



The Economic Value and Social Benefit of Community Legal Centres: A Summary

A study undertaken in 2006 by the Institute of Sustainable Futures on the Economic Value of Community Legal Centres concluded that every dollar spent on legal services at community legal centres (CLCs) can save at least \$100 in avoided costs.

In over 200 centres in urban, regional, remote and rural Australia, low cost community legal centres provide savings to government and value for money.

- Analyses of case studies typical of CLCs show that the benefits and avoided costs accrued as a result of CLC intervention can range from between \$10,000 and \$34,000.
- The annual savings to taxpayers in the area of domestic violence as a result of CLCs' work has been estimated to be in the order of \$40m each year.

Service delivery

The clients of CLCs are most likely to be people who live in disadvantaged circumstances and have legal problems that are typically part of a number of interlinked problems and/or have the potential to escalate and create more disadvantage for the individual and family.

All CLCs assist services working with and supporting homeless people. CLCs also regularly assist those in danger of becoming homeless particularly where there are instances of domestic violence. As a result of this experience, CLCs have been involved with law reform amendments to Residential Tenancy Acts to maintain the victim in housing while removing the perpetrators.

Individual and community benefits

CLC work produces “invisible” benefits including how an individual accesses the publicly funded legal system and welfare services, and how that individual is able to contribute to society in the future. These benefits generate ‘avoided’ costs, costs for which government would otherwise be liable.

In addition to these avoided costs, other benefits include the intrinsic benefit to society of providing a certain level of social service, welfare, assistance, protection or information to vulnerable citizens.

Conclusion

In 2006/07 Commonwealth funding to CLCs through the CLSP program was \$22,148,973. In that year CLCs funded under this program provided 278,852 services (activities) and saw 128,964 clients. NACLC has submitted a responsible budget bid to enable this work to continue.

Without a desperately needed increase in government funds, CLC staff loss will grow and services will have to be cut. Because of the preventative nature of much of CLCs' work, this means not only cuts in the services to individual disadvantaged people, it means the increase of disadvantage. The increased funding we have called for in our submission will ensure that CLCs continue to provide cost effective service delivery and play an integral role in the government's solution to homelessness including domestic violence caused homelessness.

Investing tax payers' dollars in CLCs makes financial sense and contributes to a fairer and more socially just society.