumstances would change. He has made application to pay by instalments, taken matters to the Financial Services Ombudsman and discussed bankruptcy options with the CLC.</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>
<p><b>6. Advice</b></p> <p>F was pursued by a police car while speeding. The police car struck him, incurring damage. The insurer has sought to recover the money from him. He was advised that he was likely to be liable for the money, that he should make an offer to settle and of the steps he should take if he wishes to dispute the quantum of the damage.</p>	<p>It is economically efficient for people to be liable for their own negligence.  <b>Assessment of benefit</b>  Not quantified.</p>	<p>It is likely that court recovery action has been avoided.  <b>Assessment of benefit</b>  Previously assessed at \$540.</p>	<p>No apparent benefit.  <b>Assessment of benefit</b>  Nil</p>
<p><b>7. Advice</b></p> <p>G was unable to work due to medical problems. She was unable to pay her credit card debts. She had sought a hardship concession however she was refused as her problem was long term. She was advised to refer the matter to independent dispute resolution and to make a claim against her income protection policy attached to her superannuation. She was also referred to a face-to-face financial counselling service for further assistance.</p>	<p>It is economically efficient for people to be responsible for their debts.  <b>Assessment of benefit</b>  Not quantified.</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>
<p><b>8. Advice</b></p> <p>H was involved in a car crash and has not worked since. He is on the Disability Support Pension. He has received a judgement against the other side's insurer, however the insurer has applied for an injunction against enforcing the judgement. He has engaged in independent dispute resolution with another creditor and they have offered to accept an irrevocable order guaranteeing payment from the car crash payment. He was advised to seriously consider the offer subject to obtaining further advice from his compensation solicitor regarding the quantum of the car crash settlement and the likelihood of the injunction being sustained. He was also given information about face to face financial counselling and bankruptcy.</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>	<p>No benefit.  <b>Assessment of benefit</b>  Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>9. Advice</b></p> <p>I contacted the CLC regarding an enforcement matter in Queensland. The CLC was unable to advise and he was referred to Queensland Legal Aid.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>10. Advice</b></p> <p>J had lost her job and was in financial hardship. She had consolidated her debt and, on the advice of the CLC, had successfully sought a hardship variation. However at the end of the hardship period, her circumstances had deteriorated further due to ill health. The CLC advised against refinancing with a high cost lender and recommended that she put her home on the market as it appeared inevitable that she would lose the home. By selling it herself, she would be likely to maximise her return and minimise legal costs. J did not progress the matter and was then issued with a default notice. She was advised what steps she was required to take in response to the default notice and was counselled to make some decisions regarding her future compared to the alternative of being overtaken by events.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>11. Advice</b></p> <p>K has entered into voluntary bankruptcy over a debt of \$80,000. To avoid losing his home, he wanted to negotiate with the trustee to accept \$35,000 put up by family members and annul the bankruptcy. He was advised that he should demonstrate to the trustee why the trustee and creditors will be better off accepting his offer than by selling his home. It is likely the return on sale of the home will be around \$35,000 however there will be other costs associated with recovering this amount.</p>	<p>It appears he has calculated the minimum he can offer the trustee to retain his home.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A negotiated process is likely to be a good outcome however in this case the outcome is unknown.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>12. Advice</b></p> <p>L has been recently pursued by a debt collection agency regarding a debt dating to some years ago. The twelve year period to enforce the debt pursuant to a judgment expires soon. L was advised to confirm whether there was a judgement regarding the debt. If not he should lodge an appeal with the Financial Ombudsman Service arguing that the debt is statute barred. If there is a judgement, the creditor can apply for an extension of time to enforce the debt.</p>	<p>It is economically efficient for people to be responsible for paying their debts. The economic benefits of limitations on time are not clear, however it may relate to the extended costs in dealing with matters that are many years old and the difficulty in obtaining information.</p> <p><b>Assessment of benefit</b></p> <p>Not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>13. Advice</b></p> <p>M was working in Australia but intended to return overseas soon. She was involved in a motor vehicle accident where she was at fault. She was uninsured and the insurance company sought the cost of repairs to the other vehicle. M canvassed a range of options including leaving the country without paying the debt. On the advice of the CLC she made an offer to the insurance company which was accepted.