

# **A Cost Benefit Analysis of Australian independent disability advocacy agencies**

Professor Anne Daly  
Discipline of Economics  
University of Canberra

Greg Barrett  
Canberra

Rhiân Williams  
Canberra



August 2017, Canberra

The authors thank Mary Mallett, Michelle O’Flynn, Wendy Rose and Fiona May for assisting with the preparation of this report. Mr Rhys Athaide provided valuable research and editorial support.

This report was prepared in consultation with the Disability Advocacy Network Australia and was funded by Aged and Disability Advocacy (ADA), Aged Disability and Carers Advocacy (ADACAS), People with Disabilities Australia (PWDA), Leadership Plus, VALID, Speak Out Advocacy, Physical Disability Council NSW (PDCN) and Disability Advocacy Victoria (DAV).





**Disability Advocacy Network Australia (DANA) is a national not for profit organisation.**

It supports and strengthens independent disability advocacy organisations in their work of advocating for and with people with disability so that they are valued and included members of the community, their fundamental needs are met and their human rights respected.

DANA is a network of organisations throughout Australia that undertake or provide individual advocacy, systemic advocacy, self-advocacy, citizen advocacy, legal advocacy or family advocacy.

...the benefit of a united and cohesive voice for independent advocacy on behalf of people with disability and their families.

A green speech bubble with a white background and a dark green border. The text is in a dark green, serif font.

...a collective voice for the most vulnerable people in the community.

A red speech bubble with a white background and a dark red border. The text is in a dark red, serif font.

...a resource to quickly obtain advice and information on a range of issues and as an avenue to disseminate information.

A dark blue speech bubble with a white background and a dark blue border. The text is in a dark blue, serif font.

## **Authors**

### **Professor Anne Daly**

Anne is a Professor of Economics at the University of Canberra. She has undertaken research work on Indigenous issues for over 20 years focusing on labour force participation, education and family. This has involved both desk-based work and community-based activities.

### **Greg Barrett**

Greg is an economist and former lecturer at the University of Canberra where he taught Cost Benefit Analysis for many years. He has authored several cost benefit analyses on matters including public housing in Australia, an off-stream water storage at St. George in Queensland, a health project in Fiji, accident compensation conciliation in Victoria, Indigenous land rights in Victoria, and Indigenous mediation programs in the Northern Territory and Queensland.

**Rhiân Williams** is a mediator and researcher. She has worked on research projects with the Australian Institute of Aboriginal and Torres Strait Islander Studies and the Federal Court of Australia. In 2014, she supported the Yuendumu Mediation and Justice Committee to collaborate with Anne and Greg on the CBA of the work of the Committee. In 2016, she co-authored a cost benefit report on accident compensation conciliation in Victoria.

## **Code of Conduct**

Economic modelling does not have a formal code of conduct, however, this Cost Benefit Analysis meets the essential requirements of such a code. As economic modellers we have:

- disclosed who commissioned this work,
- clearly explained our key assumptions,
- provided a sensitivity analysis,
- provided context and comparison, and
- explained our choice of economic model.

We take responsibility for the plausibility of our results, and our full modelling outcomes are included in this Cost Benefit Analysis report.

## Executive Summary

*The important role of independent advocacy has been affirmed by the Commonwealth Government in its commitment to maintain a strong and effective programme of independent advocacy for all people with disability, into the future. (DSS 2016:3)*

Independent advocacy works to enable people with disability to live well in our community and helps alleviate unreasonable burdens on people with a disability and their families. These burdens result in lower levels of wellbeing and large forgone life chances, producing substantial economic costs to Australia.

Independent disability advocacy has strengthened people with disabilities' capacity to manage their lives in their own way while making less call on government agencies (such as police, courts, hospitals, foster care, legal aid, nursing homes, etc.). Independent disability advocacy has improved the life of many thousands of people with disabilities and thereby the wider Australian community.

Independent advocacy is the process of ensuring that the voice of people with disability is heard in matters that affect their lives. One purpose of independent disability advocacy is to provide supported decision-making, allowing people to engage in decision-making to the full extent of their capacity. It stands in contrast to substitute decision-making, depriving people of control. The purpose of systemic advocacy is to change society so that people with disability have fuller access to social capital.

Cost Benefit Analysis (CBA) is a powerful tool for determining the economic value of a program or project. It is widely used by governments to evaluate the impact of their policies on the economic wellbeing of their constituents.

This CBA finds that independent disability advocacy delivers a substantial positive net economic benefit to Australia. Independent advocacy returns economic benefits that far exceed its economic costs. Sensitivity analysis shows this is an exceptionally robust conclusion.

This CBA has taken a rigorous approach to identifying and assigning values to the costs and benefits arising from independent disability advocacy. Conservative values have been used to derive independent advocacy's net present value (NPV) and benefit cost ratio. The relevant costs and benefits have been identified and valued using standard economic methodologies. These valuation and other techniques reveal the substantial economic merit of independent disability advocacy.

This Cost Benefit Analysis values the social impacts (i.e. impact on society's wellbeing) of independent disability advocacy in economic terms. These values are aggregated over time (10 years) using the discount rate (2%) showing society's trade-off between current and future consumption. The discounted impacts are compared, using the decision criteria Net Present Value (NPV), and Benefit/Cost Ratio to measure the extent to which the economic benefit to Australia, of independent disability advocacy, exceed its costs.

Independent disability advocacy provides a substantial net benefit to the Australian economy. In 2017, the aggregate NPV of independent advocacy for people with disability in Australia is measured at almost \$600 million in 2017 dollars. The benefit cost ratio of 3.5:1 is high compared

with other investments. The results validate the economic rationale for government funding for independent advocacy for people with disability in Australia and its continuation.

All the calculated decision criteria demonstrate that independent disability advocacy is worth supporting on economic (efficiency of resource use) grounds.

There are no significant uncompensated costs experienced by stakeholders and therefore distributional issues are not a notable matter in this report.

Independent advocacy performs a key role in reducing the negative impacts experienced by people with a disability in Australia. The value of this role is demonstrated by this CBA. The high NPV and benefit cost ratio clearly demonstrate the substantial economic value of independent advocacy for people with disability. Sensitivity analysis indicates that this conclusion is especially robust. Independent advocacy for people with disability improves the quality of life and productivity of Australians and is an excellent use of Australian resources.

## Contents

Executive Summary .....	5
Introduction .....	9
Purpose of Cost Benefit Analysis .....	9
Methodology .....	9
Description of the Disability Advocacy Sector .....	10
The practice of independent advocacy.....	10
Independent advocacy and the National Disability Insurance Scheme .....	12
What is the problem? .....	13
What is the program response? .....	14
What are the alternatives? .....	15
What are the benefits?.....	16
Program logic.....	18
Identify the economic impacts (costs and benefits) .....	19
Value the Program's costs and benefits .....	22
Discounting (aggregating over time).....	39
Aggregating cost and benefits .....	41
Decision criteria .....	41
Sensitivity analysis .....	42
Distribution.....	43
Conclusion.....	44
Bibliography .....	45
Attachments	
A. Scope of Services.....	57
B. Glossary.....	59
C. Disability Advocacy Timeline .....	61
D. People with disability and access to social capital.....	63
E. What is disability advocacy? .....	70
F. Economic costs and benefits of disabilities advocacy: review of the literature .....	74
G. Disability in Australia .....	102

## Abbreviations

ABS	Australian Bureau of Statistics
AIHW	Australian Institute of Health and Welfare
CBA	cost benefit analysis
CALD	Culturally and Linguistically Diverse
DANA	Disability Advocacy Network Australia
DSS	Department of Social Security
DRC	Council of Australian Governments' Disability Reform Council
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
LAC	Local Area Coordinator
NDA	National Disability Agreement
NDAP	National Disability Advocacy Program
NDIA	National Disability Insurance Agency
NDIS	National Disability Insurance Scheme
NPV	net present value
PV	present value

## Introduction

### Purpose of Cost Benefit Analysis

The purpose of this Cost Benefit Analysis is to identify and value the economic impact (costs and benefits) arising from independent advocacy for people with disability.

A civilized society can be judged on how it treats its most vulnerable members and people with disabilities are among Australia's most vulnerable people. A civilized society has a moral or ethical obligation to assist people with disabilities and this should be the principal reason for doing so. In Australia, this ethical obligation is recognised and therefore many government services are provided as a right or entitlement. "*Australia's social security and universal health care systems provide an entitlement to services based on need*" (Productivity Commission 2011: iv).

However, rights are rarely costless and government needs to account for how it allocates its limited resources. The importance of Cost Benefit Analysis to evaluating advocacy for people with disabilities is recognised (Macadam *et al* 2013). This Cost Benefit Analysis provides economic accountability by estimating the net economic impact, on Australian society, of independent advocacy for people with disabilities.

The scope of this cost benefit analysis is provided at Attachment A.

### Methodology

The evaluation methodology used in this report is a rigorous application of Cost Benefit Analysis. It incorporates a desktop review, interviews with key stakeholders, and review of key documents to identify and value the economic costs and benefits of independent advocacy for people with disability. This CBA is consistent with the recommendations of relevant government agencies (Office of Best Practice Regulation 2016, Western Australian Program Evaluation Unit 2015, Queensland Treasury 2015, New Zealand Treasury 2015, New South Wales Government 2013, NSW Treasury 2007, Department of Finance and Administration 2006, European Commission 2008, Treasury Board of Canada Secretariat 1998, & HM Treasury 2003). This CBA follows the standard process set out below.

This CBA process incorporates recognised techniques for conducting a cost-benefit analysis including:

1. Define the scope of the analysis;
2. Identify program impacts, both costs and benefits;
3. Estimate the value of costs and benefits;
4. Calculate present values and decision criteria;
5. Conduct sensitivity analyses; and
6. Assess the distribution of costs and benefits.

The valuation techniques and algorithms used in this analysis are consistent with studies valuing other social interventions, including in Australia, for example Barrett (1993), Mauser *et al* (1994), Piehl & DiIulio (1995), Karoly *et al* (1998), Welsh & Farrington (1999), Chisholm (2000), Wakerman *et al* (2001), Crime Research Centre (2007), Price Waterhouse Coopers (2009), Browning (2011), Barrett & Applegate (2011), Nous Group (2012), Degeny *et al* (2012), Daly & Barrett (2012, 2014, & 2016) and Daley *et al* (2016). These studies, like this CBA, identify the

factors that affect the relevant outcome, make plausible estimates from reasoned assumptions and aggregate them to estimate the selected decision criteria.

This CBA covers the costs and benefits of the nearly 60 advocacy agencies funded through the Commonwealth Government's National Disability Advocacy Program (NDAP). The people with disabilities and the issues assisted from these independent advocacy agencies are representative of the larger community of advocacy agencies funded by State and Territory governments.

## **Description of the Disability Advocacy Sector**

### **The practice of independent advocacy**

*Advocacy is essentially the very ordinary (but difficult) process of standing up for the rights of people who are being treated unfairly. (Parsons 1994:10).*

Independent advocacy assists people with disabilities and their carers. Independent advocacy promotes supported decision-making, allowing people to engage in decision making to the full extent of their capacity, rather than substitute decision-making, depriving people of control.

Advocacy plays an important role in the disability system. Systemic advocacy pushes for broad policy and social change, while individual advocacy promotes the interests of particular individuals by acting on their behalf to resolve specific issues. Systemic advocacy lobbies for reform and change of the social systems and structures that discriminate against, neglect, and abuse people with disabilities (Seymour and Peter 2004:12). Independent advocacy supports individual people with disability providing information and advice encompassing numerous areas: education, financial information, housing, employment, justice, health and social care (Windle *et al* 2010:4).

In the past, when independent advocacy was largely absent, severe abuse of people with disabilities was widespread (see Attachment D). Even now significant abuse remains and demands an expansion of the independent advocacy sector. The 2015 Commonwealth Senate inquiry's report into abuse and neglect of people with a disability in institutional settings (Senate Community Affairs Committee 2015) stated the committee was:

*very disturbed by the significant body of evidence it has received which details the cruel, inappropriate and, in many cases, unlawful treatment of Australians with disability.*

The committee mentioned the largely inadequate responses from authorities and people in positions of responsibility when abuse was reported (Laragy 2017). Without independent advocacy it is too easy to avoid responsibility for the safety of people with disability who are often unable to communicate with authorities.

Independent advocacy provides indispensable research and policy inputs (systemic advocacy) to Australian governments. Australian governments expend substantial resources on internal and external inquiries into supporting people with disabilities. For example, mental health care in Australia has triggered 32 separate statutory inquiries between 2006 and 2012 alone (Mendoza *et al* 2013). Independent advocacy agencies have provided valuable submissions to these inquiries.

Advocacy is speaking, acting or writing (with minimal conflict of interest) on behalf of the interests of a disadvantaged person or group, in order to promote, protect and defend the welfare of and justice for either the person or group. Advocacy is defined as "taking action to help people say what they want, secure their rights, represent their interests and obtain services they need" (Lewington &

Clipson 2004:4). Advocacy helps people with disabilities to understand their rights and choices. It supports them in resolving issues that impact on their lives.

Independent advocates support and enable people with disability to:

- make decisions and determine their own interests,
- exercise maximum choice and control over matters affecting their lives,
- participate in and contribute to community life to the extent of their ability, and
- be included and respected in Australian society.

Approaches to disability advocacy can be categorised into six broad models:

- **Citizen advocacy:** matches people with disability with unpaid citizen advocates.
- **Family advocacy:** helps parents and family members advocate on behalf of the person with disability for a particular issue.
- **Individual advocacy:** upholds the rights of individual people with disability by working on discrimination neglect and abuse.
- **Legal advocacy:** upholds the rights and interests of individual people with disability by addressing the legal aspects of discrimination, abuse and neglect.
- **Self advocacy:** supports people with disability to advocate for themselves, or as a group.
- **Systemic advocacy:** seeks to remove barriers and address discrimination to ensure the rights of people with disability

Jenny Pearson & Associates Pty Ltd (1994) provides a summary of these models. It should be noted that these models of advocacy could overlap. For example, self advocacy may involve people with disability in systemic advocacy.

This CBA values the outcomes of these advocacy models. The first five models are aggregated as advocacy focused on individual outcomes and valued by their impact on health, accommodation, justice system). Systemic advocacy is focused on collective outcomes through governmental reform processes and is valued separately by its input into government decision-making and service provider productivity<sup>1</sup>.

This CBA values the impacts of independent advocates who:

- listen to a person with disabilities,
- identify the issues that the advocate can assist with,
- provide information about options for addressing the issues, and
- assist a person with disability to represent their views and wishes to others.

An advocate is independent when they are free to be on the side of a person or people with disabilities and no one else's. An advocate is not independent and will have conflicting loyalties when they are employed by a service provider or by government. While many service providers provide valuable advocacy support, this is not included in this CBA.

Most independent advocacy is provided for issues outside the National Disability Insurance Scheme (NDIS). While the NDIS is likely to become a greater focus as it is fully implemented, it is likely to remain a small part of the total advocacy workload. However, the NDIS changes brought to funding disability support includes uncertainty around the continuation of many advocacy organisations because the state funding of advocacy organisations was included in most of the bilateral agreements between the state and Commonwealth governments about the funding and operation of the NDIS.

---

<sup>1</sup> Systemic advocacy also addresses community discrimination, and engages with international laws and treaties including community education efforts

## **Independent advocacy and the National Disability Insurance Scheme**

*“Most families and individuals cannot adequately prepare for the risk and financial impact of significant disability. The costs of lifetime care can be so substantial that the risks and costs need to be pooled”* (Productivity Commission 2011:2).

The Productivity Commission concluded that advocacy should lie outside the NDIS. This was due to the potential conflict of interest that would arise were the NDIS to fund advocacy bodies whose role was to challenge the disability system overseen by the NDIS. The Productivity Commission recommended that the then funding arrangements through FaHCSIA and various state and territory governments should continue (Productivity Commission 2011:26). Currently, it is not clear that this recommendation will result in continued support for independent advocacy.

Independent advocacy plays a vital role in ensuring a person’s right to make his or her own decisions is not arbitrarily restricted or removed. Independent advocates are an essential part of the effective operation of the NDIS. Independent advocates enhance the ability of people with a disability to choose. Choice is at the core of the NDIS.

The importance of independent advocacy is recognised in the Government’s general principles guiding actions under the NDIS legislation and in the National Disability Strategy. Here the role of independent advocacy in representing the interests of people with disability is acknowledged and respected. These Government documents recognise that advocacy supports people with disability by:

- ensuring their rights are promoted and valued;
- supporting their choice in the decisions that affect their lives;
- promoting their independence and social and economic participation;
- promoting choice and control in the pursuit of their goals and the planning and delivery of their supports; and
- maximising independent lifestyles of people with disability and their full inclusion in the life of their communities.

Under the NDIS, an independent advocate can assist a person with disability:

- prior to and throughout the NDIS eligibility and assessment processes,
- to exercise choice and control in relation to their supports and services,
- when any issue or conflict arises with the NDIA, or a service provider,
- to engage in service quality processes, and
- when an issue arises in relation to the services, supports or policies delivered by other arms of government.

The independent advocacy sector ensures that government money for disability is more effectively and efficiently allocated. Even a tiny efficiency improvement far outweighs the very modest cost of the independent advocacy sector. In 2011, the Australian Government provided approximately \$2 billion to the disability sector, while state and territory governments provided approximately \$5 billion, a total of over \$7 billion (Productivity Commission 2011:3). At full NDIS rollout, about 475,000 people with disability will receive individualised supports, at an estimated cost of \$22 billion in the first year of full operation (Productivity Commission 2017:3).

The Productivity Commission (2015a:14.6) reports that in 2013-14, Australian, State and Territory governments spent only \$66 million on advocacy, information and alternative forms of

communication<sup>2</sup>. This expenditure on advocacy services represents merely one per cent of the \$7.0 billion spent by all Australian governments on disability services in 2013-14.

The NDIS will provide long-term care and support, but not income to recipients. The income needs of Australians with disability will be met through other means, including the Commonwealth's income support system.

Data from the first quarter of the NDIS shows that average disability support package costs are well above the original forecast (\$46,000 compared to \$35,000) (Fifield, 2013). The scheme will be funded by an increase in the Medicare Levy from 1.5 to 2.5 per cent. This money will be placed in a separate fund for 10 years and will only be able to be drawn on to fund the additional costs of delivering the NDIS.

Recent research (Malbon *et al* 2017 and Dickinson *et al* 2014) identifies problems of accountability and equity of access in the NDIS. Services and resources were not evenly available to participants, and the capacity to exercise choice frequently depended on access to supportive carers and advocates (Warr *et al* 2017:53). A recent survey shows that around a quarter of people with disability and their carers feel they get less support and their life is worse under the NDIS (<http://www.everyaustraliancounts.com.au/ndis-report-card/>). Clearly there are problems implementing this novel and complex scheme. The research and survey data demonstrate the continuing and growing need for advocacy for people with disability within the NDIS.

Independent advocacy will be crucial to the successful implementation of the NDIS. Without independent advocacy many people with disability will be unable to exercise the NDIS principles of choice and control. See Appendix D for more detail.

## **What is the problem?**

The problem addressed by independent advocacy is the absence of a voice for many people with disabilities. This lack of voice means people with disability face great difficulty in fully integrating into the wider Australian society to access the social capital they require for a better life.