</p>	<p>It is economically efficient for people to pay their debts.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>There is likely to have been a saving in recovery costs by the insurance company including court time.</p> <p><b>Assessment of benefit</b> The cost has been previously assessed at \$540.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>14. Advice</b></p> <p>N was out of work and had accrued \$25,000 in arrears on his mortgage through entering into hardship arrangements. He had since returned to work and the lender was seeking payment of the arrears. He was advised his options were to capitalise the arrears with the agreement of the lender or sell his home to pay off his debt. He was also advised to lodge a complaint with the Financial Ombudsman Service in the event that the lender issued a statement of claim before a solution could be negotiated.</p>	<p>Consumer Law is most likely an equity measure, or perhaps intended to avoid market failure associated with asymmetric information whereby lenders know more about the true cost than borrowers.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>A negotiated process is likely to be a good outcome, as is engaging the Financial Ombudsman Service.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>15. Advice</b></p> <p>O has been out of work due to illness but is now recovering. She has a number of debts with payment arrangements in place. She had recently received a notice from a debt collection agency for \$450 and a statement of claim from her home lender. She was advised to prepare a hardship case for alternative dispute resolution on her mortgage proposing capitalising arrears, extending the life of the loan, reducing repayments and the like. She was advised to make an offer to the debt collection agency.</p>	<p>It is economically efficient for people to be responsible for their debts.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>A negotiated process is likely to be a good outcome.</p> <p><b>Assessment of benefit</b> This benefit has been previously assessed at \$540 for the small claim and \$17,850 for the avoidance of mortgage default and the retention of her home, giving a total likely benefit of \$18,390.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>16. Advice</b></p> <p>P had incurred costs when her holiday accommodation was cancelled due to insolvency on the part of her travel agency. The cancelled accommodation had been paid with her credit card. When she contacted her travel insurance provider, she was advised that default by the travel agent was excluded by the policy. She had been advised by the liquidators that the travel agency had no assets. She was advised by CCLC to have the debit charged back under the terms and conditions of her credit card instead.</p>	<p>It is economically efficient for people to get what they pay for.</p> <p><b>Assessment of benefit</b> Not quantified.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>17. Advice</b></p> <p>Due to reductions in income, Q had fallen behind in payments on his investment property. The lender had obtained judgement and was in possession of the property. Q expected there would be a shortfall on the debt if the property was sold. Q hoped to get the property back and negotiate an extended loan which he could afford. He was advised that he had limited options apart from negotiating with the lender.</p>	<p>It is economically efficient for people to be responsible for their debts.</p> <p><b>Assessment of benefit</b> Not quantified</p>	<p>No benefit</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>18. Advice</b></p> <p>R had a debt of \$100,000 on his farm and home, with both valued at around \$1,000,000. Due to injuries he can no longer operate the farm as a business. He had a payment plan in place and has the property for sale, however the bank was threatening to take action to recover their debt. On the advice of the CLC, he was successful in negotiating time with the bank to enable him to sell the property.</p>	<p>It is economically efficient for people to be responsible for their debts.</p> <p><b>Assessment of benefit</b> Not quantified</p>	<p>A range of recovery costs have been avoided.</p> <p><b>Assessment of benefit</b> Court action by the bank is assessed at \$6,850.</p>	<p>Seizure by the bank is likely to have resulted in costs to P.</p> <p><b>Assessment of benefit</b> Nil.</p>
<p><b>19. Advice</b></p> <p>S had incurred a debt of some hundreds of dollars in unpaid toll road charges. She has had difficulty in negotiating with the provider over the phone. She was advised to commence paying by instalments and to make an offer in writing.</p>	<p>It is economically efficient for people to be responsible for their debts.</p> <p><b>Assessment of benefit</b> Not quantified</p>	<p>An offer of settlement is likely to lead to reduced administration costs on behalf of the toll road company.</p> <p><b>Assessment of benefit</b> Assessed previously as \$540.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>
<p><b>20. Advice</b></p> <p>T's vehicle had been damaged in a car crash. She was uninsured and the other vehicle was a company owned car. She was advised to forward a letter of demand along with quotes supporting her claim to the other party. She was advised that negotiations are usually better than taking legal action and was advised of time limits regarding her claim in the event that legal action should be necessary.</p>	<p>It is economically efficient for people to bear the cost of their negligence.</p> <p><b>Assessment of benefit</b> Not quantified</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b> Nil</p>

## Marrickville Legal Centre

A random sample of twenty cases and twenty advices were selected and the economic benefits evaluated. In addition, staff provided cases evaluated by them as being of high value, however the economic benefits of these cases were similar to those in the random sample of cases, consequently these were not evaluated.

The results of the analysis are tabulated below.

**TABLE 34: Economic benefits of selected cases**

GROUP	NUMBER	THE LAW	THE PROCESS	EXTERNALITIES	AVERAGE BENEFIT
Random Advices	20	\$0	\$4,490	\$6,850	\$567
Random Cases	20	\$0	\$6,168	\$1,140	\$365

Source: JSA research and analysis

In 2009-10 Marrickville Legal Centre had total expenses of around \$877,000. In that period, the centre had 425 cases and 5,328 advices. Using the averages for the random sample above, the total benefit is estimated at \$3.2 million, a cost benefit ratio of around 4, and sufficiently high to justify the expenditure on the centre.

The major uncertainty is the degree to which the benefit would not have been achieved if the Community Legal Centre did not exist, that is whether the outcome may have been achieved by other processes. If one in four outcomes was attributable to the Community Legal Centre, costs would still exceed benefits.



## Random sample of cases

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Case</b></p> <p>A, an 18 year old on Centrelink payments, had entered into an agreement with a mobile phone provider. She exceeded the cap on her initial plan and so entered into a more expensive plan which she was unable to afford. She had accrued a debt of \$1,800 which the company sought to recover. There were some irregularities in her original plan application, as she would not have been eligible under the provider's guidelines due to her low income. The CLC successfully negotiated with the provider to have the debt waived due to E's inability to pay.</p>	<p>It is economically efficient for people to be responsible for their debts. At the same time, market failure can arrive from asymmetric information which may be the case in this matter.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There is likely to have been an administrative saving, as the company would have incurred recovery costs, with those costs also included court time.</p> <p><b>Assessment of benefit</b></p> <p>This benefit has been previously assessed at \$540.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>No benefit.</p>
<p><b>2. Case</b></p> <p>At the age of 15, B had been involved in a car crash while driving a friend's father's car and a fence. He currently has no income. The CLC negotiated for a reduction in the debt and for a payment plan, however B did not agree to the payment plan. It appeared his preferred strategy was voluntary bankruptcy. Subsequently the owners of the car and of the fence obtained default judgement against him for \$21,000.</p>	<p>It is economically efficient for people to be liable for their debts.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>3. Case</b></p> <p>C rented a protected premises under the Landlords and Tenants Act from the RTA. The RTA sought to evict her when she requested repairs, claiming immunity from the Act as a representative of the crown. The CLC assisted C in appealing to the tenancy tribunal, however the tribunal found for the RTA. The matter then went to the NSW Supreme Court and finally to the High Court of Australia, which found for the tenant. The CLC assisted C in obtaining a number of grants for legal aid through the process.</p>	<p>Laws around controlled tenancy are likely to be based on considerations of equity rather than on considerations of economic efficiency.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>4. Case</b></p> <p>D had been assaulted which resulted in her being severely injured and requiring surgery. The CLC assisted her in preparing her successful claim for victim's compensation in the amount of \$18,000.</p>	<p>As discussed previously, victims compensation is most likely an equity measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There may be some reduction in administration time from a properly prepared application.</p> <p><b>Assessment of benefit</b></p> <p>Similar benefits have previously been assessed at \$70.