Disability causes significant problems to around four million Australians. However, many of the problems faced by people with disability do not come directly from their disability but come indirectly from how society reacts to their disability. Advocacy is focused on improving how society reacts to disability both at the level of individuals and society.

The poor health of people with disabilities is often due, in large part, to factors other than the underlying impairment. They are more likely to be overweight or obese, to smoke, to be physically inactive or to have poor diets. They also have higher rates of health service use and chronic conditions such as diabetes and heart disease, and are less likely to use preventative health care. They have much poorer mental health and wellbeing. Research (Kavanagh *et al* 2015) demonstrates that housing affordability, employment, social support and financial security are important determinants of the mental health of people with disability. Advocacy can reduce these problems by assisting people with disability to access the services available to other Australians.

---

<sup>2</sup> It should be noted that this CBA covers a sub-set of this activity provided by the around 60 advocacy agencies funded through the National Disability Advocacy Program (NDAP).

Over 4 million Australians with disability face many barriers and do not enjoy the same rights and freedoms as other Australians. Particular problems include:

- **Safety** – More than 70 per cent of women with disability have been victims of violent sexual encounters at some time in their lives and a staggering 90 per cent of women with an intellectual disability have been subjected to sexual abuse (Frohman & Sands 2015).
- **Employment** – only 53 per cent of people with disability of working age are in the labour force, compared with 83 per cent of people without disability. People with disability have nearly twice the unemployment rate of those without disability (ABS 2012).
- **Education** – only 36 per cent of people with disability of working age have completed high school, compared with 60 per cent of people without disability (ABS 2012).
- **Health** – 35 per cent of people with disability report poor or fair health compared with only 5 per cent of people without disability (ABS 2012).
- **Income** – The income of people with disability in Australia is only 70 per cent of those without disability, the lowest of all 27 countries in the OECD. People with disability are more likely to live in poverty (ABS 2012).

In the past, Governments mixed neglect for the majority of people with disability with, for those with the most severe disabilities, institutionalisation in hospitals, prisons, nursing homes, etc. This resulted in crippling costs for families of people with disabilities and a growing financial cost from inappropriate government institutionalisation. Independent advocacy was instrumental in shifting governments away from institutionalisation and towards providing support for people with disabilities in the community. Now, independent advocacy plays an essential part in preventing a new institutionalisation congregating people with disability into inappropriate settings in prisons, hospitals and nursing homes.

**Snapshot:** *Cynthia has Phelan McDermid Syndrome, which causes developmental delay. She cannot communicate verbally, is PEG fed, uses a wheelchair, sleeps in a specialised bed and requires around the clock care. Due to a lack of feasible housing options she was forced to live indefinitely in hospital. Cynthia's advocate prepared a submission for priority housing to the Priority Social Housing scheme and for Specialised Disability Accommodation (SDA) under the NDIS. Cynthia's advocate also supported Cynthia to improve her quality of life by assisting her to access companionship support (such as support with reading, going to the movies, having her nails painted, brushing her hair) while she remains in hospital.*

The absence of independent advocacy (voice) for people with disability results in higher rates of:

- hospitalisation,
- imprisonment,
- criminal justice proceedings,
- unemployment,
- erosion of family life for carers, and
- nursing home use.

### **What is the program response?**

The response to the lack of a voice for many people with disabilities, on an individual and systemic level, has been the establishment of organisations supporting a stronger voice for people with disabilities.

Disability advocacy includes:

- . Providing information to people with disability about their human rights and identifying instances of discrimination,
- . Assisting people with disability to uphold their rights by speaking with and writing to people and organisations to raise awareness of problems and seek solutions,
- . Helping people with disability negotiate complaints processes or legal action to enforce their human rights,
- . Writing submissions and lobbying government to make changes that promote and protect the rights of people with disability, and
- . Campaigning for social change by speaking to the media to raise awareness and highlight situations where people with disability are treated unfairly.

Without advocacy very many more people with disabilities would be unable to live full and productive lives integrated in the Australian community.

**Snapshot:** *Michael is a Vietnamese man with Down's Syndrome who lives with his mother Louisa in rental accommodation. Michael and his mother do not speak English. Working through an interpreter the advocate was able to establish that they needed funding to purchase a new fridge as the people whose house they lived in wouldn't let them share theirs, and they had to keep their food in the garage. Since leaving school 8 years earlier Michael had spent all his time with his mother. He and Louisa were unaware that disability services existed and the advocate was able to support them to gain access to programs and relevant services.*

### **What are the alternatives?**

The main alternatives to independent advocacy are to support people with disability by:

- expanding the role and case load of NDIA Local Area Coordinators (LACs), or
- employing existing service providers as advocates, or
- denying independent advocacy support to people with disability.

Relying on LACs for advocacy is unlikely to provide the same level of service as independent advocacy and is subject to the conflict of interest problem identified by the Productivity Commission (2011:26). Employing existing disability service providers as advocates also would suffer from conflicts of interest. Therefore these alternatives are not considered.

Defunding advocacy support for people with disabilities would exclude many from access to services available as a right to all Australians. This would be unacceptable to most Australians. However, by using this as our comparison, this CBA captures the costs and benefits of independent advocacy.

Independent advocacy is clearly the most practical option for ensuring more people with disabilities can gain access to the services to which they are entitled and lead lives of value and dignity in the Australian community.

This CBA compares independent advocacy against a base case scenario of removing all support for independent advocacy. Therefore, this CBA identifies the incremental costs and benefits, of independent advocacy, over typical costs and benefits lost in its absence.

### **What are the benefits?**

In the absence of independent advocacy there will be an increased failure to provide appropriate services and this comes with its own costs, particularly when the outcomes for people with disability are increased homelessness, recidivism, unemployment, social exclusion and mental illness (Australian Healthcare Associates 2012:35).

**Snapshot:** *Fletcher has an intellectual disability, cannot read or write, is unable to understand or remember information, and has obsessive and compulsive behaviours. When his support worker was on holidays Fletcher visited a government office and became excited and loud when they would not give him the information he needed. A staff member from the office sought an Apprehended Personal Violence Order (APVO) against him.*

*Fletcher's advocate helped to prepare a statement arguing that the government office worker and the office knew him and his disability as he had attended that office for many years and that this was an isolated incident that occurred when his support person was away.*

*As there had been no injury and there was no reason to fear Fletcher, the advocate argued the APVO would cause him great hardship as well as creating a risk of further charges for breaching an APVO he couldn't understand. The Government solicitor, acting for the government worker, settled the case by withdrawing the APVO.*

The benefits of independent advocacy included in this CBA are:

- Reduced costs for governments (resources freed for their next best use), and
- More productive employment for people with disability, and
- Better educational outcomes for people with disability, and
- Better health outcomes for people with disability, and
- Better child protection outcomes for people with disability.

The benefits for **people with disability** from independent advocacy are substantial. People with disabilities gain:

- A voice;
- Increased confidence, self-esteem, dignity, respect, independence, choice and control;
- Empowerment and personal development;
- Raised expectations about what is possible;
- Improved health and wellbeing;
- Reduced mental distress;
- Increased feeling of being safe and secure;
- A more positive self-identity;
- Increased ability to access and use information and services;
- Increased ability to gain and retain meaningful employment;
- Increased ability to apply for housing and benefits; and
- Networks and support to build relationships.

The benefits for **carers** from independent advocacy are substantial. The carers gain:

- A voice;
- Boosted morale;
- Increased confidence, self-esteem, dignity, respect, independence, choice and control;
- Empowerment and personal development;
- Raised expectations about what is possible;

- Increased capacity to gain and retain paid work;
- Improved health and wellbeing; and
- Reduced mental distress.

The benefits for the **disability sector** from independent advocacy are substantial. The sector gains:

- A long-term view;
- Opportunities for people with a disability;
- Grass roots support;
- Information to help break down stereotypes;
- Earlier intervention (reduced use of more intensive services later on);
- Reduced need for services to provide more intensive support where issues can be resolved before behaviours of concern escalate;
- Better communication and relationships between individuals and professionals;
- Reduced activities arising from safeguarding concerns about children's welfare;
- Quality assurance and diffusion of best practice among providers;
- Collection of data to monitor outcomes and promote efficiency; and
- Data and research capabilities.

The benefits for the **wider community** from independent advocacy are substantial. The community gains:

- Support for all people to participate in democratic processes;
- More diverse workforce;
- By developing strategies for personalised supports and by inclusion of people with disabilities communities are better enabled to welcome, support and include all people, thereby creating healthier communities;
- Better link the community and people with disabilities; and
- Awareness by the wider community of both the issues that affect people with a disability, and the advantages of inclusion.

Independent disability advocacy services save government substantial resources. Independent advocacy is an important vehicle for prevention and for intervening earlier in safeguarding people with disabilities (Faulkner and Sweeney 2011). In the absence of independent advocacy there would be a substantial increase in the resources required by agencies such as the Human Rights Commission, Commonwealth and State Ombudsmen, Public Advocates, Disability Service Commissioners, Department of Human Services, National Disability Insurance Agency (NDIA) and other local, state and federal government departments and agencies and others to effectively engage with people with disabilities. The cost of supporting people with disabilities may shift directly to the agencies or, as is more likely, people with disabilities may simply be excluded from these processes and even larger costs will be picked up by the government justice, health and welfare systems.

**Snapshot:** *Southern Cross Station in Melbourne removed the information booth previously located outside of platform gates. This meant that people who are blind or vision impaired were unable to quickly locate timetable and platform information to access their trains efficiently and on time, compromising their safety and independence. There was no consultation with, or information given to, the blindness community nor was a working back up service such as the relocation of the information booth services, phone line to call for timetable information or extra platform workers provided. An advocate worked with Blind Citizens Australia, Vision Australia and Guide Dogs Victoria to meet with the Southern Cross Station Customer Relations team to provide recommendations for improving access at the station for vision impaired travellers. The organisations continue to work together in following up with the station in a united way.*

Support for people with disabilities is a continuing process using significant economic resources. The benefits valued in this CBA are based on independent advocacy promoting earlier and lower cost intervention; freeing resources for other economic opportunities; and increasing the productivity of people with disability. In this way, independent advocacy provides major benefits to the people of Australia. Independent advocacy minimises the resources required to support people with disability and raises their productivity as members of the wider community.

The benefits of independent advocacy are clearly substantial. These benefits are the logical outcome of the inputs used up by independent advocacy.

### **Program logic**

Evaluation needs to be based on a theory of how policy or social change functions. In the evaluation literature, this is referred to as a 'logic model', 'theory of change', 'pathways of change' or 'critical path analysis' (Whelan 2009, Harvard Family Research Project 2009, Guthrie *et al* 2006, Reisman *et al* 2007, & Organizational Research Services 2004). This is very important as it defines the inputs and outputs of the subject of the evaluation.

The relationship between independent advocacy's inputs and outputs (cause and effect) is summarised in the Logframe table below. This shows that the program has a logical relationship between:

- **inputs** (*labour, services, materials, etc*) which are used in advocacy activities:
- **advocacy activities** (*advocacy*) to produce a set of outputs/outcomes:
- **outputs/outcomes** (*earlier access to more appropriate and cost-effective services*) to achieve advocacy's purpose:
- **purpose** (*freeing government resources for other uses plus greater productivity of people with disabilities and their carers*) which achieves society's goal:
- **goal** (*increased wellbeing of Australians*).

Using this causal hierarchy helps ensure that only the costs and benefits logically connected to independent advocacy are included in this CBA.

The Logframe identifies the CBA costs as the *inputs* (resources) used by independent advocacy. The CBA benefits are identified as *purposes*, that is, reduced costs of government agencies and greater productivity of people with disability.

The Logframe (Table 1) arrays the hierarchy of independent advocacy impacts in the Narrative Summary column. In the table, impact causality rises, that is: impacts below cause the impacts above.

The Measurable Indicators column quantifies how independent advocacy impacts will be measured.

The Means of Verification column records where the measurement information will be sourced.

The Logframe summarises the assumptions (shown in the final column) underpinning the causal relationship between inputs and outputs. The assumptions must hold in order for causality to work. The assumptions allow the program to move up the logframe table and achieve the goal. These assumptions are important for determining what can go wrong with the program and therefore the risks to be included in the sensitivity analysis undertaken later in the report.

**Table 1: Logframe: Summarising Advocacy for People with Disabilities**

<b>Narrative Summary</b>	<b>Measurable Indicators</b>	<b>Means of Verification</b>	<b>Important Assumptions</b>
<b>Goal:</b> (program objective) Increase the wellbeing of Australia	Net present value	CBA report	
<b>Purpose:</b> (aim or impact) <ul style="list-style-type: none"> <li>• more employment</li> <li>• better education</li> <li>• less foster care</li> <li>• less justice system use</li> <li>• less use of nursing homes</li> <li>• less hospitalisation</li> <li>• policy reforms</li> </ul>	<b>End Status</b> resources saved. more output.	<ul style="list-style-type: none"> <li>• stakeholder interviews.</li> <li>• literature search.</li> </ul>	<i>Purpose to Goal</i> <ul style="list-style-type: none"> <li>• value of benefit over-estimated.</li> <li>• discount rate excessive.</li> </ul>
<b>Outputs:</b> (deliverables) <ul style="list-style-type: none"> <li>• Social integration (deinstitutionalisation)</li> <li>• Policy reform analysis</li> </ul>	<b>Terms of reference</b> <ul style="list-style-type: none"> <li>• number accessing more appropriate services</li> <li>• number of reports submitted</li> </ul>	<ul style="list-style-type: none"> <li>• End of program report</li> <li>• stakeholder interviews.</li> </ul>	<i>Output to Purpose</i> <ul style="list-style-type: none"> <li>• appropriate services use more resources than institutions</li> <li>• reports unread.</li> </ul>
<b>Activities:</b> (key clusters or work breakdown structure) <ul style="list-style-type: none"> <li>• Individual advocacy</li> <li>• Systemic advocacy</li> </ul>	<b>Inputs:</b> (budget, people, material, time, cost) <ul style="list-style-type: none"> <li>• labour</li> <li>• services</li> <li>• materials</li> </ul>	<ul style="list-style-type: none"> <li>• program budget</li> <li>• stakeholder interviews.</li> </ul>	<i>Activities to Output</i> <ul style="list-style-type: none"> <li>• resources are insufficient or inappropriate</li> </ul>

## Identify the economic impacts (costs and benefits)

As identified in the Logframe analysis independent advocacy has several benefits and costs.

The program costs directly use up (in administration, advocacy meetings & training) a set of resources (labour, materials, etc). These resources are therefore unavailable for other uses in society (i.e. should be included in cost benefit analysis as an opportunity cost to society).

Independent advocacy provides a voice for people with disabilities. This benefit would not be achieved (or not achieved as quickly and completely) without the independent advocacy inputs.

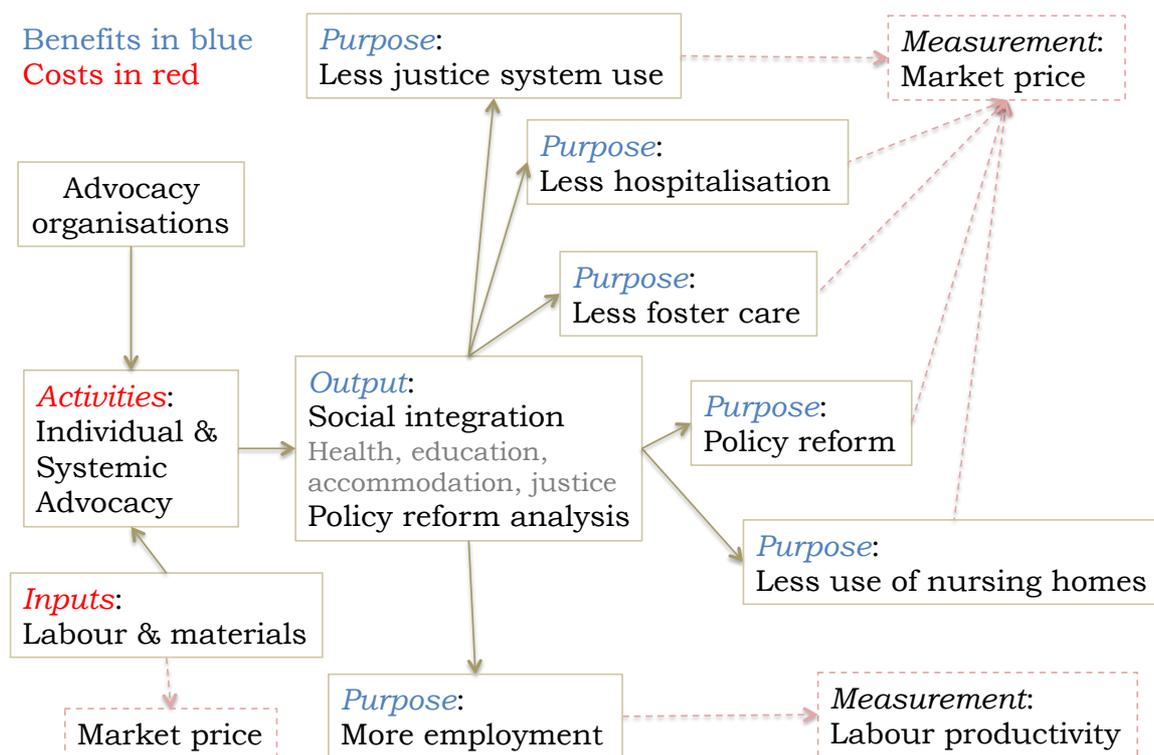
Independent advocacy, through promoting earlier and lower cost intervention, releases resources for their next best use. These resources would have been required if independent advocacy had not assisted people with disability to more appropriate and less resource using support programs. These released resources are principally Territory, State and Commonwealth government resources. The benefits valued in this CBA are based on independent advocacy reducing the total cost of Australian policing, courts, prisons, health care, education, etc. by relocating people with disabilities from expensive institutions (prison, hospitals, and nursing homes) into the community.

**Snapshot:** Seven-year-old Thomas has autism and was suspended from a Catholic primary school in regional Victoria due to his disruptive and inappropriate behaviour. His mother, Sarah, believed that the school had not acted on an agreed treatment plan for Thomas. Sarah sought advocacy support from a regional disability advocacy organisation. After consultation with a disability discrimination legal service, a letter to the school principal was written, along with supporting documents from Thomas' paediatrician and psychologist. Thomas returned to school full-time after the school agreed to put in place strategies recommended by the treating professionals.

Independent advocacy allows the resources and activities in the disabilities sector to be more productive. For example, independent advocacy has helped improve school attendance and employment outcomes and provides schools with strategies to improve learning and support outcomes for all students. This raises the productivity of Australian labour and increases the output of the Australian economy.

These impacts are mapped in the impact chart below (Figure 1). The chart uses the Logframe concepts of Inputs, Activities, Output and Purpose to identify the flow of causation in independent advocacy. The chart also identifies the valuation techniques used to measure the Purposes. This technique confirms that this CBA includes only relevant costs and benefits.

Figure 1: Advocacy Impact Chart



Identifying stakeholders assists in identifying relevant costs and benefits. The stakeholder table below (Table 2) lists the stakeholders impacted by the program. Understanding which groups are involved in the program, their point of view and objective is an important check on the costs and benefits identified in the impact chart above. It also provides an input into the Incidence Table (Planning Balance Sheet) used to examine the distribution of costs and benefits (Krutilla 2005).