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>5. Case</b></p> <p>The property occupied by E had recently been sold. The new owner initially offered a six month lease, however later sought possession of the property. An agreement was reached during conciliation for a three month lease with a rental increase.</p>	<p>It is economically efficient for contracts to be properly enforced.</p>	<p>A tribunal hearing was avoided.</p> <p><b>Assessment of benefit</b></p> <p>In 2009-10, the CTTT finalised 62,068 applications for a total budget of \$26.6 million,<sup>43</sup> or \$429 per application. The benefit is assessed at \$430</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>6. Case</b></p> <p>F was charged with being an unlicensed driver and driving negligently. The CLC assisted her with her court appearance where she pleaded guilty and received a reduced fine of \$700. She agreed to pay the fine by instalments deducted from her Centrelink payments.</p>	<p>It is economically efficient for people to bear the cost of their negligent behavior.</p>	<p>The costs of a litigant in person were avoided, as were recovery costs from enforcing the judgement.</p> <p><b>Assessment of benefit</b></p> <p>No budgetary information is available for the NSW Local Court. The cost of a matter in the Victorian Magistrates Court has been previously assessed at \$270, and 20% (the additional cost of a litigant in person based on WA information) is \$56. The cost of action by the Sheriff's Office has been previously assessed at \$213, giving a total benefit of \$270.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>7. Case</b></p> <p>G had limited English and was a recent migrant with no income. He had incurred around \$1,300 in fines from travelling on trains without a ticket. The CLC represented him at Court. He pleaded guilty, the fine was reduced and a payment plan was entered into.</p>	<p>It is economically efficient for people to be liable for their debts.</p>	<p>Pleading guilty and entering into a payment plan has probably saved a range of administrative and court costs.</p> <p><b>Assessment of benefit</b></p> <p>Assessed above at \$270.</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>8. Case</b></p> <p>H rented a property from a Community Housing Provider. As a result of changes in the way of calculating income his rent was increased however he had not paid the increased rent. The provider had written to him requesting the outstanding rent. The CLC advised him that the rental increase was appropriate and within current guidelines.</p>	<p>It is economically efficient for contracts to be enforced.</p>	<p>Timely advice is likely to lead to reduced administration costs both by the provider and in the tenancy tribunal.</p> <p><b>Assessment of benefit</b></p> <p>CTTT costs have been assessed at \$430.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>9. Case</b></p> <p>I had worked as a casual clerk for ten years when she was dismissed. She believed she had been unfairly dismissed, and the CLC negotiated an outcome with her former employer including three weeks' pay and a written reference.</p>	<p>It is economically efficient for contracts to be properly enforced. However there is unlikely to be an economic efficiency associated with unfair dismissal laws, with these likely to be an equity measure.</p>	<p>Negotiated outcome saved time and administrative effort by all parties and by the Industrial Relations Commissioner.</p> <p><b>Assessment of benefit</b></p> <p>Data is not available for the Industrial Relations Commission, hence the benefit has been taken as similar to the CTTT, that is \$430.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>10. Case</b></p> <p>J had previously been a Department of Housing tenant, but was evicted due to non payment of rent. She has schizophrenia and is in private rental accommodation. Her application to be placed on the DoH housing list had been refused. The CLC assisted her in being placed on the general housing waiting list and assisted her with a submission for priority housing.</p>	<p>Public housing is an equity measure and is not supported by notions of economic efficiency.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>



DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>11. Case</b> K was a schizophrenic who had a sustained a serious injury during a sexual assault in her DoH flat. The CLC assisted her with a successful claim for victim's compensation for \$29,000. The CLC then appealed and obtained \$45,000.</p>	<p>As previously discussed, victim's compensation is an equity measure. <b>Assessment of benefit</b> Nil</p>	<p>Proper application with supporting paperwork is likely to have saved administrative costs by the assessor. <b>Assessment of benefit</b> This benefit has previously been assessed at \$70.</p>	<p>No benefit <b>Assessment of benefit</b> Nil</p>
<p><b>12. Case</b> L was a Department of Housing tenant. Due to a leaking roof, his flat had been damp or wet for a four year period. The problem was ongoing. The CLC assisted L in applying to the Tenancy Tribunal for necessary repair work to be carried out. The department decided to undertake the work and he was relocated to another flat while that work was carried out. The CLC negotiated with the Department regarding damages suffered by their client as a result of the poor maintenance and obtained an ex gratia payment of \$4,000 for L.</p>	<p>It is economically efficient for contracts to be properly enforced and for people to be responsible for their negligence.</p>	<p>There is likely to have been a saving in court time. <b>Assessment of benefit</b> Previously assessed at \$270 plus 20% for a self represented litigant, i.e. \$330.</p>	<p>The damp conditions appear to have had some impact on Ns health. <b>Assessment of benefit</b> Difficult to assess and taken as nil.</p>
<p><b>13. Case</b> M had been living in a situation of domestic violence for 30 years. She had recently obtained an AVO which had been breached by her husband. The CLC assisted her with initial preparation of an application for victim's compensation. The matter was referred to the pro bono section of a large legal firm.</p>	<p>As discussed previously, Victim's compensation appears to be an equity measure.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>14. Case</b> N and her husband had borrowed money to invest in a timber plantation scheme. The scheme was fraudulent and the company went bankrupt. The creditors of the company obtained a judgement against N and her husband, however they had no assets and little income. They were advised they may have a case against the company for breaches of the trade practices act, and this claim could be offset against the debt. The couple decided to go into voluntary bankruptcy, as they had no significant assets or income.</p>	<p>It is economically efficient for people to be responsible for their debts, however it is not economically efficient for people to be rewarded for the proceeds of crime.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>Recovery and enforcement action was avoided. <b>Assessment of benefit</b> Similar benefits have been assessed elsewhere at \$540.</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>15. Case</b></p> <p>O was a homeless person as a result of losing her job due to injury and living in a car. Her application for priority housing with the Department of Housing was denied as a result of administrative errors. Following a review, she was granted priority status and approved for the Special Assistance Subsidy, subsidising her accommodation in the private housing market.</p>	<p>As discussed previously, public housing is likely to be an equity measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The CLC appears to have acted as an informal ombudsman.</p> <p><b>Assessment of benefit</b></p> <p>The NSW Ombudsman received 32,509 complaints and notifications in 2009-10,<sup>44</sup> with a total expenditure of \$21.1 million.<sup>45</sup> This is a cost per complaint of \$649 and this is taken as the benefit.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>16. Case</b></p> <p>P had a small business organising swinger's functions. He contracted with a web designer to provide a web site for his business. The web site was defective in a number of ways and he held the designer responsible. The CLC advised him that he had limited chance of success in the CTTT due to lack of certainty around the contractual arrangement, however he progressed the matter seeking \$30,000, the cost of a website with complete functionality. In conciliation, he accepted \$1,000 in settlement.</p>	<p>It is economically efficient for contracts to be properly administered.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>Additional costs may have been incurred if the matter progressed to court.</p> <p><b>Assessment of benefit</b></p> <p>Similar benefits have been previously assessed at \$330.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>17. Case</b></p> <p>Q approached the CLC for advice regarding obtaining victim's compensation for a claimed assault, paying off outstanding fines with a Work and Development Order and possible discrimination with regard to his criminal record. An FOI application was prepared and on the basis of that FOI application he was advised that there was little support for his victim's compensation claim. He was advised of the appropriate avenues with regard to working off fines and progressing discrimination claims.</p>	<p>Victims compensation is likely to be an equity measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>There is likely to have been a saving in administrative review from not progressing his application.</p> <p><b>Assessment of benefit</b></p> <p>Previously assessed at \$350.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>18. Case</b></p> <p>R had been employed at a hotel on a casual basis as a bar attendant and other duties for over nine years. The hotel was purchased by new owners, and after six months she was told that there were no shifts available to her. She subsequently found alternative work. The CLC assisted her with referring the matter to Fair Work Australia and in negotiations with her previous employer. The matter was settled for \$3,000 with no admission of guilt by the previous employer.</p>	<p>It is economically efficient for contracts to be enforced, however labour laws are likely to be an equity measure rather than an efficiency measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A negotiated outcome led to reduced administration costs.</p> <p><b>Assessment of benefit</b></p> <p>In 2009-10, Fair Work Australia had 42,516 matters, with a total expenditure of \$66.7 million, or \$1,569 per matter. This is taken as the benefit, although it is noted that the matter had been referred to Fair Work Australia.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>19. Case</b></p> <p>S was a trainee teacher. Due to an adverse report, he failed his final practical training which meant he could not complete his degree. The CLC assisted him in preparation of a case before the university assessment committee. He was excluded from the university for one year, allowing him to re-enrol the following year.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>20. Case</b></p> <p>T had a mental illness and was in a Department of Housing dwelling. The Department received allegations of fraud claiming that T had sublet the property to others. The CLC assisted T in preparing a letter with supporting documentation refuting the allegations. The matter was not progressed.</p>	<p>As noted previously, public housing is an equity, rather than an efficiency, measure.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>A CTTT matter appears to have been avoided.</p> <p><b>Assessment of benefit</b></p> <p>The benefit has been previously assessed at \$430.</p>	<p>M could have lost his home and associated support networks.</p> <p><b>Assessment of benefit</b></p> <p>Removalist costs have been assessed elsewhere at \$600.</p>