**Table 2: Independent advocacy - Stakeholder objectives**

Stakeholder	Point of view	Objective
Australian governments	National/State	Improve Australian's wellbeing
People with disability	Individuals	Improve individual wellbeing (health, education, employment)
Carers	Individuals	Improve individual wellbeing
Independent advocates	Agencies	Provide advocacy
Government funders	Govt. agencies	Fund advocacy
NDIA	Govt. agency	Improved use of LAC time, reduced service costs
Public & Aged Housing	Govt. agencies	More appropriate housing
Child Protection & Family Services	Govt. agencies	Less notifications, care & family violence
Police	Govt. agencies	Improved use of Police resources
Courts	Govt. agencies	Improved use of Court resources
Prison system	Govt. agencies	Fewer prisoners, better prisoner management
Education	Govt. agencies	Pupil attendance & completion
Health system	Govt. agencies	Fewer admissions
Disability service providers	Agencies	Improved use of resources

The Incidence Table (or Planning Balance Sheet) (Table 3) summarises the costs and benefits of independent advocacy's stakeholders. Examining the stakeholder groups it is clear that the costs are borne principally by the Territory, State and Commonwealth funders together with the independent advocates and the people with disability. Most of the benefits go to Australian governments through their justice, health, housing and education agencies and people with disability.

**Table 3: The Incidence of costs and benefits**

Participant	Cost	Benefit
People with disability	their time	better health & wellbeing increasing productivity
Carers	their time	better health & wellbeing increasing productivity
Independent advocates	labour, materials, services	experience
Government funders	grant money	fulfilling govt. policy, reducing govt. spending
Disability service providers	extra costs	professionalism, quality control, improved performance
Housing	labour, materials, services	cost savings
Police	nil	cost savings
Courts	nil	cost savings
Prisons	nil	cost savings
Education	labour, materials, services	better attendance & retention
Health	labour, materials, services	cost savings
Child Protection	nil	cost savings

Independent advocacy provides the Territory, State and Commonwealth governments with substantial cost savings while improving the wellbeing of people with disability and their carers.

## **Value the Program's costs and benefits**

Economic valuation requires assumptions to make complex reality tractable in a rigorous cost benefit analysis framework. As shown in the preceding analysis this CBA encompasses the relevant costs and benefits. This CBA measures the net impact on Australia's economic wellbeing of independent advocacy.

The CBA assumes a 10-year timeframe beginning in 2017. Ten years is a sufficient timeframe to encompass the relevant future benefits and costs. Longer time periods increase uncertainty. The future benefits and costs are compared by aggregating back to the year 2017 using a discount rate of 2% (explained below).

The CBA techniques used in this report are in accord with relevant professional practice. Cost Benefit Analysis commonly makes economic valuations based on the research literature. This methodology is known as Benefit Transfer and is used in this CBA. Attachment F summarises the relevant research literature to substantiate the valuations adopted in this CBA.

Details of the valuation of the program's costs and benefits are given below. They have been verified with relevant stakeholders, however the estimates are the responsibility of the authors.

## Costs

### Cost Summary: Independent advocacy agencies

2017-2026 Total Present Value (2017 dollars discounted by 2% over ten years).

Advocacy agencies	\$215.8 million
Volunteers	\$16.2 million
<b>Total Costs</b>	<b>\$232.0 million</b>

#### • Independent advocacy labour, vehicles, services and supplies

##### Reason:

The resources consumed by the nearly 60 advocacy agencies funded through the National Disability Advocacy Program (NDAP) will not be available for other uses and therefore are an opportunity cost to society. These costs would not have occurred without advocacy agencies.

##### Methodology:

The resources used by the agencies will be purchased in competitive markets where prices are a good estimate of economic value. Therefore these costs are valued at market prices.

It assumed that the cost to run the advocacy agencies is \$24.0 million per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$215.8 million** (2017 dollars discounted by 2% over ten years)

#### • Independent advocacy volunteer labour

##### Reason:

The labour time volunteered to advocacy agencies (eg Board member, fundraising volunteer, Citizen advocate) will not be available for other uses and therefore there is an opportunity cost to society. These costs would not have occurred without advocacy agencies.

##### Methodology:

The volunteered labour time used by the agencies is valued using the replacement cost methodology. To replace the volunteer labour, advocacy agencies would need to purchase labour in competitive markets where wages are a good estimate of economic value. Therefore these costs are valued at market wages. To take a conservative approach, a minimum wage is used.

In this CBA it is conservatively assumed that 600 volunteers work to assist advocacy agencies. These volunteers are unpaid but give up their valuable time. The typical method for valuing this time is at a relevant wage. Here it is assumed that most volunteer workers are part-time and the time they donate is worth an average of \$3,000 per year per volunteer. This gives a total yearly value of \$1,800,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$16.2 million** (2017 dollars discounted by 2% over ten years)

## Benefits

### Benefit Summary: Independent advocacy agencies

2017-2026 Total Present Value (2017 dollars discounted by 2% over ten years)

---

#### Productivity improvements (output gains)

Systemic advocacy	\$28.8 million
Adult life span	\$60.5 million
Education	\$66.5 million
Employment	\$206.8 million

#### Resources freed for alternative use (cost savings)

Financial advice	\$7.2 million
Disability service providers	\$8.1 million
Ombudsmen	\$9.1 million
Health	\$18.5 million
Carers' time	\$21.6 million
Abuse	\$27.0 million
Child protection	\$27.8 million
Education	\$51.9 million
Accommodation	\$78.7 million
Justice system	\$209.1 million

---

<b>Total Benefits</b>	<b>\$821.5 million</b>
-----------------------	------------------------

---

#### Productivity improvements (output gains)

Advocacy increases Australian output by allowing people with disability and their families to be more productive. Advocacy improves physical and mental health, educational achievement, local economic development, and lowers rates of homicide, suicide, and substance abuse.

#### • Education improvements

##### Reason:

Advocacy for both parents with disability, and students with disability, improves the educational performance of students and their lifetime contribution to the labour force. An increase in confidence, experienced through the advocacy, enables parents with disability to be more actively engaged in school activities. This parental involvement is an important contributor to educational achievement of children (Hill & Tyson 2009).

Advocacy for students with disability reduces their absenteeism, performance problems and misbehaviour. These are significant predictors of early school leaving (Eivers *et al.* 2000:8-9) and reduced lifetime contribution to the labour force.

The economic value of productivity gains due to these employment improvements are a benefit to society (increased output) and are included in this Cost Benefit Analysis.

**Snapshot:** *Easton is vision impaired and attended school with a visiting teacher with no experience in Braille. Easton's mother brought the issue up with the Principal who, in turn, brought it up with the Education department who declined to change the visiting teacher.*

*Easton's mother then approached an advocate who assisted in drafting up a formal letter to the Department of Education and Early Childhood Development which included content regarding the importance of Braille for a child's future employment outcomes and life skills.*

*The Department then allocated another visiting teacher who was more experienced in Braille and working with children with a vision impairment.*

## **Methodology:**

### **Children of people with disability**

Based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of advocacy to be a 1% increase in lifetime average earnings for children of people with disability.

The number of children of people with disability assisted by advocacy is very conservatively estimated as 5% of the 6,300 people with disability assisted by advocacy aged 15 to 54 years under NDAP (DSS *n.d.:6*) giving 300 students. For the 300 students assisted each year this results in an improved productivity valued at \$2,700,000 per year. This lump sum value of the annuity of the 1% increment in income will not begin until the students finish school and begin employment. Assuming an average of six years from the advocacy intervention to the beginning of employment, the improved productivity needs to be discounted at 2% pa (discount factor of 0.888) resulting in present value benefit from each year's advocacy of \$2,400,000.

### **Students with disability**

Based on the research outlined in Attachment F, this CBA conservatively estimates the benefits of advocacy to be a 2% increase in lifetime average earnings of students with disability.

The number of students with disability assisted by advocacy is very conservatively estimated as 5% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.:6*) giving 1,030 students. This percentage is based on education being 7% of the issues addressed by advocacy and 9% of advocacy clients being under 15 years of age and likely to be in school (DSS *n.d.:6*).

We have calculated the median income from the ABS 2011 Census for people who needed help with their core activities (ie a different definition of disability than those used elsewhere in this CBA) for those working part-time and full-time. The annual CPI adjusted median incomes in 2017 prices are \$46,000 for full time workers with disability and \$21,000 for part time workers with disability. This is twice the conservative assumption of an average \$10,000 annual income used below for people with disability.

Assuming a conservative annual average wage of \$10,000 over a working life of 30 years and discounted by 2% (annuity factor of 22.3965): the present value of the 2% increase in income is \$4,480 per person over their working life. For the 1,030 students assisted each year this results in an improved productivity valued at \$5,700,000 per year. This lump sum value of the annuity of the 2% increment in income will not begin until the students finish school and begin employment. Assuming an average of six years from the advocacy intervention to the beginning of employment, the improved productivity needs to be discounted at 2% pa (discount factor of 0.888) resulting in present value benefit from each year's advocacy of \$5,000,000.

**Total:** The total output gain from each year's advocacy impacting on children's education is therefore \$2,400,000 plus \$5,000,000, a total of \$7,400,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$66.5 million** (2017 dollars discounted by 2% over ten years).

- **Employment improvements**

**Reason:**

Independent advocacy directly and indirectly assists people with a disability to engage more fully in the workforce, both paid and unpaid. The economic value of employment improvement productivity gains are a benefit to society (increased output) and are therefore included in this Cost Benefit Analysis.

**Methodology:**

The benefits of reducing unemployment can be measured by the contribution this makes to productivity, based on average weekly earnings measures (human capital approach). It also increases the taxation revenue raised by Government and reduces reliance on unemployment benefits, however these are transfer effects rather than a net benefit. Accordingly, taxation benefits are not included as to do so would result in double-counting (Wilkins *et al* 2012).

In the CBA literature, this increased productivity due to advocacy is typically valued at the minimum wage rate. This provides a minimum (ie conservative) estimate of a person's wage (in competitive employment) and thereby an estimate of the value of output (net of other input costs) produced by that person.

The number of people with disability assisted with employment issues by advocacy is estimated as 5% of the 20,557 advocacy issues actioned in 2013-14 by the around 60 advocacy agencies funded by the NDAP<sup>3</sup> (DSS *n.d.*:6) giving 1,030 people. Not all of these people will have transitioned to employment as a result and some would have transitioned to employment but at a later time<sup>4</sup>. Taking a very conservative assumption that 250 people with disability transition to part-time employment at an annual wage of \$10,000 pa, the following estimate of employment gains are calculated below.

Assuming an average wage of \$10,000 pa over a working life of 20 years for the 100 clients who would not have found employment later, discounted by 2% (annuity factor of 16.3514) and assuming an average wage of \$10,000 pa over 5 years for the 150 clients who would have found employment later (annuity factor of 4.7135) the present value of the increase in employment measures a total improved productivity valued at \$23,000,000 per year.

See Attachment F for more detail.

**Snapshot:** *Justin has an intellectual disability and was on indefinite suspension from his work following an incident where he became upset and threatened another employee. Justin explained to his advocate he was being bullied at work and did not know any other way to deal with the situation. Justin's advocate attended a meeting with Justin and his employer and was able to negotiate on Justin's behalf for him to have some specific training on work health and safety and appropriate workplace behaviour. The advocate also organised for Justin to receive counselling about the issues that upset him. The workplace agreed to arrange extra support at work and a contact Justin could talk to if there were any problems. Justin was able to return to work instead of losing his job.*

---

<sup>3</sup> 11,529 people with disability were assisted through the NDAP during 2013-14 so some people were assisted with more than one issue.

<sup>4</sup> On the other hand, many of the other issues advocated on (accommodation, transport, etc) will impact on client's ability to access to employment making this an under-estimate.

**2017-26 Total Present Value: \$206.8 million** (2017 dollars discounted by 2% over ten years).

• **Productivity gains from improved health outcomes**

**Reason:**

People with disability generally have significantly poorer health than other Australians and typically die at much younger ages. This is exacerbated by poor access to health services.

Advocacy improves the general health of people with disability and increases their lifespans. Estimates of the value of a human life<sup>5</sup> should ideally include both the productive value of a human life (Human Capital Approach) and the consumption benefit of a human life (willingness-to-pay).

Economic estimates of the value of life typically are well over one million dollars (Abelson 2003 & Viscusi & Aldy 2003). The Department of Prime Minister and Cabinet (2014) estimates that the Australian value of a statistical life is \$4.2m and the value of a statistical life year is \$182,000, in 2014 dollars. These willingness-to-pay estimates of the consumption benefit of a human life would be at least as high for people with disabilities as for the rest of the population.

Estimates based on the Human Capital Approach (HCA) are generally much lower. In addition, due to the widespread lack of appropriate support, people with a disability are unlikely to be as productive<sup>6</sup> as assumed in most HCA estimates. These value of life estimates only measure the productive value of a human life and as such are minimum estimates.

An extra year of working life will, through the increased production from that work, be a benefit, increasing the resources available to Australian society. However, the extra year of working life will also mean an extra year of life requiring disability support. This increased cost of support for a longer life is expected to be far less than the cost savings (medical, housing, etc.) derived from the healthier life that enabled the longer working life. To be conservative, this net health cost benefit is not included in the calculation below.

To be conservative a very low estimate for the average productive value of a human life is used in this CBA and the consumptive value is omitted.

**Methodology:**

This CBA assumes that 1,000 of the 11,529 people with disability assisted with advocacy under the NDAP gain an average of one extra year of working life (after on average 19 years working) and values this extra year at \$10,000. Discounting back to the present at 2% per year (discount factor of 0.673) gives \$6,730 per person per year and \$6,730,000 for the total 1,000 people.

See Attachment F for more detail.

**2017-26 Total Present Value: \$60.5 million** (2017 dollars discounted by 2% over ten years).

---

<sup>5</sup> Rights based approaches to human life embodied in ethics, law and religion regard human life as priceless. Therefore the economic value of a human life is only a portion of its wider value.

<sup>6</sup> It is important to note that this average conceals people with disability who are highly productive and well paid.

- **Productivity gains from systemic advocacy**

**Reason:**

Systemic advocacy involves working for long-term social change to ensure the collective rights and interests of people with disability are served through legislation, policies and practices. Systemic advocacy is implemented through participation in the process of public policy determination and involves interaction with governments: attending meetings and submitting reports<sup>7</sup>. These are productive activities that add to Australian economic output.

**Snapshot:** *A study of prisoners in the Northern Territory, in 2010, found that 94 per cent of Indigenous inmates had significant hearing loss. The study also found that Aboriginal people with a hearing impairment are more likely to be arrested and charged with crimes because they cannot explain themselves to police or give adequate instructions to their solicitor, are less likely to be viewed as credible witnesses in court, and tend to have misunderstandings with corrections staff. Further many deaf prisoners are reluctant to seek parole because their hearing loss makes appearing before the parole board too difficult, meaning they stay in prison for longer. Systemic advocacy works to highlight these types of issues and drive the necessary changes to ensure Indigenous prisoners are not further unfairly disadvantaged as a result of their hearing loss.*

**Methodology:**

Using the replacement method to value systemic advocacy involves estimating the value of the alternative sources for the policy inputs provided by advocacy agencies (meeting attendance and report submissions). This CBA uses a very conservative estimate of the average cost of private-for-profit provision of the inputs as the replacement cost.

This CBA assumes that 40 of the around 60 advocacy agencies each attend 10 meetings per year with government at a replacement cost (to buy in the expertise) of \$1,000 per meeting; assumes that 30 advocacy agencies each produce 5 minor reports to government per year with a replacement cost of \$5,000; and assumes that ten advocacy agencies each produce one major report to government per year with a replacement cost of \$30,000.

A total of 1,815 group sessions/presentations were conducted under NDAP funding (DSS *n.d.*:6). These group sessions/presentation have a replacement cost of \$1,000 each.

Advocacy agencies also provide information over the phone. It is assumed that 10,000 calls per year were actioned and the advice provided would have cost at least \$5 per call to source elsewhere.

This gives a total benefit to government from systemic advocacy of \$3,200,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$28.8 million** (2017 dollars discounted by 2% over ten years).

---

<sup>7</sup> This is only a subset of the activities involved in systemic advocacy, which include published educational resources, numerous events from small information sessions, training sessions to workshops and forums. Nor do they fully value the changes affected by systemic advocacy, that benefit all communities and society, by improving the lives of people with disability, addressing human rights breaches, improving our laws, and developing more functional and healthy communities.

### **Resources freed for alternative use (cost savings)**

Advocacy increases productivity of public services through cost savings: freeing economic resources for their next best use. Advocacy assists people with disability to find the most appropriate services (health, justice system, accommodation, education, etc). Typically these appropriate services are less expensive (over the life of the person with disability) than the services used without the assistance of advocacy. The Commonwealth or State governments fund most of these services and therefore the benefits (net of the cost of the more appropriate alternatives) flow directly to reductions in government budget deficits or can be used to support other government priorities. The resources freed by this improvement in efficiency are available for other uses in the Australian economy and are therefore included as benefits in this CBA.

#### **• Cost savings in education**

##### **Reason:**

Advocacy reduces the cost of running the education system, thereby saving society's resources. Advocacy helps integrate students with disability from special schools into the general education system. Advocacy achieves substantial education cost savings. These savings are a benefit to society and therefore are included in the CBA.

##### **Methodology:**

Advocacy has freed education resources for alternative uses and those uses can be valued by the market prices paid for them, principally wages, transport, accommodation, and other services and supplies.

The number of students with disability assisted by advocacy is very conservatively estimated as 5% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 1,030 students. This percentage is based on education being 7% of the issues addressed by advocacy and the 9% of advocacy consumers being under 15 and therefore expected to be attending schooling (DSS *n.d.*:4). This CBA assumes that 10% of students advocated for (103 students) will be assisted to transfer from special to general education at a saving per student of \$10,000 pa. Over an average of six years of remaining schooling, the \$10,000 pa is valued in present terms as the lump sum value of an annuity of \$10,000 pa for six years discounted by 2% pa (annuity factor of 5.6014) giving a present value of \$56,000 per student per annum. For all 103 students this sums to \$5,770,000 pa.

See Attachment F for more detail.

**2017-26 Total Present Value: \$51.9 million** (2017 dollars discounted by 2% over ten years).

#### **• Cost savings from financial advice**

##### **Reason:**

Financial advice advocacy for people with disability can provide substantial public sector cost savings. Evans & McAteer (2011) establish that specialist financial advice reduces evictions and court costs. Advocacy directs people with disability to appropriate financial advice thereby reducing use of expensive court and eviction resources. These savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *Sally has an intellectual disability and for many years had been subject to a Financial Management Order that appointed the NSW Trustee and Guardian as the manager of her finances. Sally had recently come out of prison and wanted to look after her own money. With the support of an advocate Sally applied to the NSW Trustee for permission to*

*have a 12 month trial period of managing her disability support pension herself. Sally attended budgeting courses, banked her pension, paid all her expenses and was even able to save, and by the end of the trial period she had more than \$5 000.00. As a result the Tribunal agreed to end the financial management order, giving her full control over her money again.*

### **Methodology:**

Financial advice advocacy has freed resources for alternative uses and those uses can be valued by the market prices paid for them.

Bauer (2013: 15) estimates a net cost reduction to the public sector of £240 per annum per person assisted with advocacy on debt advice. Based on the research literature summarised in Attachment F, this CBA conservatively estimates the benefits of advocacy on financial issues to be \$400 per person assisted per year. The number of people with disability assisted by advocacy on financial issues is conservatively estimated as 10% of the 20,557 advocacy issues actioned under the NDAP (DSS *n.d.*:6) giving 2,000 people. This percentage is based on finance being 10% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4). Assuming an average benefit of \$400 per year per person gives a total annual saving of \$800,000.

See Attachment F for more detail.

**2017-26 Total Present Value: \$7.2 million** (2017 dollars discounted by 2% over ten years).

### **• Child protection cost savings**

#### **Reason:**

Economic analysis has identified a range of benefits from child protection advocacy services for people with a disability (Hussein *et al.* 2006, Townsley *et al.* 2009, Corry & Maitra 2011, Bauer 2013:14). Advocacy both helps parents with a disability maintain their families and helps parents with a disability (who are unable to maintain their families) to maintain contact with their children and strengthen the placement stability of their looked-after-children. Both these types of advocacy are more effective and less costly than more legalistic child protection processes.

Families where at least one parent has intellectual disability represent approximately 1–2% of families in Australia, but 10-12% of care cases before the children’s court involve a parent with intellectual disability. It is estimated that one in six children in out-of-home care has a parent with intellectual disability (IDRS 2015). Advocacy assists parents with disability to maintain a place in their children’s lives while providing greater placement stability. Placement stability improves outcomes for looked-after-children (Pecora 2010). These savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *Kate has a learning disability and had recently given birth. Family and Community Services (FaCS) were expected at the hospital to undertake a safety assessment. Kate who had grown up in out of home care was very distressed to find that there was a risk of her baby being removed. The advocate talked with Kate about possible options that might help to satisfy FaCS so that the baby could safely remain with her. When Kate refused to talk with the FaCS workers the advocate became the messenger between Kate and FaCS workers. An agreement was reached and Kate was able to leave hospital with her baby. The advocate has remained in regular contact with Kate and actively assists her when there are crises on the horizon.*

### **Methodology:**

Advocacy has freed child protection resources for alternative uses and those uses can be valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates a net cost reduction to the public sector of \$3,000 per annum per person assisted with advocacy on child protection.

The number of people with disability assisted by advocacy on child protection issues is conservatively estimated as 5% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 1,030 people. This percentage is based on recreation, social or family being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), family being 5% of Victorian advocacy issues (DARU 2016) and children being 7% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$3,000 per year per person gives a total annual saving of \$3,090,000.

See Attachment F for more detail.

**2017-26 Total Present Value: \$27.8 million** (2017 dollars discounted by 2% over ten years).

### **• Saving disability services costs**

#### **Reason:**

Employees in disability service providers benefit in various ways from their collaboration with advocacy providers. Jones (2004), identified benefits including:

- reduction in workload;
- training and education;
- improved understanding; and
- cost savings to disability services.

Advocacy services help improve the professionalism of disability service provider staff particularly around accountability, obligations and quality control. Typically advocacy service staff will collaborate with 2 to 5 disability service staff on each issue. The opportunities for on-the-job learning are substantial, as there were 20,557 advocacy issues actioned under NDAP; 18,669 disability service organisations (AIHW 2017:6); and around 34,000 full-time equivalent disability services staff<sup>8</sup>. These on-the-job training benefits, of disability advocacy services, mean that less staff training is required. These training savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *George is a 40-year-old Aboriginal man, with complex support needs arising from his disability. Since separating from his partner George has been living in an aged care hostel. George's former partner would not provided her current financial details to Centrelink, so they stopped George's Disability Support Pension, putting him into arrears with his accommodation provider. George had applied for public housing but had received no communication regarding his application in over two years. Due to the high turnover of*

---

<sup>8</sup> In 2009, about 68,700 people were employed across Australia in directly providing disability services or managing those who provide these services. This represents about 34,000 equivalent full-time (EFT) workers. About 58,200 workers (or 25,000 EFT workers) provided disability services directly, while the remainder managed their work. Organisations providing disability services also employed other workers who provided other services or administered the organisations, including such workers, organisations providing disability services employed a total of about 97,000 workers (Martin & Healy 2010:109).

*government staff, which is particularly common in rural and remote communities, George had been required to retell his story numerous times and there has been a lack of follow up. George's advocate assisted him to contact the regional Disability Services Commission Office and liaised with the Department of Housing, who did not have a record of his original application, to assist George to lodge a new application for priority housing.*

**Methodology:**

These on-the-job learning benefits have been valued using the replacement cost approach.

Advocacy regarding disability services represents 11% of advocacy undertaken under NDAP (DSS *n.d.*:72). So of the 20,557 issues actioned, 11% or 2,261 cases are about services. If for each case between 2-5 staff are involved and therefore get some benefit/improvement in their work due to the interaction with advocacy this would be between 4,522 and 11,306 staff. Based on the above, this CBA assumes around 76 disability services staff benefit from improved professionalism, through on-the-job learning, from collaboration with each of the around 60 advocacy organisations funded under NDAP. This gives a conservative total of 4,500 disability services staff requiring training each year. We assume that to purchase the accountability, obligations and quality control benefits (of the on-the-job learning with advocates) through training programs would require a half day of training per person valued at \$200. This gives an annual benefit of \$900,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$8.1 million** (2017 dollars discounted by 2% over ten years).

**• Cost savings from advocacy with ombudsmen and complaints tribunals**

**Reason**

Advocacy for people with disability with ombudsmen and complaints tribunals can provide substantial public sector cost savings by expediting tribunal processes for people with a disability and also by avoiding cases going to ombudsmen and tribunals. These savings are a benefit to society and therefore are included in the CBA.

**Methodology:**

Advocacy, by expediting cases, directly reduces the cost of operating ombudsmen and tribunals. Complaints about disability currently make up the largest number of complains to the Human Rights Commission. The Commonwealth Ombudsman has around 5 cases per month involving advocacy for people with disability (Commonwealth Ombudsman, personal communication, 2017). Extrapolating from this to all relevant ombudsmen and complaints tribunals gives an assumed workload of 200 cases per year.

This CBA conservatively estimates the benefits of advocacy to ombudsmen and complaints tribunals to be \$400 per person assisted per year. The number of people with disability assisted by advocacy is conservatively estimated as 200 people. This gives a total annual saving of \$80,000.

In addition, without disability advocacy, many more people with disability would have need of ombudsmen and complaints tribunals increasing their workloads substantially. Here we assume an extra 500 cases costing on average \$2,000 per case giving an annual saving of \$1,000,000. The total benefit is therefore \$1,080,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$9.1 million** (2017 dollars discounted by 2% over ten years).

- **Saving informal carers' costs**

**Reason:**

Advocacy assists carers by finding appropriate assistance to people with disability. This frees carers' time for other uses. The carer resources freed by this improvement in efficiency are available for other uses in the Australian economy. These savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *Ella has an ABI resulting from a suicide attempt. She escaped her violent partner of 26 years and her sister needed assistance to support Ella in claiming the Disability Support Pension (DSP). Ella's sister engaged an advocate who referred Ella to a range of services including the local ABI clinic for rehab and assessment. The advocate secured funding for the assessment, contacted a Neuro Psychologist who agreed to do the assessment, which meant she did not have to wait for help. The advocate also assisted Ella to complete a claim for DSP.*

**Methodology:**

The benefits of freeing carer's time for more employment can be measured as the contribution this makes to productivity, based on average weekly earnings measures (human capital approach). In the CBA literature, this increased time available for productive activities is typically valued at the minimum wage rate. This provides a minimum (ie conservative) estimate of a person's wage (in competitive employment) and thereby an estimate of the value of output (net of other input costs) produced by that person.

This CBA assumes informal carers of people with disability can reduce their care by an average of one hour per week due to participation in advocacy. This is conservatively valued at \$20 per hour.

The number of carers for people with disability assisted by advocacy to reduce their care hours is very conservatively estimated as 20% of the 11,529 total people with disability assisted by advocacy (DSS *n.d.*:6) giving 2,300 people. This percentage is based on accommodation being 5% and disability services being 11% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), accommodation being 10% and disability services being 18% of Victorian advocacy issues (DARU 2016), and accommodation being 20% and disability services being 14% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of one hour per week freed for alternative uses, for each carer, valued using the replacement cost methodology at \$20 per hour this gives a total annual saving of \$2,400,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$21.6 million** (2017 dollars discounted by 2% over ten years).

- **Medical cost savings**

**Reason:**

Advocacy for people with disability on health issues can substantially reduce health costs releasing resources for alternative uses. Advocacy directs people with disability to appropriate

medical care thereby reducing use of expensive hospital emergency department resources. These savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *Harold is 93, has low vision and sometimes experiences confusion. He lives alone and does not receive any disability or home care services. Harold approached a local home care assistance provider who advised there was no available funding to assist him. Harold's advocate learned that the home care provider had conducted Harold's assessment over the phone where Harold had not disclosed his vision impairment. As a result it was then determined that Harold was eligible for weekly home care support.*

### **Methodology:**

Advocacy has freed medical resources for alternative uses and those uses can be valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates a net cost reduction to the public sector of \$2,000 per annum per person assisted with advocacy on health issues.

The number of people with disability assisted by advocacy on health issues is conservatively estimated as 5% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 1,030 people. This percentage is based on recreation, social or family being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), and health being 7% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$2,000 per person gives a total annual saving of \$2,060,000.

Not included here are the wider advocacy benefits resulting from individual cases in health systems. These wider benefits improve health systems responses to issues and therefore avoid litigation costs. For example, avoiding deaths in hospitals due to a lack of recognition of symptoms presenting in a person with disability.

See Attachment F for more detail.

**2017-26 Total Present Value: \$18.5 million** (2017 dollars discounted by 2% over ten years).

### **• Accommodation cost savings**

#### **Reason:**

Advocacy for people with disability on accommodation issues can substantially reduce a range of costs derived from poor housing, releasing resources for alternative uses.

The cost of homelessness is high. Hospitalisation, medical treatment, incarceration, police intervention, and emergency shelter expenses make homelessness very expensive for governments and taxpayers. Dennis *et al* (2002) established that persons placed in supportive housing achieve marked reductions in shelter use, hospitalisations, length of stay per hospitalisation, and time incarcerated.

Many young people with disabilities are in inappropriate and expensive aged care and advocacy assists such people to move to more appropriate and less costly supported in-home accommodation. These savings are a benefit to society and therefore are included in the CBA.

**Snapshot:** *Richard has a brain injury acquired in a suicide attempt and experiences bipolar disorder and depression. Richard was charged with an offence and, despite not entering a*

*plea and having no conviction being made against him, was refused bail and transported to prison due to a lack of appropriate housing available to him. Richard's advocate was able to identify immediate short term and sustainable long-term accommodation as well as NDIS funding for him.*

### **Methodology:**

Advocacy has freed accommodation resources for alternative uses and those uses can be valued by the market prices paid for them.

Based on the research literature summarised in Attachment F, this CBA conservatively estimates an average net cost reduction to the public sector of \$10,000 per person assisted out of residential nursing homes per year and on average \$8,000 per person assisted out of crisis accommodation per year (assuming five weeks per person per year). It is conservatively assumed that these savings are worth a net \$5,000 per person assisted with advocacy. In addition appropriate housing also has positive impacts on health, education and employment.

The number of people with disability assisted by advocacy on accommodation is very conservatively estimated as 5% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 1,030 people. This percentage is based on accommodation being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), accommodation being 10% of Victorian advocacy issues (DARU 2016), and accommodation being 20% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$10,000 per year for 200 people assisted out of nursing homes, an average benefit of \$8,000 per person for 200 people assisted out of crisis accommodation, and an additional \$5,000 (health, education and employment impact) per year for all the 1,030 people gives a total annual saving of \$8,750,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$78.7 million** (2017 dollars discounted by 2% over ten years).

### **• Abuse cost savings**

#### **Reason:**

Abuse results in both personal costs to the person with disability and to society. The health and justice systems use considerable resources to address the results of abuse of people with disability. Advocacy helps to avoid the abuse but also helps to reduce medical and justice system costs by assisting people with disability to access earlier and more appropriate care. These savings are a benefit to society and therefore are included in the CBA.

#### **Methodology:**

Advocacy has freed medical and justice system resources for alternative uses and those uses can be valued by the market prices paid for them.

On the basis of the research literature summarised in Attachment F, this CBA conservatively estimates a net cost reduction to the public sector of on average \$5,000 per person assisted with advocacy on abuse issues.

The number of people with disability assisted by advocacy on abuse is conservatively estimated as 3% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 600 people. This percentage is based on abuse being 3% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), abuse being 5% of Victorian advocacy issues (DARU 2016), and abuse being 5% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of

\$5,000 person per year and 600 people assisted gives a total annual benefit of \$3,000,000 per year.

See Attachment F for more detail.

**2017-26 Total Present Value: \$27.0 million** (2017 dollars discounted by 2% over ten years).

### **Justice System cost savings**

The high number of people with mental health problems inappropriately placed in the justice system has led to considerable strain on police, court and prison services and related costs (Edgar and Rickford 2009, & McCausland *et al* 2013). Substantial economic resources are used up in the justice system. Australian governments spent nearly \$15 billion dollars on the justice system in 2013-14, 68% on the police, 23% on prisons and 9% on the courts (SCRGSP 2015a:C.8). A major benefit of advocacy identified in this CBA is a reduction in the use of justice system resources, freeing them for their next best use.

***Snapshot:** Sunil has complex needs arising from intellectual disability and mental health problems including extreme anxiety and autism. He lives alone in a residence with 24-hour staff. Sunil had been charged with destroying property and assault. An advocacy organisation was asked to provide court support for Sunil. However, it was very clear that requiring Sunil to attend court would inevitably result in more destruction, risk of injury and possible additional charges as he experiences extreme anxiety if required to leave the house. The advocate liaised back and forth with Sunil's solicitor and the disability service for over two weeks to get together the right evidence to convince the court that the matter should be dealt with in Sunil's absence*

People with mental and cognitive disabilities (in the absence of advocacy and alternative pathways) are often pressed into the criminal justice system early in life. Once caught up in a cycle of charges, court appearances and incarceration, people with cognitive impairment use up substantial resources (Baldry *et al* 2015:52). Substantial costs fall on the individuals with mental health disorders and cognitive impairment, their families and communities, as well as the government. These costs increase over time, as people with mental health disorders and cognitive impairment become entrenched in the criminal justice system and are further disadvantaged.

Independent advocacy can reduce these costs. Since commencement in September 2009, Queensland Advocacy Incorporated's Justice Support Program, with only 1 advocate, has assisted 413 people. To their knowledge only 4 clients have re-offended, 2 of whom have chronic, treatment resistant mental illness (QAI 2016:34). This is a substantial benefit from advocacy.

Advocacy provides a net economic benefit to Australia by diverting perpetrators from the police, courts, and prison to community-based programs. This provides a substantial reduction in resources used in the justice system and improves the productivity of perpetrators creating new resources for the Australian economy. Justice system diversion programs reduce re-arrests, increase median time to first arrest, and reduce the likelihood of post-program imprisonment (compared to those who did not complete the program) (Crime Research Centre 2007:9). Diversion influences important areas of an offender's life and can produce substantial economic savings for publicly funded services such as health and welfare (Welsh 2004:12). Benefits of diverting justice system clients include improvements in education, employment, health, social service use, and illicit substance use.

*People with disabilities often have complex and intersecting needs. Research has established that the vast majority of people with cognitive disability who come into contact with the criminal justice*

*system have 'complex support needs'. That is, they experience multiple and intense forms of disadvantage, including: psychosocial disability, mental illness, having more than one form of disability, homelessness, substance abuse, poverty, ill health and violence. Indigenous Australians are disproportionately represented in this group (Churchill 2017:3).*

It is now well recognised that the complex needs of this group originate not from an individual, but rather from the systemic failure of services to appropriately support people with cognitive disability who experience intense social disadvantage. Research has established that in the absence of appropriate service provision, these individuals are criminalised and cycle in and out of the criminal justice system more rapidly and more frequently compared to those without complex needs.

The economic and human costs to governments, communities, families and individuals associated with their entrenchment in the criminal justice system (for example, the costs associated with police, courts, prison and victimisation) are significantly greater than the financial cost of providing appropriate services to support them in the community.

#### • **Reduced Prison Costs**

##### **Reason:**

Advocacy provides a net economic benefit to Australia by diverting people with disability from imprisonment to community-based programs. This has freed resources for alternative uses and those uses can be valued by the market prices paid for them.

##### **Methodology:**

Based on the research literature summarised in Attachment F, the CBA estimates a net cost reduction to the public sector of \$300 per adult prisoner per day for adults and \$600 per day for juveniles per annum per person assisted with advocacy on policing resources. This value is based on the more conservative of the estimates in Attachment F.

This CBA assumes that of the 1,400 people with disability assisted in the courts, 300 adults and 200 juveniles will be assisted by advocacy to avoid a prison sentence of on average 100 days. This results in an annual saving of \$21,000,000.

Strang *et al* (2013: 25) identify 7% to 45% fewer repeat convictions or arrests from diversion interventions. However, only the initial avoided imprisonment is valued here.

See Attachment F for more detail.

#### • **Policing cost savings**

##### **Reason:**

Advocacy helps the police identify appropriate responses to people with disability. For example people with disability without appropriate accommodation may be held in police cells rather than released and are less likely to gain bail without the assistance of advocates. Advocacy has freed police resources for their next best use.

##### **Methodology:**

Based on the research literature summarised in Attachment F, the CBA estimates a net cost reduction to the public sector of \$500 per minor case and \$2,000 per major case per annum per person assisted with advocacy on policing resources. This value is based on the more conservative of the estimates in Attachment F.

The number of people with disability assisted by advocacy on police issues is conservatively estimated as 3% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 600 people. This percentage is based on legal issues being 15% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), legal issues being 9% of Victorian advocacy issues (DARU 2016), and legal issues being 5% of ACT advocacy issues (ADACAS 2016:8). One advocacy agency (Intellectual Disability Rights Service) alone assisted over 80 people with disability at police stations. Assuming an average benefit of \$2,000 per person for 200 major cases and \$500 per person for 400 minor cases gives a total annual benefit of \$600,000 per year.

See Attachment F for more detail.

#### • **Reduced Court Costs**

##### **Reason:**

Advocacy will directly reduce the number of people with disability appearing in court and free court resources for other productive uses. In the absence of advocacy there will be higher numbers of arrests of people with disability and more work for the courts. This consumes resources that have alternative uses and those uses can be valued by the market prices paid for them, principally wages and legal services prices. Advocacy has reduced arrests and freed court resources for their next best use.

##### **Methodology:**

Advocacy will directly reduce the number of people with disability appearing in court and free court resources for other productive uses. This CBA assumes advocacy will reduce court appearances by 100 from around 400 to 300 per year.

Based on the research literature summarised in Attachment F, this CBA estimates a net cost reduction to the public sector of \$450 per case for minor cases and \$3,000 for major case per annum per person assisted with advocacy on court resources. These values are based on the more conservative of the estimates in Attachment F.