## Random sample of Advices

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>1. Advice</b> A was separated from his wife. He wanted to finalise access arrangements regarding his son. His wife had not attended mediation. He required assistance in drafting parenting orders which was provided by the CLC. They also gave him advice and information regarding the process to be followed.</p>	<p>As previously discussed, it is economically efficient for access arrangements to be in the best interests of the child. <b>Assessment of benefit</b> Nil</p>	<p>Likely to be a small benefit in having the orders drafted properly and from understanding the process. <b>Assessment of benefit</b> Similar benefits have been assessed at around \$70.</p>	<p>No apparent benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>2. Advice</b> B had a gambling problem and had borrowed around \$70,000 from a range of creditors such as credit card providers and banks. He did not wish to go into bankruptcy and had arranged to sell a house he co-owned with his brother. He was referred to a financial counsellor to work out his assets and ability to pay and to develop a financial plan, including prioritising his debts and to prioritise claims, including seeking time to pay and payment by instalments.</p>	<p>It is economically efficient for people to be responsible for their debts. <b>Assessment of benefit</b> Nil</p>	<p>It is likely that planning on his part will save the cost of recovery action by his creditors. <b>Assessment of benefit</b> Similar matters have been assessed at \$540 per creditor. Assuming five creditors, this would be a benefit of \$2,700.</p>	<p>There is likely to be some cost savings from voluntary sale of the property. <b>Assessment of benefit</b> Previously assessed at \$6,850.</p>
<p><b>3. Advice</b> C had worked for two days for Department of Corrective Services under a labour hire agency. He was dismissed due to a poor reference check and was not paid for the days he had worked. He was advised as to the process to be followed to recover the lost wages, first through the fair work ombudsman, and then by debt recovery in the local court.</p>	<p>It is economically efficient for contracts to be enforced, however labour laws are likely to be an equity measure rather than an efficiency measure.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit.</p>
<p><b>4. Advice</b> D had received a notice to attend court regarding an unpaid traffic fine. The CLC reviewed their fines checklist with D and advised her of the limited likelihood of success and the additional court costs likely to be incurred. D decided to pay the fine.</p>	<p>It is economically efficient for people to be responsible for their debts and for their own negligence. <b>Assessment of benefit</b> Nil</p>	<p>There is likely to have been a saving in court time and in enforcement costs. These have been previously assessed at \$540.</p>	<p>No apparent benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>5. Advice</b> E was required to attend a disciplinary interview with his employer relating to a number of matters. His union is representing him. He sought the CLC's assistance in also representing him and was advised they were unable to help.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>6. Advice</b> F had received a notice to attend court regarding unpaid traffic fines. The CLC reviewed their fines checklist with A and advised him of the limited likelihood of success and the additional court costs likely to be incurred. F decided to pay the fines.</p>	<p>It is economically efficient for people to be responsible for their debts and for their own negligence. <b>Assessment of benefit</b> Nil</p>	<p>There is likely to have been a saving in court time and in enforcement costs. These have been previously assessed at \$540.</p>	<p>No apparent benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>7. Advice</b> G has referred a complaint against other members of her strata scheme to the CTTT. She was assessed as being competent to represent herself as she has previously done so successfully, and was given advice about being clear regarding the issues and compromising with reasonable suggestions.</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>8. Advice</b> H sought to have parenting orders with her ex-husband revised. She was advised that she must first try family dispute resolution and was advised of the process. She was further advised that she would qualify for legal aid and was referred to her previous solicitor.</p>	<p>It is economically efficient for the law to act in the best interests of the child. <b>Assessment of benefit</b> Nil</p>	<p>There was likely to be a benefit in reduced administration time from H understanding the process to be followed. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>9. Advice</b> I had been bullied and harassed by a co-worker over a two year period culminating in her being assaulted. The matter was referred to the police who recommended an AVO. The co-worker has been suspended and she is concerned what will happen if the co-worker returns to work. She was advised to report the matter to her employer and progress the AVO.</p>	<p>It is economically efficient for employers to bear the cost of providing a safe workplace. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>10. Advice</b> J's daughter, son-in-law and children were living with her and her husband. As a result of an altercation, the son-in-law had assaulted J and J had applied for an AVO. The son-in-law was no longer living with her. It appeared that J had arranged the meeting with regard to concerns regarding DV against her daughter, however the situation was complex and the daughter had not made any report to police and was reluctant to discuss the matter.</p>	<p>No apparent benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>11. Advice</b></p> <p>K was supervising a learner driver, L, who committed a traffic offence. L obtained her license but the points from the offence meant her license was suspended. K wanted to know if the points could be transferred to his license as he was supervising J. He was advised that they could both have been fined, and if L wanted to appeal the matter, she would need to attend court and ask the magistrate not to record the points however the magistrate is unlikely to view the application favourably.</p>	<p>It is economically efficient for people to bear the consequences of their own negligence.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The cost of an appeal has been saved.</p> <p><b>Assessment of benefit</b></p> <p>A magistrates court hearing for a self-represented litigant has been assessed at \$320.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>12. Advice</b></p> <p>M had resigned his job as he considered he was being bullied and harassed. The matter had been investigated by Workcover and they found no action could be taken against the employer. M was advised that he was unlikely to have a course of action and a discrimination claim was unlikely to have any merit.</p>	<p>It is economically efficient for employers to provide a safe workplace.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>The cost of an appeal has been avoided.</p> <p><b>Assessment of benefit</b></p> <p>The cost of a magistrates hearing by a self-represented litigant has been assessed previously at \$320.</p>	<p>No apparent benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>13. Advice</b></p> <p>N was riding an unregistered motor scooter when he noticed police behind him. He parked the scooter and walked away but he noticed the police attempt to remove the plates, and then remove the registration label holder. He wanted to know what would happen. He was advised he was likely to receive two infringement notices, one for unregistered and one for unlicensed. The CLC reviewed their fine checklist with him.</p>	<p>It is economically efficient for people to bear the consequences of their negligence.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>14. Advice</b></p> <p>O's superannuation was in a previous name used by her. She wished to have her superannuation in her legal name. The CLC assisted her in drafting a letter and advised the type of supporting documentation that would be required. Following correspondence with the Superannuation provider, she was further advised to obtain certified copies of supporting documentation.</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>
<p><b>15. Advice</b></p> <p>P had invested \$47,000 with another party who had defrauded her and left the country. She had obtained a default judgement for \$53,000 and the police were pursuing fraud charges against the other party. She was in arrears with respect to another bank loan, and wanted to know her options to obtain the money. She was advised if the other party is found guilty of fraud than she could use that as a basis to recover the money, otherwise she will need to progress civil action.</p>	<p>It is not economically efficient for crime to be rewarded.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>	<p>No benefit.</p> <p><b>Assessment of benefit</b></p> <p>Nil</p>