The number of people with disability assisted by advocacy on court issues is conservatively estimated as 7% of the 20,557 advocacy issues actioned under NDAP (DSS *n.d.*:6) giving 1,400 people. This percentage is based on legal issues being 15% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), legal issues being 9% of Victorian advocacy issues (DARU 2016), and legal issues being 5% of ACT advocacy issues (ADACAS 2016:8). One advocacy agency (Intellectual Disability Rights Service) alone assisted nearly 400 people with disability at court appearances and managed more than 60 long-term cases each year.

Assuming an average benefit of \$3,000 person and for 400 major cases and \$450 per person for 1,000 minor cases gives a total annual benefit of \$1,650,000 per year.

See Attachment F for more detail.

In total, the cost savings to the police, courts and prisons is estimated to be \$23,250,000 per year.

**2017-26 Total Present Value: \$209.1 million** (2017 dollars discounted by 2% over ten years).

## Discounting (aggregating over time)

The social discount rate measures society's valuation of today's wellbeing relative to wellbeing in the future (Zhuang *et al* 2007). The costs and benefits, identified and valued above, accrue over the ten-year period 2017 to 2026. To make comparisons with other programs, the future values need to be expressed in present day values. This recognises that people value current consumption more highly than the same future consumption. People are, to a degree, impatient.

Discounting future values back to present values requires information about society's rate of time preference. This is the amount of future consumption they require to induce them to give up current consumption. This is revealed in the capital market, where interest payments are the reward for giving up current consumption in return for greater future consumption.

Since the Global Financial Crisis in 2007, interest rates in most markets have fallen to levels close to the inflation rate and therefore discount rates measuring Australian willingness to forego current consumption have fallen sharply. This implies that we have become less impatient. The falling discount rate is being driven by economic changes since 2007. With falling economic growth rates and with nearly all of that growth accruing to the wealthiest, most Australians can expect to have little improved or even falling living standards in the future. As future incomes are likely to be scarcer for most Australians, the value of future consumption rises and current consumption becomes less valuable compared to future consumption, lowering the social rate of discount. Government recommendations for use of discount rates in CBA have been falling even before the 2007 global financial crisis: in the UK from 10% in 1969 to 3.5% in 2003; in Germany from 4% in 1999 to 3% in 2004; in France from 8% in 1999 to 4% in 2005; and in Norway from 7% in 1978 to 3.5% in 1998 (Zhuang *et al* 2007:19).

Interest rates include a reward for risk taking and inflation. Risk is not relevant to this program because it is part of government's broad investment portfolio where risk in any single program is cancelled out across the other programs<sup>9</sup>. Inflation is not relevant because all values used in this CBA are in real terms.

Risk is excluded by using a low risk Commonwealth Government bond. The longest maturity (10 years) is used because this fits this CBA's 10-year time frame. Inflation is removed by subtracting the inflation rate from the interest rate.

In March 2017, the Commonwealth 10 year Treasury Bond interest rate was 2.8% pa (RBA Statistical Tables). Inflation measured by the average CPI for the 12 months to December 2016 was 1.5% pa (RBA Statistical Tables). Taking the inflation rate away from the interest rate and rounding gives the real rate of interest and discount rate as 1.3%. In comparison, the inflation adjusted Commonwealth Government Indexed Bond interest rate was also 1.3% (RBA Statistical Tables). Therefore, the Australian capital markets are indicating that the social rate of time preference was around 1% in March 2017. Based on this capital market information this analysis uses a conservative discount rate of 2% as its base case.

---

<sup>9</sup> Using high discount rates to account for risk is easy but not very appropriate. It is a better solution to address relevant risk specifically for each project through various risk analysis methods, such as quantified risk analysis or sensitivity analysis (Hagen *et al.*, 2012).

Some authorities vary discount rates according to the type of project. The United States Office of Management and Budget (2003) uses a 7% rate where the project/program would displace private investment, 3% for social projects/programs and 1% where the impacts are intergenerational<sup>10</sup>.

Typically government's recommend the use of a higher discount rate than 2%. In Australia, the usual government recommended rate is 5% and can be as high as 10% (Harrison 2010). This CBA adopts the 10% discount rate for sensitivity analysis to demonstrate that the conclusions at the 2% rate are robust.

---

<sup>10</sup> The 7 percent rate is an estimate of the average before-tax rate of return to private capital in the U.S. economy, based on historical data. It is a broad measure that reflects the returns to real estate and small business capital as well as corporate capital. It approximates the opportunity cost of capital, and it is the appropriate discount rate whenever the main effect of a regulation is to displace or alter the use of capital in the private sector.

The 3 percent discount rate is based on a recognition that the effects of regulation do not always fall exclusively or primarily on the allocation of capital. When regulation primarily and directly affects private consumption, a lower discount rate is appropriate. The alternative most often used is sometimes called the "social rate of time preference." The real rate of return on long-term government debt may provide a fair approximation. Over the last thirty years, this rate has averaged around 3 percent in real annual terms on a pre-tax basis.

Private market rates provide a reliable reference for determining how society values time within a generation, but for extremely long time periods no comparable private rates exist. If the regulatory action will have important intergenerational benefits or costs, the agency might consider a sensitivity analysis using a lower but positive discount rate, ranging from 1 to 3 percent United States Office of Management and Budget (2003:11).

## Aggregating cost and benefits

The table below applies the 2% discount rate (using each year's discount factor) to the values estimated above for independent advocacy for people with disability. The yearly costs and benefits are given in 2017 dollars. Totals are aggregated as present values to calculate NPV and B/C ratios.

**Table 5: Economic Costs & Benefits: Independent advocacy for people with disability**

	2017 dollars, '000											
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	Total	<b>Total @ 2%</b>
<b>Costs</b>												
Advocacy agencies	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	240,000	<b>215,808</b>
volunteers	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	18,000	<b>16,186</b>
Total Costs	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800	25,800	258,000	231,994
<b>discounted @ 2%</b>	<b>25,542</b>	<b>24,794</b>	<b>24,304</b>	<b>23,839</b>	<b>23,375</b>	<b>22,910</b>	<b>22,472</b>	<b>22,007</b>	<b>21,595</b>	<b>21,156</b>	231,994	<b>231,994</b>
<b>Benefits</b>												
<b>Cost savings</b>												
education	5,770	5,770	5,770	5,770	5,770	5,770	5,770	5,770	5,770	5,770	57,700	<b>51,884</b>
finance	800	800	800	800	800	800	800	800	800	800	8,000	<b>7,194</b>
child protection	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	3,090	30,900	<b>27,785</b>
carers	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	24,000	<b>21,581</b>
medical	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	2,060	20,600	<b>18,524</b>
abuse	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	30,000	<b>26,976</b>
justice system	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	23,250	232,500	<b>209,064</b>
service providers	900	900	900	900	900	900	900	900	900	900	9,000	<b>8,093</b>
ombudsmen	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	10,080	<b>9,064</b>
accomodation	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	87,500	<b>78,680</b>
<b>Increased output</b>												
education	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	7,400	74,000	<b>66,541</b>
longer life	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	6,730	67,300	<b>60,516</b>
employment	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	230,000	<b>206,816</b>
systemic advocacy	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	3,200	32,000	<b>28,774</b>
Total Benefits	91,358	91,358	91,358	91,358	91,358	91,358	91,358	91,358	91,358	91,358	913,580	<b>821,491</b>
<b>discounted @ 2%</b>	<b>90,444</b>	<b>87,795</b>	<b>86,059</b>	<b>84,415</b>	<b>82,770</b>	<b>81,126</b>	<b>79,573</b>	<b>77,928</b>	<b>76,467</b>	<b>74,914</b>	821,491	<b>821,491</b>
<b>Benefits-Costs</b>												
undiscounted	65,558	65,558	65,558	65,558	65,558	65,558	65,558	65,558	65,558	65,558	655,580	<b>589,498</b>
<b>discounted @ 2%</b>	<b>64,902</b>	<b>63,001</b>	<b>61,756</b>	<b>60,576</b>	<b>59,396</b>	<b>58,216</b>	<b>57,101</b>	<b>55,921</b>	<b>54,872</b>	<b>53,758</b>	<b>589,498</b>	<b>589,498</b>
Discount factor @ 2%	0.990	0.961	0.942	0.924	0.906	0.888	0.871	0.853	0.837	0.820		
<b>NPV @ 2%</b>	589,498											
<b>IRR</b>	na											
<b>B/C ratio</b>	3.5											

## Decision criteria

Cost Benefit Analysis values the impacts (costs and benefits) of independent advocacy for people with disability in economic terms (i.e. impact on society's wellbeing). These values are aggregated using the discount rate embodying society's trade-off between current and future consumption. The discounted impacts are then compared using decision criteria.

The findings from a CBA are commonly expressed in three decision criteria:

- The **benefit cost ratio** takes the present value of total benefits and divides this by the present value of total costs. The ratio is useful for comparing the efficiency of programs across different program scales. A ratio greater than 1 demonstrates that there is a net economic benefit to society from the program. Using the independent advocacy estimates from the table above: the PV of total benefits divided by the PV of total costs is \$821,491,000/\$231,994,000. This gives a very high cost benefit ratio of 3.5 to 1.

In a recent OECD publication “A ratio below 1 is considered poor, a ratio between 1 and 1½ low, a ratio between 1½ and 2 medium and a ratio above 2 high” (Persson & Song 2010:33). For comparison the World Bank (2011:4) estimates benefit cost ratios for Indonesian urban sanitation programs at 1.1 to 2.4, the Productivity Commission (2013:27) estimates the benefit cost ratio of smart electrical meters at 2.7, the South Australian Centre for Economic Studies (2010:95) estimates a benefit cost ratio of Opal fuel at 3.7, Daly and Barrett (2014) estimated a cost benefit ratio in mediation program in Yuendumu at 4.3 and Infrastructure Australia estimates a benefit cost ratio for the Winchelsea to Colac Road Duplication at only 0.08. In comparison with these estimates, the independent advocacy’s ratio of 3.5:1 is clearly very high.

- The **Internal Rate of Return (IRR)** is the discount rate where the present value of costs and benefits are equal. IRR cannot be measured for this program due to distribution of costs over time. IRR requires a pattern of negative then positive net benefits. For this CBA net benefits are always positive.
- The **Net Present Value (NPV)** is the amount by which the present value of benefits exceeds the present value of costs. It measures the scale of the net benefit.

For independent advocacy the NPV is \$589,498,000 million in 2017 dollars.

Total costs PV	\$231,994,000
Total benefits PV	\$821,491,000
Benefit Cost Ratio	3.5
NPV	\$589,498,000

All the calculated decision criteria indicate that the program is worth supporting on economic (efficiency of resource use) grounds. The criteria show that the nearly 60 advocacy agencies funded by NDAP provide Australia with a very high return on its modest costs.

## Sensitivity analysis

Independent advocacy may be sensitive to changing conditions. These could include potential variability in factors for which assumptions have been made. However, if the NPV is still positive with more conservative assumptions the results can be considered robust.

The assumptions made in this analysis were generally pessimistic about the benefits of the program but in order to test the robustness of our conclusions we assume an unrealistically large 50% reduction in our estimated benefits. Even in this extremely pessimistic case both decision criteria (shown below) indicate that the program provides exceptional worth in economic (efficiency of resource use) terms.

Total costs PV	\$231,994,000
Total benefits PV	\$401,746,000
Benefit Cost Ratio	1.8
NPV	\$178,752,000

The choice of a discount rate can have a large impact on the decision criteria. The unusual current global financial conditions may mean that the base case discount rate of 2% is lower than the actual

social rate of time preference it attempts to measure. A standard maximum discount rate is 10%. As can be seen below, raising the discount rate by five times has little impact on the net worth of the program. The conclusions of this CBA are not sensitive to the choice of discount rate.

Total costs PV	\$158,515,000
Total benefits PV	\$471,749,000
Benefit Cost Ratio	3.0
NPV	\$313,233,000

The purpose of sensitivity analysis in this case is not to compare alternative program scenarios for selection of the best program design. Here we are using sensitivity analysis to test the robustness of our conclusions regarding the economic value of the program. As the program can absorb a 50% reduction in the already conservative estimates of benefits, the conclusion that it is a worthwhile program is strong. The sensitivity analysis shows that the estimates are very robust as is the conclusion that independent advocacy provides a substantial net benefit to Australia.

## **Distribution**

Gainers and losers are identified in the distributional incidence table given previously (Table 3).

People with disability assisted with advocacy gain more appropriate services.

However, it is government service providers who gain the largest benefit (cost savings) as people with disability access less expensive services.

Carers also experience substantial gains.

Costs are borne by the government (as the funder). However, these costs are more than fully compensated by the shift to lower cost services.

Volunteers lose their time and are not compensated with a wage (extrinsic rewards). However, because the labour is voluntary it is expected that the volunteers experience intrinsic rewards (not valued here) that more than fully compensate them.

The Australian community gains in welfare from a more equitable and inclusive society.

Overall, distributional impacts of advocacy for people with disability are positive with the major losers being compensated for their loss, leaving the gainers with a net improvement and therefore distribution is not a critical issue.

## **Conclusion**

This CBA verifies that independent advocacy, for people with disability, delivers substantial economic benefits far exceeding the costs.

The sensitivity analysis indicates that these conclusions are very reliable. The distributional analysis shows that the program does not damage stakeholders and compensation is not required.

This CBA provides a strong support for continued investment in independent advocacy for people with disability. All the calculated decision criteria indicate that the program is worth supporting on economic (efficiency of resource use) grounds. More efficient resource use allows improvements in society's wellbeing.

There is a huge unmet need for independent advocacy. Australians with a disability number around 4 million, but independent advocacy funded by the Commonwealth government is only reaching around 12,000. This CBA supports an increase in resources for independent advocacy. Independent advocacy is estimated to provide a net benefit of almost \$600 million to Australia over the next ten years. With a benefit cost ratio of 3.5:1 (or a \$3.50 return for every dollar spent) independent advocacy is a very efficient use of Australian resources.

## Bibliography

- Abelson, P, 2003, The Value of Life and Health for Public Policy, *The Economic Record*, 79.
- Access Economics, 2010, *The economic value of informal care in 2010*, Report for Carers Australia, October.
- ACFA (Aged Care Financing Authority) 2016, *Fourth report on the Funding and Financing of the Aged Care Sector*, Canberra: Australian Government.
- ACT Disability, Aged and Carer Advocacy Service (ADACAS), 2016, *Annual Report 2015-16*, Canberra.
- Adler, M.D., 2013, *Happiness, health and leisure: valuing the nonconsumption impacts of unemployment*, in C. Coglianese, A.M. Finkel & C. Carrigan (eds), *Does Regulation Kill Jobs?*, University of Pennsylvania, Philadelphia.
- Advocacy and Resource Exchange, 2004, *Outcomes and Independent Advocacy: A Planning and Resource Pack*, Advocacy and Resource Exchange.
- AIHW, 2017, *Disability support services: services provided under the National Disability Agreement 2015–16*, AIHW Bulletin no. 140, Canberra: Australian Institute of Health and Welfare.
- ANCD (Australian National Council on Drugs), National Indigenous Drug and Alcohol Committee & Deloitte Access Economics, 2013, *An economic analysis for Aboriginal and Torres Strait Islander offenders: prison vs residential treatment*, Australian National Council on Drugs, Canberra.
- Auditor-General, 2014, *New South Wales Auditor-General's report: volume eight 2014 focusing on police and justice*, Audit Office of New South Wales, Sydney.
- Australian Bureau of Statistics, 2002, *Social Capital and Social Wellbeing*. Canberra: Australian Bureau of Statistics.
- Australian Bureau of Statistics, 2012, *Disability, Ageing and Carers, Australia: Summary of Findings, 2012*, ABS Cat. No. 4430.0, ABS Canberra.
- Australian Bureau of Statistics, 2012, *Survey of Disability, Ageing and Carers*, Canberra.
- Australian Bureau of Statistics, 2015, *Australian National Accounts: Non-Profit Institutions Satellite Account, 2012-13*, Cat. No. 5256.0, Australian Bureau of Statistics, Canberra.
- Australian Government Actuary 2012, *NDIS Costings - Review by the Australian Government Actuary*, Australian Government, Canberra.
- Australian Government, 2012, *Stronger, Smarter, Fairer, Disability Care Australia. Budget Papers 2013-14*, Australian Government, Canberra.
- Australian Government, 2013, *National Disability Insurance Scheme Act 2013*, Australian Government, Canberra.
- Australian Healthcare Associates, 2012, *Evaluation of the Community Mental Health Transition to Recovery Programs*, Department of Communities, Child Safety and Disability Services, Queensland Government, Brisbane.
- Baldry E, 2017, People with Multiple and Complex Support Needs, Disadvantage and Criminal Justice Systems: 40 Years After the Sackville Report, in *Law and Poverty in Australia 40 Years After the Sackville Report*
- Baldry, E., Dowse, L., McCausland, R., & Clarence, M, 2012, *Lifecourse institutional costs of homelessness for vulnerable groups*. National Homelessness Research Agenda, Commonwealth of Australia, Canberra.
- Baldry, E and Dowse, L, 2013, *Compounding Mental and Cognitive Disability and Disadvantage: Police as Care Managers*, In Duncan Chappell (Ed) *Policing and the mentally ill: International Perspectives*, CRC Press, Taylor & Francis Group, Boca Raton, USA. pp 219-234.

- Baldry E, Johnson S, McCausland R, Cohen A, 2013, *People With Mental Health Disorders And Cognitive Impairment In The Criminal Justice System: Cost-Benefit Analysis of Early Support And Diversion*, Sydney: Australian Human Rights Commission.
- Barrett G., 1993, *Going Public. Costs and Benefits of Public Housing in Australia*, National Shelter Inc., Canberra.
- Barrett G & Applegate C., 2011, *Using Cost Benefit Analysis in Transport Projects*, 40<sup>th</sup> Australian Conference of Economists, ANU, July 11-13.
- Bates, Peter, and Fabian A. Davis, 2004, Social capital, social inclusion and services for people with learning disabilities, *Disability & Society* 19(3): 195-207.
- Bauer Annette, Gerald Wistow, Josie Dixon and Martin Knapp, 2013, *Investing in Advocacy Interventions for Parents with Learning Disabilities: What is the Economic Argument?* Personal Social Services Research Unit, PSSRU Discussion Paper 2860, London School of Economics, London, UK April 2013.
- Bauer, Annette, 2015, *The economic case for early and personalised support for parents with learning difficulties*. PSSRU discussion paper, 2907. Personal Social Services Research Unit, London School of Economics, London, UK.
- Bauer, A., Knapp, M., Wistow, G., Perkins, M., King, D. and Iemmi, V. 2017, Costs and economic consequences of a help-at-home scheme for older people in England. *Health & Social Care in the Community*, 25: 780–789.
- Blanchflower, David G. & Andrew J. Oswald. 2004, Well-Being Over Time In Britain And The USA, *Journal of Public Economics*, 88(7-8): 1359-1386.
- Bonin E.M., Stevens M., Beecham J., Byford S. & Parsonage M. 2011, Costs and longer-term savings of parenting programmes for the prevention of persistent conduct disorder: a modelling study, *BMC Public Health*, 11: 803.
- Booth T & Booth W, 2005, Parents with Learning Difficulties in the Child Protection System, *Journal of Intellectual Disabilities*, 9(2), 109-29.
- Bourdieu, Pierre 1986, 'The Forms of Capital', in Richardson, John G., (ed)., *Handbook of Theory and Research for the Sociology of Education*, New York: Greenwood.
- Boutwell, J. L., & Westra, J. V. 2013, Benefit transfer: A review of methodologies and challenges. *Resources*, 2(4), 517-527.
- Bradley V. J. 1983, *Evaluation of Advocacy Models*, Paper presented at the Annual Conference of the American Association of Mental Deficiency, Dallas, Texas, May 29- June 2.
- Browning M, 2011, *Interim Evaluation of the Mornington Island Restorative Justice Pilot Project*, Brisbane: Queensland Government.
- Bush P, R Drake, H Xie, G McHugo & W Haslett, 2009, The long-term impact of employment on mental health service use and costs for persons with severe mental illness, *Psychiatric Services*, vol. 60, no. 8, pp.1024-31.
- CAADA, 2012, *Evaluation of 'best value' in specialist service provision for domestic violence and abuse in Devon: October 2010 to September 2011*, Coordinated Action Against Domestic Abuse, Bristol.
- Cameron J, 2013, SROI – demonstrating the value of independent advocacy, *About Advocacy (The Scottish Independent Advocacy Alliance Magazine)*, Spring, 6–7.
- Chenoweth, Lesley, & Daniela Stehlik., 2004, Implications of social capital for the inclusion of people with disabilities and families in community life, *International Journal of Inclusive Education*, 8(1): 59-72.
- Chisholm, J., 2000, Benefit-Cost Analysis and Crime Prevention, *Trends & Issues in Crime and Criminal Justice*, No. 147, Canberra: Australian Institute of Criminology.
- Churchill A, Sotiri M, & Rowe S, 2017, Access to the NDIS for people with cognitive disability and complex needs who are in contact with the criminal justice system: Key challenges, Sydney: The Community Restorative Centre.

- Coleman, James S, 1988, Social Capital in the Creation of Human Capital, *American Journal of Sociology*, Vol. 94, Supplement: Organizations and Institutions: Sociological and Economic Approaches to the Analysis of Social Structure, pp. S95-S120.
- Commonwealth Ombudsman, 2016, *Response to the Review of the National Disability Advocacy Program (the NDAP) discussion paper*, Canberra.
- Cocks E. and Duffy G. 1993, *The Nature and Purposes of Advocacy for People with Disabilities*, Social Research and Development Monograph No.4, Faculty of Health and Human Sciences, Centre for the Development of Human Resources, Edith Cowan University, Perth and Commonwealth Department of Health, Housing, Local Government and Community Services, Canberra.
- Connelly, Luke 2014, *An Economic Evaluation of the Homeless to Home Healthcare After Hours Service*, Micah Projects, South Brisbane, QLD, Australia.
- Corry D and Maitra S, 2011, *Cost-benefit analysis of telephone advice services provided by the Family Rights Group*, A report by FTI Consulting for Family Rights Group, London.
- Crime Research Centre, 2007, *WA Diversion Program – Evaluation Framework: final report for the Drug and Alcohol Office*. Perth: Crime Research Centre, University of Western Australia.
- Cushing, M J & Rosenbaum, D I., 2012. Valuing Household Services: A New Look at the Replacement Cost Approach, *Journal of Legal Economics* 19(1): pp. 37-60.
- Dalton B & Lyons, M. 2005, *Representing the disadvantaged in Australian politics: the role of advocacy organisations*, Report No. 5, Democratic Audit of Australia, Political Science Program, Research School of Social Sciences, The Australian National University, Canberra.
- Daly A & Barrett G, 2012, *Economic Cost Benefit Analysis of the Right People for Country Project*, Canberra: University of Canberra.
- Daly A & Barrett G, 2014, *Independent Cost Benefit Analysis of the Yuendumu Mediation and Justice Committee*, Alice Springs: Central Desert Regional Council.  
[http://www.centraldesert.nt.gov.au/files/attachments/yuendumup\\_cba\\_0.pdf](http://www.centraldesert.nt.gov.au/files/attachments/yuendumup_cba_0.pdf)
- Daly A & Barrett G, 2016, *Cost Benefit Analysis of the Mornington Island Restorative Justice Program, Mornington Island*, Queensland: Junkuri Laka Wellesley Islands Aboriginal Law, Justice and Governance Association.  
[https://www.academia.edu/28354343/Cost\\_Benefit\\_Analysis\\_of\\_the\\_Mornington\\_Island\\_Restorative\\_Justice\\_Program\\_Summary](https://www.academia.edu/28354343/Cost_Benefit_Analysis_of_the_Mornington_Island_Restorative_Justice_Program_Summary).
- Daly A, Barrett G & Williams R, 2016, *Cost Benefit Analysis of the Accident Compensation Conciliation Service*, Melbourne: Accident Compensation Conciliation Service.
- DARU, 2016, *Disability Advocacy by the Numbers. Statistics from the 2012-2013 to 2015-16 Victorian Office for Disability Advocacy Program, Quarterly Data Collection*, Disability Advocacy Resource Unit, Melbourne.
- David, C, 2016, *Delivering on its promise? Better but not good enough. An analysis of Victoria's individualised funding program for people with disabilities from a capabilities and human rights based perspective*, Doctor of Philosophy (PhD), Global, Urban and Social Studies, RMIT University.
- Degeny, J., Hopkins, B., & Hosie, A. 2012, *Counting the cost: The impact of young men's mental health on the Australian economy. 2012*. The Young and Well Cooperative Research Centre. Inspire Foundation and Ernst & Young.
- Deloitte Access Economics, 2015, *The economic value of informal care in Australia in 2015*. Carers Australia.
- Dennis P. Culhane, Stephen Metraux, & Trevor Hadley, 2002, Public service reductions associated with placement of homeless persons with severe mental illness in supportive housing, *Housing Policy Debate*, Vol. 13, Iss. 1.
- Department for Communities and Local Government, 2012, *Evidence review of the costs of homelessness*, London, DCLG.

- Department of Finance and Administration, 2006, *Handbook of Cost-Benefit Analysis*, Financial Management Reference Material 6,, Commonwealth of Australia, Canberra.
- Department of the Prime Minister and Cabinet, 2014, *Best Practice Regulation Guidance Note: Value of statistical life*, Australian Government, Canberra.
- Department of Social Security, 2016, *Review of the National Disability Advocacy Program*, Discussion Paper, Commonwealth of Australia, Canberra, April 2016
- Department of Social Security (not dated), *National Disability Advocacy Program (NDAP) Annual Performance Analysis Report 2013-14*, Australian Government, Canberra.
- Department of Social Security, (not dated) *National Disability Advocacy Framework*, Department of Social Security, Canberra.
- Diamond, Pamela & Steven B. Schneid, 1991, *Lives in the Shadows: Some of the Costs and Consequences of a "Non-System" of Care*. Hogg Foundation for Mental Health, University of Texas, Austin.
- Dickinson, H., Needham, C. and Sullivan, H., 2014, Individual Funding for Disability Support: What are the Implications for Accountability? *Australian Journal of Public Administration*, 73: 417–425.
- Edgar K & Rickford D, 2009, *Too Little Too Late: An Independent Review of Unmet Mental Health Need in Prison*, Prison Reform Trust.
- Eivers E., Ryan E. & Brinkley A., 2000, *Characteristics of early school leavers: results of the research strand of the 8- to 15-year old early school leavers initiative*. Dublin, Educational Research Centre, St Patrick's College.
- European Commission, 2008, *Guide to Cost-Benefit Analysis of Investment Projects. Structural Funds, Cohesion Fund and Instruments for Pre-Accession*. Directorate General Regional Policy, Brussels.
- Evans G. & McAteer M., 2011, *Does debt advice pay? A business case for social landlords, Final report*, The Financial Inclusion Centre, The Money Advice Trust, London.
- Fawcett, B & Plath, D., 2014, A National Disability Insurance Scheme: What Social Work Has to Offer, *British Journal of Social Work*; 44 (3): 747-762.
- Faulkner A & Sweeney A, 2011, *Prevention in adult safeguarding: A review of the literature*. Social Care Institute for Excellence, London.
- Fegan, M. & Bowes, J., 1999, 'Isolation in rural, remote, and urban communities', in J.M. Bowes & A. Hayes (eds), *Children, Families, and Communities: Contexts and consequences*, Oxford University Press, South Melbourne.
- Feinberg L, Reinhard S, Houser A & Choula, R, 2011, *Valuing the invaluable: 2011 update: the growing contributions and costs of family caregiving*, AARP Public Policy Institute, Washington DC.
- Fifield, M., 2013, *Address to the National Press Club by the Assistant Minister for Social Services*, 20 November, Canberra.
- Flatau P, K Zaretsky, M Brady, Y Haigh & R Martin, 2008, *The cost-effectiveness of homelessness programs: a first assessment Volume 1 – main report* for the Australian Housing and Urban Research Institute Western Australia Research Centre (AHURI Final Report No.119), Australian Housing and Urban Research Institute, WA.
- Fleming, F., 2013, *Evaluation Methods for Assessing Value for Money. BetterEvaluation*.
- Flint J, Batty E, Parr S, Platts Fowler, Nixon J, 2011, *Evaluation of Intensive Intervention Projects*, Research report DFE-RR113, Department for Education, Sheffield Hallam University and Mill Mount Consulting, Sheffield.
- French, P., 2007. *Disabled Justice: The barriers to justice for persons with disability in Queensland*. Queensland Advocacy Incorporated.
- Friedli L & Parsonage M, 2007, *Mental Health Promotion: Building an Economic Case*, Northern Ireland Association for Mental Health, Belfast.

- Friedli L & Parsonage M, 2009, *Promoting mental health and preventing mental illness: the economic case for investment in Wales*, Mental Health Promotion Network, Wales.
- Frohman C & Sands T, 2015, *Australian Cross Disability Alliance (ACDA) Submission to the Senate Inquiry into violence, abuse and neglect against people with disability in institutional and residential settings*.
- Gardner, A, Geierstanger, S, McConnel, C, & Brindis, C., 2008, *Achieving Clinic Financial Stability: Follow the Money* (Issue Brief). San Francisco: The Philip R. Lee Institute for Health Policy Studies, University of California, San Francisco (UCSF).
- Geller, Amanda, Irwin Garfinkel, and Bruce Western., 2006, *The Effects of Incarceration on Employment and Wages: An Analysis of the Fragile Families Survey*. Center for Research on Child Wellbeing. Working Paper 2006-01-FF.
- Godfrey C., 2005, Cost effectiveness of treatment for alcohol problems: findings of the randomised UK alcohol treatment trial, *British Medical Journal*, 331: 544–8.
- Grogger, Jeff., 1998, Market Wages and Youth Crime, *Journal of Labor Economics* 16(4): 756-791.
- Goggin, G., & Newell, C., 2005, *Disability in Australia: Exposing a social apartheid*. UNSW Press.
- Grimmond D, 2014, *The economic value and impacts of informal care in New Zealand*, Infometrics, Wellington.
- Guthrie, K., Louie, J., & Foster, C. C., 2006, *The Challenge of Assessing Policy and Advocacy Activities: Part II - Moving from Theory to Practice*, Los Angeles: The California Endowment.
- Hagen, K.P., Berntsen, S., Bye, B., Hultkrantz, L., Nyborg, K., Pedersen, K.R., Sandsmark, M., Volden, G.H., Avitsland, G., 2012., Cost-Benefit Analysis, Official Norwegian Report NOU 2012:16.
- Hall, Joshua C., Kaitlyn Harger, and Dean Stansel, 2015, Economic Freedom and Recidivism: Evidence from US States, *International Advances in Economic Research*, 21(1): 155-165.
- Harrison, M., 2010, *Valuing the Future: the social discount rate in cost-benefit analysis*, Visiting Researcher Paper, Productivity Commission, Canberra.
- Harvard Family Research Project, 2009, *User's Guide to Advocacy Evaluation Planning*, Harvard Graduate School of Education, Cambridge, MA
- Hayes, S. C., 1994, *Reducing Recidivism Amongst Offenders with an Intellectual Disability*, Office on Disability & Disability Council of New South Wales, Sydney.
- Henrichson, Christian & Ruth Delaney, 2012, *The Price of Prisons: What Incarceration Costs Taxpayers*. Vera Institute of Justice, NY.
- Hill N E & Tyson D F, 2009, Parental involvement in middle school: a meta-analytical assessment of the strategies that promote achievement, *Journal of Development Psychology*, 45:740-63.
- HM Treasury, 2003, *The Green Book. Appraisal and Evaluation in Central Government*, The Stationery Office, London.
- Hoggarth L & Smith D, 2004, *Understanding the Impact of Connexions on Young People at Risk*, Department for Children, Schools and Families Research Report 607.
- Holmes L, Munro ER, Soper J, 2010, *Calculating the cost and capacity implications for local authorities implementing the Laming (2009) recommendations*, Report to the Local Government Association, Centre for Child and Family Research, Loughborough University, Loughborough.
- Mental Health Commission of NSW, 2017, *Towards a just system: mental illness and cognitive impairment in the criminal justice system*, Sydney: Mental Health Commission of NSW.
- Hussein S, Rapaport J, Manthorpe J, Moriarty J, Collins J, 2006, Paying the piper and calling the tune? Commissioners' evaluation of advocacy services for people with learning disabilities, *Journal of Intellectual Disabilities*, 10:75-91.
- IDRS, 2015, Annual Report 2014-2015, Redfern: Intellectual Disability Rights Service.
- Jenny Pearson & Associates Pty Ltd, 2009, *Research of the Models of Advocacy Funded under the National Disability Advocacy Program*, Department of Families, Housing, Community Services and Indigenous Affairs, Canberra.

- Johnson, Rucker. 2009. "Ever-Increasing Levels of Parental Incarceration and the Consequences for Children." in Raphael, Steven and Michael Stoll, Eds. *Do Prisons Make Us Safer?: The Benefits and Costs of the Prison Boom*. New York: Russell Sage Foundation. 177-206.
- Johnston, R. J., Rolfe, J., Rosenberger, R. S., & Brouwer, R., 2015, *Benefit Transfer of Environmental and Resource Values*, Dordrecht: Springer.
- Jones J, 2004, *Adding Value through Advocacy*, Westminster Advocacy Service for Senior Residents.
- Justice Policy Institute, 2014, *Sticker Shock: Calculating the Full Price Tag for Youth Incarceration*. Justice Policy Institute, Washington DC.
- Karoly, Lynn A., Peter W. Greenwood, Susan S. Everingham, Jill Hoube, M. Rebecca Kilburn, C. Peter Rydell, Matthew Sanders and James Chiesa, 1998, *Investing in Our Children: What We Know and Don't Know About the Costs and Benefits of Early Childhood Interventions*. Santa Monica, CA: RAND Corporation.
- Kavanagh, A. M., Krnjacki, L., Aitken, Z., LaMontagne, A. D., Beer, A., Baker, E., & Bentley, R., 2015, Intersections between disability, type of impairment, gender and socio-economic disadvantage in a nationally representative sample of 33,101 working-aged Australians. *Disability and health journal*, 8(2), 191-199.
- Kling, Jeffrey R., 2006, *Incarceration Length, Employment, and Earnings*. Princeton University – Industrial Relations Section, Working Paper 494.
- Krutilla, K., 2005, Using the Hicks–Kaldor tableau format for cost-benefit analysis and policy evaluation, *Journal of Policy Analysis and Management*, 24(4): 864–75.
- Landersø, Rasmus., 2015, Does Incarceration Length Affect Labor Market Outcomes? *Journal of Law and Economics* 58(1): 205-234.
- Laragy, C., 2017, Four Corners: can the NDIS prevent abuse of people with disability? *The Conversation*, March 29, 2017.
- Larimer ME, Malone DK, Garner MD, Atkins DC, Burlingham B, Lonczak HS, Tanzer K, Ginzler J, Clifasefi SL, Hobson WG, Marlatt GA., 2009, Health Care and Public Service Use and Costs Before and After Provision of Housing for Chronically Homeless Persons With Severe Alcohol Problems. *Journal of the American Medical Association*, 301(13):1349-1357.
- Layard R.M., Clarg D., Knapp M. & Mayraz G., 2007, *Cost-benefit analysis of psychological therapy*, CEP Discussion Paper No 829, London, Centre for Economic Performance.
- Layte, Richard., 2012, The Association Between Income Inequality and Mental Health: Testing Status Anxiety, Social Capital, and Neo-Materialist Explanations, *European Sociological Review*, 28 (4): 498-511.
- Lawn S, A Smith, & K Hunter, 2008, Mental health peer support for hospital avoidance and early discharge: An Australian example of consumer driven and operated service, *Journal of Mental Health*, vol. 17, no. 5, pp.498-508.
- Lewington W, & Clipson C., 2004, *Advocating for Equality*, Independent Advocacy Campaign, Scope, London.
- Lind, B, Weatherburn, D, Chen, S, Shanahan, M, Lancsar, E, Haas, M & De Abreu Lourenco, R., 2002, *New South Wales Drug Court Evaluation: cost-effectiveness*, Sydney: New South Wales Bureau of Crime Statistics and Research.
- Lindsay, Mary., 1995, *Commonwealth Disability Policy 1983- 1995, Background Paper 2, 1995-96*, Parliamentary Library, Commonwealth of Australia, Canberra.
- Listenbee, Robert L. & Torre J, 2012, *Report of the Attorney General's National Task Force on Children Exposed to Violence*. U.S. Department of Justice, Washington DC.
- McConnell D & Llewellyn G, 2000, Disability and Discrimination in Statutory Child Protection Proceedings, *Disability and Society*, 15(6): 883-95.
- Macadam, A., R. Watts, & R. Greig., 2013, *The Impact of Advocacy For People Who Use Social Care Services*, National Development Team for Inclusion (NDTi), London.