DETAILS	THE LAW	THE PROCESS	EXTERNALITIES
<p><b>16. Advice</b> Q had been dismissed for failing to comply with a direction. He wished to dispute the dismissal. He was referred to the Fair Work Ombudsman.</p>	<p>Unfair dismissal laws are likely to be an equity measure rather than an efficiency measure. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>17. Advice</b> R had a dispute with a school regarding unpaid school fees. While there were outstanding fees, there had also been clerical errors in invoicing and R had offered to pay off the proper outstanding amount by instalments. She reviewed her draft statement with the CLC and was given a referral in case she wanted representation.</p>	<p>It is economically efficient for people to be responsible for their debts. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>18. Advice</b> S had been charged with a traffic offence which had resulted in a traffic crash. He believed the other driver had changed their intentions. He sought to contest the fine and insurance claim. S was advised of the legal basis he could use to contest the fine and of the consequences of being found guilty, including the maximum penalty and court costs and was referred to a private solicitor.</p>	<p>It is economically efficient for people to be responsible for their own negligence. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>19. Advice</b> T had an upcoming hearing for a low range PCA offence. She had a number of convictions for speeding which she had not contested but now wished to contest and have removed from her record. She was advised her proper focus should be on the PCA offence and that the previous offences will be time limited. T decided to proceed with court action around the previous offences.</p>	<p>It is economically efficient for people to be responsible for their own negligence. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>
<p><b>20. Advice</b> U and his friend hired a car, using U's father's credit card without permission. A 15 year old unlicensed driver was driving the car when it was involved in a crash and written off. The crash was not covered by insurance. The car hire company sought full recovery of the debt from U as the friend was in hiding. He was advised that he was liable for the full debt under the hire contract, and that he should negotiate payment terms with the creditor and honour those payment terms.</p>	<p>It is economically efficient for people to be responsible for their debts and for their own negligence. <b>Assessment of benefit</b> Nil</p>	<p>No benefit. <b>Assessment of benefit</b> Nil</p>	<p>No apparent benefit. <b>Assessment of benefit</b> Nil</p>





- 38 Telephone enquiry 15 June 2011.
- 39 NSW Department of Justice and Attorney General, *Annual Report 2009-10*, page 236.
- 40 *Ibid*, page 166.
- 41 NSW Government, *Rent and Sales Report No. 95*, Table 8.
- 42 <http://www.irec.com.au/index.php?c=4> accessed 16 June 2011.
- 43 Consumer, Trader and Tenancy Tribunal (2010), *Annual Report 2009-2010*, pages 7 & 53.
- 44 NSW Ombudsman, *Annual Report 2009 2010*, page 7.
- 45 *Ibid*, page 119.