- Malbon, E., Carey, G. & Dickinson, H., 2017, Accountability in Public Service Quasi-markets: The Case of the Australian National Disability Insurance Scheme. *Australian Journal of Public Administration*.
- Manthorpe J, Rapaport J, Hussein S, Moriarty J, Collins J., 2005, *Advocacy and People with Learning Disabilities: Local Authority Perceptions of the Scope of its Activity, Extent and Effectiveness, Final Report*, Social Care Workforce Research Unit, King's College, London.
- Mason, C., & Robb, W., 2010, *Preparing Pathways to Justice, Intervening early for vulnerable people with impaired capacity*, Queensland Advocacy Incorporated, Brisbane.
- Martell J.V., Seitz R.S., Harada J.K., Kobayashi J., Sasaki V.K., Wong C., 1992, Hospitalization in an urban homeless population: the Honolulu Urban Homeless Project. *Annals of Internal Medicine*, 116:299-303.
- Martin, B. and Healy, J., 2010. *Who works in community services. A profile of Australian workforces in child protection, juvenile justice, disability services and general community services*, Adelaide: National Institute of Labour Studies.
- Mauser, E., Van Stelle, K. R., & Moberg, D. P., 1994, The economic impact of diverting substance-abusing offenders into treatment, *Crime and Delinquency*, 40, 568-588.
- Masur, Jonathan S. & Eric A. Posner., 2012, Regulation, Unemployment, and Cost-Benefit Analysis, *Virginia Law Review* 579
- McCausland R, Baldry E, Johnson S & Cohen A., 2013, *People with mental health disorders and cognitive impairment in the criminal justice system: Cost-benefit analysis of early support and diversion*, Sydney: PricewaterhouseCoopers & UNSW.
- McColl M.A. & Boyce W., 2003, Disability advocacy organizations: a descriptive framework, *Disability & Rehabilitation*, 2003, Vol. 25 Issue 8, p380.
- Meehan T, K Madson, N Shepherd & D Siskind., 2010, *Housing and Support Program (HASP) Final Evaluation Report*, University of Queensland and The Park Centre for Mental Health, Brisbane.
- Meehan T, T Stedman, S Robertson, S Drake & R King, 2011, Does supported accommodation improve the clinical and social outcomes for people with severe psychiatric disability? The Project 300 experience', *Australian and New Zealand Journal of Psychiatry*, vol.45, pp.586-92.
- Mendoza, John A & Rosenberg, Sebastian & Bresnan, Amanda & Elson, Amy & Gilbert, Yvonne et al., 2013, *Obsessive hope disorder: reflections on 30 years of mental health reform*, in *Australia and visions for the future*, Moffat Beach, Queensland: ConNetica Consulting.
- Mental Health Council of Australia, 2009, *Adversity to Advocacy: The Lives and Hopes of Mental Health Carers, Australia*.
- Mithen, J., Aitken, Z., Ziersch, A., & Kavanagh, A. M., 2015, Inequalities in social capital and health between people with and without disabilities, *Social Science & Medicine*, 126, 26-35.
- Mondello, M., Bradley, J., Chalmers, T., & Shore, N., 2009, *Cost of Rural Homelessness: Rural Permanent Supportive Housing Cost Analysis*. State of Maine.
- Mueller-Smith, Michael., 2016, *The Criminal and Labor Market Impacts of Incarceration*. University of Columbia, Working Paper (2016:47).
- Murray, Joseph and David P. Farrington., 2008. The Effects of Parental Imprisonment on Children, *Crime and Justice*, 37(1): 133-206.
- Nagin, Daniel S. & Joel Waldfogel., 1998, The Effect of Conviction on Income Through the Life Cycle, *International Review of Law and Economics*, 18(1): 25-40.
- National Disability Insurance Agency (NDIA), 2013, *National Disability Insurance Scheme – Governance*, viewed June 2017, <<http://www.ndis.gov.au>>.
- National People with Disabilities and Carer Council, 2009, *Shut Out: The experience of people with disabilities and their families in Australia – National Disability Strategy Consultation Report*, Commonwealth of Australia.

- Nationally Consistent Collection of Data on School Students with Disability (NCCDSSD), 2017, *2016 data on students in Australian schools receiving adjustments for disability*, Education Council, Melbourne.
- NACRO, 2007, *Effective Mental Healthcare for Offenders: the Need for a Fresh Approach*, NACRO, London.
- NSW Treasury, 2007, *Guidelines for economic appraisal*, Office of Financial Management, Treasury Policy and Guidelines Paper 07–5.
- New South Wales Government, 2013, *New South Wales Evaluation Framework*, Department of Premier and Cabinet, Sydney.
- New Zealand Treasury, 2015, *Guide to Social Cost Benefit Analysis*, New Zealand Government, Wellington.
- Nous Group, 2012, *Evaluation of the Aboriginal Justice Agreement – Phase 2: final report*. Melbourne: Victorian Department of Justice.
- O’Connor, M., 2014, The National Disability Insurance Scheme and People with Mild Intellectual Disability: Potential Pitfalls for Consideration, *Research And Practice In Intellectual And Developmental Disabilities*, 1(1): 17-23.
- OECD, 2001, *The Wellbeing of Nations: The Role of Human and Social Capital, Education and Skills*, Paris, France: OECD Centre for Educational Research and Innovation.
- Office of Best Practice Regulation, 2016, *Cost-benefit analysis guidance note*, Department of Prime Minister and Cabinet, Australian Government, Canberra.
- Organizational Research Services, 2004, *Theory of Change: A Practical Tool for Action*, Results and Learning. Seattle: Annie E. Casey Foundation.
- Pager, Devah., 2003, The Mark of a Criminal Record, *American Journal of Sociology* 108(5): 937-975.
- Pager, Devah., Bruce Western, and Naomi Sugie., 2009, Sequencing Disadvantage: Barriers to Employment Facing Young Black and White Men with Criminal Records, *The Annals of the Academy of Political and Social Science* 623(1): 195–213.
- Parsons I., 1994, *Oliver Twist Has Asked For More. The politics and practice of getting justice for people with disabilities*, Villamanta Publishing Service, Geelong.
- Patty, A., 2011, *Review Identifies \$100m in Cuts for Special Needs*, Sydney Morning Herald, 21 March.
- Pecora P J., 2010, Why current and former recipients of foster care need high quality mental health services, *Administration and Policy in Mental Health*; 37:185-190.
- Persson, J & Song, D, 2010, The Land Transport Sector: Policy and Performance, *OECD Economics Department Working Papers*, No. 817, Paris.
- Petrou, S., Cooper, P., Murray, L., & Davidson, L. L., 2006, Cost-effectiveness of a preventive counselling and support package for postnatal depression, *International journal of technology assessment in health care*, 22(04), 443-453.
- Pew Charitable Trusts, 2010, *Collateral Costs: Incarceration’s Effect on Economic Mobility*. Washington, D.C.: The Pew Charitable Trusts.
- PhillipsKPA, 2015, *Evaluation of the More Support for Students with Disabilities Initiative 2012-2014. Final Evaluation Report*, Australian Government Department of Education and Training, Canberra.
- Piehl, Anne Morrison & John J. DiIulio, Jr., 1995, Does Prison Pay? Revisited: Returning to the Crime Scene, *Brookings Review*, Vol. 13, Issue 1, Winter, 20-25.
- PohWER (date unknown) *The Social and Economic Impact of Generic Advocacy*, POhWER, Stevenage.
- Posner, Eric & Jonathan Masur, 2012, *Unemployment and Regulatory Policy*, Coase-Sandor Institute for Law & Economics Working Paper No. 625.
- Price Waterhouse Coopers, 2009, *Economic value of Legal Aid: analysis in relation to Commonwealth funded matters with a focus on family law*, National Legal Aid.

- Price J M, Chamberlain P, Landsverk J, Reid J, Leve L, Laurent H., 2008, Effects of a foster parent training intervention on placement changes of children in foster care, *Child Maltreatment*, 13(1):64-75.
- Productivity Commission, 2011, *Disability Care and Support*, Inquiry Report no. 54, Canberra.
- Productivity Commission, 2013, *The costs and benefits of demand management for households*, Supplement to inquiry report on Electricity Network Regulatory Frameworks, 9 April.
- Productivity Commission, 2015a, *Report on Government Services 2015*, Canberra.
- Productivity Commission, 2015b, *Housing Decisions of Older Australians*, Commission Research Paper, Canberra.
- Productivity Commission, 2017, *National Disability Insurance Scheme (NDIS) Costs*, Position Paper, Canberra.
- Public Accounts Committee, 2005, *Report on value for money from NSW correctional centres*, New South Wales. Parliament. Legislative Assembly, Report no. 156, Parliamentary paper no. 13/53, Sydney.
- Putnam, Robert D., 2001, *Bowling Alone: The Collapse and Revival of American Community*, New York: Simon & Schuster.
- QAI, 2016, *2015-16 Annual Report*, Brisbane: Queensland Advocacy Incorporated.
- Queensland Government, 2011, *Service Delivery Statement (State Budget Paper 5)*, Department of Education and Training.
- Queensland Treasury, 2015, *Project Assessment Framework. Cost-Benefit Analysis*, Queensland Government, Brisbane.
- Ramcharan, Paul, & Malcolm Richardson, 2010, *Engaging communities*, in Grant, Gordon, Paul Ramcharan, and Margaret Flynn. (eds), *Learning disability: A life cycle approach*, McGraw-Hill Education (UK), pp. 620-542.
- Ranghelli, L., 2012, *Leveraging Limited Dollars: How Grantmakers Achieve Tangible Results by Funding Policy and Community Engagement*. National Committee for Responsive Philanthropy.
- Reisman, J., Gienapp, A., & Stachowiak, S., 2007, *A Guide to Measuring Advocacy and Policy*, Baltimore: Organizational Research Services.
- Roberts H, Turner S, Baines S, Hatton C., 2012, *Advocacy by and for Adults with Learning Disabilities in England: Findings from Two Surveys and Three Detailed Case Studies*. Improving Health and Lives Learning Disabilities Observatory.
- Rollason, R., 2003, If charity is silent, who speaks for the dispossessed?, *Australian Financial Review*, 31 July 2003.
- Rubin D M, Alessandrini EA, Feudtner C, Mandell DS, Localio AR, Hadley T., 2004, Placement Stability and Mental Health Costs for Children in Foster Care, *Pediatrics*, 113:1336-1341.
- Salit S.A., Kuhn E.M., Hartz A.J., Vu J.M., Mosso A.L., 1998, Hospitalization costs associated with homelessness in New York City, *New England Journal of Medicine*, 338: 1734-1740.
- Salman S., 2012, *Advocacy: A Voice for our Future*, Voluntary Organisations Disability Group (VODG), London.
- Schultz, T. P., 1997, Assessing the productive benefits of nutrition and health: An integrated human capital approach, *Journal of Econometrics*, 77(1), 141-158.
- Schlangen, Rhonda, and Jim Coe., 2014, The value iceberg: weighing the benefits of advocacy and campaigning. *BetterEvaluation*, Discussion Paper No. 1.
- SCRGSP (Steering Committee for the Review of Government Service Provision), 2015a, *Report on Government Services 2015, vol. C, Justice*, Productivity Commission, Canberra.
- SCRGSP (Steering Committee for the Review of Government Service Provision), 2015b, *Report on Government Services 2015, Indigenous Compendium*, Productivity Commission, Canberra.
- Senate Community Affairs Committee, 2015, *Violence, abuse and neglect against people with disability in institutional and residential settings, including the gender and age related dimensions, and the particular situation of Aboriginal and Torres Strait Islander people with*

- disability, and culturally and linguistically diverse people with disability*, Commonwealth of Australia, Canberra.
- Seymour S. & Peter D., 2004, 'Disability Advocacy in Australia' in Goodbody Economic Consultants, *Developing an Advocacy Service for People with Disabilities: International Research Papers*, Vol 2, Feb 2004, Dublin.
- Soldatic, Karen & Barbara Pini., 2012, Continuity or Change? Disability Policy and the Rudd Government, *Social Policy and Society*, 11, pp 183-196.
- South Australian Centre for Economic Studies, 2010, *Cost Benefit Analysis of Legislation to Mandate the Supply of Opal Fuel in Regions of Australia*, South Australian Centre for Economic Studies, Adelaide.
- Stewart, A & MacIntyre, G., 2013, *Advocacy: models and effectiveness*, *Insights 20*, Institute for Research and Innovation in Social Services, Glasgow.
- Strang H, Sherman LW, Mayo-Wilson E, Woods D, Ariel B., 2013, Restorative Justice Conferencing (RJC) Using Face-to-Face Meetings of Offenders and Victims: Effects on Offender Recidivism and Victim Satisfaction. A Systematic Review, *Campbell Systematic Reviews*, 9(12).
- Stephens, A., Cullen, J., Massey, L. & Bohanna, I., 2014, Will the National Disability Insurance Scheme Improve the Lives of those Most in Need? Effective Service Delivery for People with Acquired Brain Injury and other Disabilities in Remote Aboriginal and Torres Strait Islander Communities, *Australian Journal of Public Administration*, 73: 260–270.
- Stone, W., & Hughes, J., 2002, *Social capital: Empirical meaning and measurement validity* (Research Paper No. 27). Melbourne: Australian Institute of Family Studies.
- Sullivan, D., & Von Wachter, T., 2009, Job displacement and mortality: An analysis using administrative data, *The Quarterly Journal of Economics*, 124(3), 1265-1306.
- Synergies Economic Consulting, 2012, *The Economic Benefits of Early Intervention for Children with Disabilities. A Report for the Not for Profit Children's Lobby Group*, Synergies Economic Consulting Pty Ltd, Brisbane.
- Teles, S., & Schmitt, M., 2011, The elusive craft of evaluating advocacy, *Stanford Social Innovation Review*, 9(3): 40-43.
- Thill, C., 2015, Listening for policy change: how the voices of disabled people shaped Australia's National Disability Insurance Scheme, *Disability & Society*, Vol. 30, Iss. 1, pp. 15-28.
- Thomson H., Petticrew M. & Morrison D., 2001, Health effects of housing improvement: systematic review of intervention studies, *British Medical Journal*, 323: 187–90.
- Timko C, S Chen, J Sempel, P Barnett, 2006, Dual diagnosis patients in community or hospital care: One-year outcomes and health care utilization and costs, *Journal of Mental Health*, vol. 15, no.2, pp.163-177.
- Townsley R, Marriott A & Ward L., 2009, *Access to Independent Advocacy: An Evidence Review*, Office for Disability Issues.
- Treasury Board of Canada Secretariat, 1998, *Draft Benefit-Cost Analysis Guide*. Government of Canada.
- Ver Eecke, W., 2003, Adam Smith and Musgrave's concept of merit good, *Journal of Socio-Economics*, Volume 31, Issue 6.
- Ver Eecke, W., 2007, *An anthology regarding merit goods: the unfinished ethical revolution in economic theory*. Purdue University Press.
- Viscusi, W. K, Aldy, J. E., 2003, The Value of a Statistical Life: A Critical Review of Market Estimates Throughout the World, *Journal of Risk and Uncertainty*, 27 (1): 5–76.
- VoiceAbility, 2012, *Advocacy: a voice for our future*, Voluntary Organisations Disability Group, London.
- United States Office of Management and Budget, 2003, *Regulatory Analysis*, Circular A-4, September.
- Urbis, 2015, *Disability Standards for Education 2005: Practice Exemplars*, Department of Education and Training, Australian Government, Canberra.

- Wakerman, J., Baker, M., Robbins, B., Barrett, G., Young, T. and Smith, R., 2001, *Developing Integrated Rural Health Care Systems: An Evaluation of the Kadavu Rural Health Project in Fiji*, Quality Assurance Series No. 24, AusAID, Canberra.
- Warr, D, Dickinson, H, Olney, S, et. al., 2017, *Choice, Control and the NDIS*, Melbourne: University of Melbourne.
- Welsh, B.C., 2004, Monetary Costs and Benefits of Correctional Treatment Programs: Implications for Offender Reentry, *Federal Probation*, 68(2):9–13.
- Welsh, B.C., Farrington, D.P., 1999, Value for Money? A Review of the Costs and Benefits of Situational Crime Prevention, *British Journal of Criminology*, 39(3). Summer, pp.345-368.
- Western Australian Program Evaluation Unit, 2015, *Program Evaluation. Evaluation Guide*. Department of Treasury, Government of Western Australia, Perth.
- Whelan J. 2009, Advocacy Evaluation: Review and Opportunities, *Just Policy*, No.50, pp.40-45.
- White J., 2012, *“Feeling Uplifted”: A Social Return on Investment Evaluative Analysis of the Kirklees Advocacy Service’s First Year of Operations 2011–12*, Kirklees Advocacy Service, Kirklees.
- Wildeman, Christopher., 2010, Paternal Incarceration and Children’s Physically Aggressive Behaviors: Evidence from the Fragile Families and Child Wellbeing Study, *Social Forces*, 89(1): 285-309.
- Wilkins A, Love B, Greig R., 2012, *Economic Evidence Around Employment Support*, School for Social Care Research, London School of Economics and Political Science.
- Wilkinson, R. & Pickett, K., 2011, *Why greater equality makes societies stronger: the spirit level*. NY: Bloomsbury Press.
- Windle, K., Netten, A., Caiels, J., Masrani, R., Welch, E. & Forder, J., 2010, *Measuring the outcomes of information and advice services: Final report*, Discussion Paper 2713, PSSRU, University of Kent, Canterbury.
- Wolfensberger, W., Thomas, S., & Caruso, G., 1996, Some of the universal “good things of life” which the implementation of Social Role Valorization can be expected to make more accessible to devalued people, *International Social Role Valorization Journal*, 2(2), 12-14.
- Wood, C. & Leighton, D., 2010, *Measuring Social Value: The Gap Between Policy and Practice*. London: DEMOS.
- World Bank, 2011, The Economic Returns of Sanitation Interventions in Indonesia, *Water and Sanitation Program: Research Brief*, Washington DC.
- Yesmukhanova, Yulia., 2012, *Using Social Return on Investment on Evaluating Advocacy Programs in Ukraine*, 26th Annual Conference of the American Evaluation Association, Minneapolis, Minnesota, USA, October 24-27.
- Zhuang, J., Liang, Z., Lin, T., & De Guzman, F., 2007, *Theory and practice in the choice of social discount rate for cost-benefit analysis: a survey*. ERD Working Paper No. 94, Asian Development Bank, Manila.

## **Acknowledgements**

The consultants acknowledge the excellent assistance and advice provided by the stakeholders particularly:

Mary Mallett                      Chief Executive Officer  
Disability Advocacy Network Australia (DANA) Limited

Please note that the authors are responsible for the estimates and assumptions used in the CBA.

## **Attachment A**

### **Scope of Services**

The aim of the cost benefit analysis is to:

- identify the range of stakeholders who provide the resources used by Australia's not-for-profit Disability Advocacy Support Services;
- identify the costs of Australia's not-for-profit Disability Advocacy Support Services incurred by the stakeholders;
- identify the benefits of Australia's not-for-profit Disability Advocacy Support Services: and
- provide a clear economic cost benefit evaluation of the work of Australia's not-for-profit Disability Advocacy Support Services.

### **A brief description of the end product**

The research will provide Disabilities Advocacy Network Australia with a comprehensive Cost Benefit Analysis report of Australia's not-for-profit Disability Advocacy Support Services. The report will detail the background to Australia's not-for-profit Disability Advocacy Support Services, the methodology used in the CBA (particularly the valuation techniques used), the economic values derived, the decision criteria (net present value and benefit cost ratio), sensitivity analysis and a distributional incidence analysis. The format will follow that used in the CBA of the Yuendumu Mediation and Justice Committee. Available at [http://www.centraldesert.nt.gov.au/files/attachments/yuendumup\\_cba\\_0.pdf](http://www.centraldesert.nt.gov.au/files/attachments/yuendumup_cba_0.pdf)

A draft report will be delivered by email to Mary Mallett by the end of March 2017 and a final Report two weeks after final comments on the draft have been received by the researchers or the end of May, whichever is earlier.

### **A brief description of the research process**

The Cost Benefit Analysis will calculate the economic impact of assisting Australians with a disability to access disability services and assisting governments to provide the best services to Australians with a disability.

The research process incorporates:

- data gathering through a literature review;
- data collection from stakeholders;
- identification of Disability Advocacy Support Services' costs and benefits using a Logframe Analysis;
- valuation of Disability Advocacy Support Services' costs and benefits using appropriate economic techniques;
- calculation of decision criteria to compare the costs and benefits;
- estimation of the reliability of the results using sensitivity analysis;
- presentation of the Disability Advocacy Support Services' distributional impact using an Incidence Chart;
- production of a written CBA Report of Disability Advocacy Support Services;
- submission of the CBA Report to Disabilities Advocacy Network Australia.

The CBA will have two strands:

- the effect of disabilities advocacy on government policy making, and

- the additional costs of "processing people with a disability" through traditional processes, i.e. Tribunals and Courts compared with Disability Advocacy Support Services.

The CBA will estimate

- the reduction in public service provision costs as a result of Disability Advocacy Support Services;
- the improved productivity resulting from access to disabilities services; and
- the cost of the Disability Advocacy Support Services.

The estimated costs and benefits will be aggregated over the ten years beginning in 2017 to calculate the decision criteria: net present value and benefit cost ratio. These criteria will be used to weigh the economic value of Disability Advocacy Support Services.

## **Attachment B**

### **Glossary**

#### **Benefit transfer**

A practice used to estimate economic values for use in Cost Benefit Analysis by transferring information available from studies already completed in one location or context to another.

#### **Cost-benefit analysis (CBA)**

A method to evaluate the net economic impact of a project. Expected benefits are estimated, and monetised and offset against project costs. The approach is most commonly used to inform decisions to invest in major infrastructure projects, in both developed and developing countries.

#### **Cost-effectiveness analysis (CEA)**

This method is used where monetising outcomes is not possible or appropriate, most commonly in health. Common measures include quality adjusted life years. Organisations that use it include the World Health Organisation, which has developed a series of tools and software to aid analysis.

#### **Co-production**

Involving individuals in drawing up care plans making recovery more sustainable.

#### **Cost saving**

Supporting recovery and preventing crisis can lead to significant savings through a decreased reliance on acute services and a move towards self-directed and community based support.

#### **Disability advocacy**

Acting, speaking or writing to promote, protect and defend the rights of people with disability.

#### **Disability**

Impairments of physical, sensory or mental functions reducing participation in community life. It may be caused by accident, trauma, genetics or disease. A disability may be temporary or permanent, total or partial, lifelong or acquired, visible or invisible.

#### **Economy**

Minimising the cost of resources used for an activity, while having regard to appropriate quality.

#### **Efficiency**

An efficient activity maximises output for a given input, or minimises input for a given output and, in so doing, pays due regard to appropriate quality.

#### **Effectiveness**

Successfully achieving the intended outcomes from an activity.

#### **Human capital approach**

Values the economic productivity of human life as the present value of expected future earnings.

#### **Merit goods and services**

Create positive externalities when consumed and these 3rd party spill over (externality) benefits can have a significant effect on social welfare. Market failure occurs when merit goods and services are under-consumed under free market conditions.

#### Social return on investment analysis (SROI)

A method that quantifies project outcomes and impacts, usually in monetary terms. It measures value from the bottom up by including the perspectives of different stakeholders.

#### Replacement Cost

Valuing a non-market cost or benefit by an equivalent in a market.

#### Personalisation

Supporting people to make choices about how they are cared for and tailoring support plans to suit individuals.

#### Partnership

Constructive relationships between advocates and care providers enhance individuals' lives. Person-centred approaches: advocates can speak up for the specific wishes of individuals and support them towards tailor-made care.

## Attachment C

### Disability Advocacy Timeline

2016	National Disability and Carers Advisory Council established
2013	Independent Advisory Council established under NDIS legislation
2011	Productivity Commission Inquiry Report into Disability Care and Support
2009	<i>Shut Out</i> , Report of the National People with Disabilities and Carer Council
2008	Australian, State & Territory disability ministers endorse Advocacy Framework
2008	Australian ratified the UN Convention on the Rights of Persons with Disabilities
2007	Australian Disability Service Standards introduced
2007	Self Advocacy Resource Unit established in Victoria to support self advocacy
2006	Senate inquiry in Mental Health report From Crisis to community
2006	United Nations adopts the Convention on the Rights of Persons with Disabilities
2005	Not for Service report
1999	Carer Allowance introduced
1996	National Disability Advisory Council established replacing ADCC
1996	Australian Law Reform Commission Review of Disability Services Act
1995	Baume Review of Disability Services Program
1994	Australian Disability Consultative Council (ADCC) established replacing DACA
1994	Commonwealth Disability Strategy
1994	Modifications to the Disability Services Program
1994	Introduction of the Supported Wages System
1994	Commonwealth Disability Strategy introduced
1993	National Inquiry into the Human Rights of People with Mental Illness 'Burdekin report'
1993	ABS Survey of Disability, Ageing and Carers
1992	Modifications to Disability Services Act
1992	Disability Discrimination Act
1991	Commonwealth-State Disability Agreement
1991	Introduction of Disability Reform Package (DRP)
1988	Social Security Review of Income Support for People with Disabilities
1988	ABS Survey of Disabled and Aged Persons
1988	Establishment of Disability Task Force
1986	Commonwealth Disability Services Act
1985	Home and Community Care Program introduced
1985	Publication of 'New Directions' Review of Handicapped Programs
1985	Establishment of Office of Disability
1983	Review of Handicapped Programs consults people with disability
1983	Establishment of Disability Advisory Council (DACA)
1981	UN International Year of Disabled Persons
1981	ABS begins surveys of handicapped persons
1975	UN Declaration on the Rights of Disabled Persons
1975	Henderson poverty report links disability and poverty
1974	Handicapped Persons Assistance Act
1971	UN Declaration on the Rights of Mentally Retarded Persons
1970	Delivered Meals Subsidy Act
1970	Handicapped Children's Assistance Act
1967	Sheltered Employment (Assistance) Act
1963	Australian Council for the Rehabilitation of the Disabled established

- 1963 Disabled Persons Accommodation (Assistance) Act
- 1954 Aged and Disabled Persons Homes Act
- 1948 Commonwealth Rehabilitation Service replaces the Repatriation Commission
- 1945 Australian Advisory Council for the Physically Handicapped formed
- 1919 Repatriation Commission established for ex-servicemen including those with disability
- 1908 Australian Invalid Pension introduced

## Attachment D

### People with disability and access to social capital

*“In the community but not ‘of it’ “*

Paul Ramcharan, Associate Professor, Centre for Applied Social Research, RMIT University

Impairment is a medical condition. But disability is the loss or limitation of opportunities that prevent people who have impairments from taking part in the normal life of the community (accessing social capital) on an equal level with others due to the environment of physical, social, organisational and attitudinal barriers. Disability is created by how we structure our society. Advocacy is needed to change the social structures that create disability.

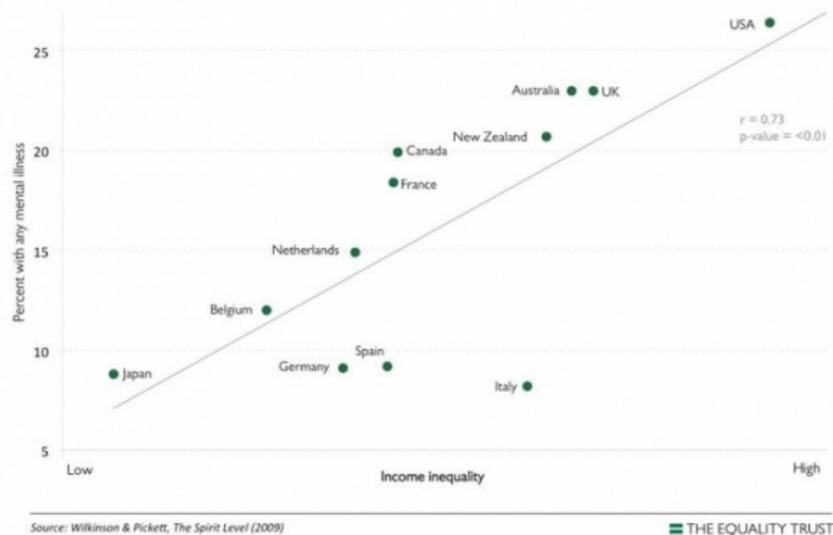
Social Capital is a term that encapsulates the value (tangible and intangible) of the relationships in our lives. It is the sum of people’s involvement in community life. The concept is based on the ideas of Pierre Bourdieu (1986), James Coleman (1988), and Robert Putnam (2001). It is closely associated with healthfulness, happiness, and even life expectancy. It is fundamental to life success and promotes pro-social behaviours in the community. Many people with disabilities are limited in social capital and remain isolated through unemployment, limited housing, transportation disparities, and limited opportunities in the greater community.

The health of a community requires social capital as well as economic capital (Fegan & Bowes 1999, OECD 2001 & ABS 2002). Social capital is a network of social relations specifically norms of trust and reciprocity, supporting outcomes of mutual benefit (Stone & Hughes 2002). It includes interpersonal networks, social norms, and social trust; and supports coordinated and collaborative action in the creation of human capital (Coleman 1988). People with disabilities are often segregated from these networks and lack the support to develop their human capital and enjoy the healthy and fulfilling lives available to others. Independent advocacy is an important means of overcoming this segregation and lack of social capital.

Social capital allows people to enjoy the benefits of society. Poor access to social capital reduces both quality of life and ability to cope. Being disconnected from community can have serious social consequences including alienation, loneliness, low self-esteem, boredom, intolerance of others, lack of motivation, family dysfunction and impaired child development (Fegan & Bowes 1998). These negative consequences come on top of the person’s disability. Clearly, there is a great need for independent advocacy as a means of improving the social capital of people with a disability.

Originally viewed as a family, a charity and then a welfare issue, disability is increasingly seen as a human rights concern and a social responsibility (Lindsay 1995). The nature of our society, particularly income and wealth inequality, causes mental illness (particularly severe mental illness, anxiety disorders, and impulse-control disorders). In more equitable societies (Germany, Japan, Italy and Spain) only around 1 in 10 people are mentally ill: in moderately inequitable societies (Australia, Canada, New Zealand and the UK) around 1 in 5 people are mentally ill; and in the most inequitable society (USA) this rises to 1 in 4 (Wilkinson and Pickett 2011:66). Growing income and wealth inequality in Australia destroys social capital and can be expected to increase the proportion the population with mental illness. Ignoring the social capital of people with disability will cost society dearly.

### The prevalence of mental illness is higher in more unequal rich countries



Disability is partly the result of the choice society makes about income equality (Layte 2012). There is a clear relationship between income inequality and mental illness (see chart above). Income inequality impairs the social capital needed for the wellbeing of people with disability. Income inequality in Australia is worsening and given this relationship we can expect the incidence of mental illness to worsen. Independent advocacy plays an essential role in building the social capital needed by people with disability.

The history of disability is a history of treating people with disabilities as second-class people deserving fewer rights and excluded from the social capital needed to enjoy the benefits of living in a society. The history of social capital for people with disabilities is primarily a history of families, but social capital in charities and government have played an increasing role. Unfortunately, charity and government social capital tended to isolate people with disabilities from the wider community limiting their access to community social capital (transport, education, healthcare, justice system, etc.). Equal access to social capital for people with disabilities has yet to be achieved and much remains to be done.

The early history of English care for people with disability principally rested on their families. Outside the family, charity (principally monasteries and parishes) provided some social capital supporting people with disability. Gradually government (principally workhouses and asylums) replaced charity-based social capital for people with disabilities. Eventually the workhouses and asylums were replaced by government support directed through social institutions in the community and most recently people with disabilities have gained more direct control over how their government support is spent.

In medieval England, care for people with disability was a family, community and religious obligation. Most people with a disability were cared for by their family or monasteries and were often put to begging. People with disabilities were often viewed as being sinners, possessed or moral degenerates (along with beggars, criminals and prostitutes). Their lifespans were typically short even by the standards of the time (Ramcharan & Richardson 2010).

In the 1500s, the dissolution of the monasteries reduced care for people with disabilities while population growth was increasing their numbers. Early legislation sought to punish the poor for

being "vagabonds" and for begging, but later sought to separate the "impotent or deserving poor" (including people with disabilities) unable to work and contribute to the local economy. Housing and food provided to the impotent poor was restricted, as a disincentive to shirkers.

The Elizabethan Poor Laws of 1601 recognised the state's responsibility to support the "deserving poor" – as opposed to the vagrants and layabouts – and provided for parishes to tax residents to pay for the cost of supporting the impotent poor. Caring for people with disabilities was becoming a civic duty. Hospitals and almshouses became public institutions for those who could not look after themselves. The Poor Laws lasted more than 200 years, during which time people with disabilities who were not cared for by their families remained impoverished and typically excluded from community. Many people with disability lived hard and short lives in parish poorhouses.

In the 1800s, industrialisation, urbanisation and public funding encouraged the growth of more and larger institutions often called asylums where life could be regimented and cruel. After the Poor Law Amendment Act in 1834, workhouses multiplied and became more punitive. In both asylums and workhouses residents gave up decision-making, autonomy and identity to the system. These institutions were transferred to the growing colonies in Australia.

In 1908, the Australian Government introduced the Invalid Pension, increasing the independence of people with disability and recognising them as members of the society (Lindsay 1995).

In the early 1900s, eugenics sought to eliminate human physical and mental defects from the human race by segregating people with disabilities from society. This view was challenged by the return of almost two million British First World War ex-servicemen with a disability. However, many people with disabilities remained in institutions isolated from society. In Australia, the Repatriation Commission was established in 1919. It provided vocational training for ex-servicemen with disabilities. In 1948, the Commonwealth Rehabilitation Service replaced the Repatriation Commission. After the Second World War, eugenics was largely ended by revulsion at the mass killing of people with disability in Germany. But people with disabilities and their families were forced to campaign to end the asylums and for the right of access to society for people with disabilities.

In Australia, the Handicapped Person's Welfare Program (HPWP) and the associated legislation (Handicapped Program Assistance Act 1974 Cwth) included innovations such as funding for non-government service provision for accommodation and care to people with a disability (Soldatic & Pini 2012:184). In 1975, Ronald Henderson's report on poverty formally established for the first time the link between disability and poverty in Australia. Relocation back into the community started in the 1970s in Australia. Community care policies sought to provide support, education, employment, housing and inclusion services.

The 1981 UN International Year of Disabled Persons (IYDP) encouraged Australian's with disability to think of themselves more as a public issue rather than a private problem. The concept of systemic oppression of people with disability encouraged community programs. For the first time, the Australian Bureau of Statistics collected national information in a survey of handicapped persons. The survey identified the number of people with disability, the nature of their disability, the services they needed and the extent to which these needs were being met. Strong advocacy from charities in the International Year of the Disabled began a process of change for people with disability, successfully seeking to change public attitudes and government policies (Rollason 2003). Government policy became more directed to meeting Australia's international obligations under the United Nations Convention on the Rights of Persons with Disabilities (UNCRPD) and to ensuring

that people with disabilities were able to fulfil their potential as equal citizens (National People with Disabilities and Carer Council 2009).

*“In 1981, disability became more than a diagnosis and something to be dealt with by medical professionals. People with disability discovered the social nature of their condition and became united in claiming self-determination and self-representation to overcome their social oppression as a group.”*

People with a Disability Australia.

Advocacy groups have been at the forefront of three trends in the last two decades:

- community living and de-institutionalisation of people;
- educational integration of people with a disability; and
- support for competitive employment rather than sheltered employment (McCull & Boyce, 2003).

These trends typically involve a shift in the provision of social capital from high cost public providers to lower cost community providers.

In 1983, the NSW Government inquiry (Richmond Report) recommended a shift in support for people with disabilities from segregated institutions to the community. The Commonwealth *Disability Services Act 1986* (DSA) provided a comprehensive framework for the funding and provision of support services for people with disabilities including funding advocacy organisations. The Act encouraged downsizing of large accommodation services and replacement of sheltered workshops with community-based employment.

The 1991 Commonwealth-State Disability Agreement (CSDA) sought to clarify the roles and responsibilities of the respective governments. The Commonwealth assumed responsibility for employment services and the States and Territories assumed responsibility for accommodation and other support services. A major aim of the CSDA was to reduce the amount of duplication and administrative complexity that existed in the funding and service arrangements for people with a disability.

The *Disability Discrimination Act 1992* was primarily aimed at eliminating discrimination against people with disabilities, ensuring equality before the law, and promoting acceptance within the community of the fundamental rights of people with disabilities. In 1994, the Commonwealth Disability Strategy was introduced. It was designed to enhance the access of people with disabilities to mainstream services

In 2008, Australian, State and Territory Ministers responsible for disability issues endorsed the Advocacy Framework setting out principles to guide the provision of advocacy services for people with disability to achieve the long-term goal that: People with disability have access to effective disability advocacy that promotes, protects and ensures their full and equal enjoyment of all human rights enabling full community participation.

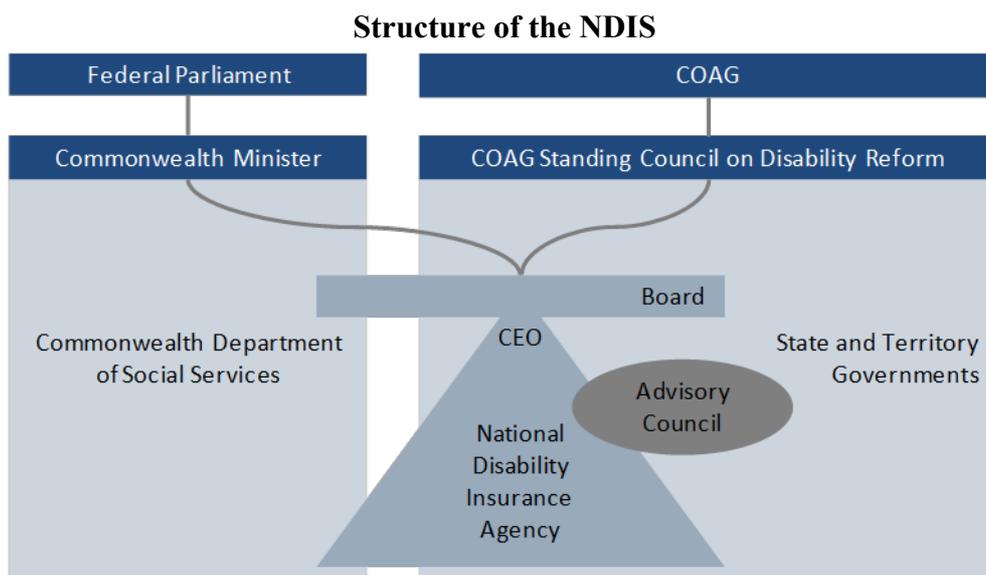
Forty years after community care started, people with disabilities are living longer. However, there is still little social inclusion, poor quality disability services and high unemployment.

Block funding services using a one-size-fits-all approach was common under the welfare model. Funding went directly to a provider of goods and services, not the person buying the services. Services were not very responsive to the diverse needs of people with disabilities. In 2011, the Productivity Commission concluded that this approach gave people with disability little choice and no certainty of access to appropriate supports. It recognised that most families and individuals could not alone carry the financial impact of disability. It recommended a scheme (the NDIS), similar to

Medicare, based on insurance. The NDIS agenda seeks to offer people with disability choice and control about how to spend a budget, where to live, who to live with, what support to receive, from whom and how. But to achieve this, individuals need to understand their options, and their voices and choices must be heard. Independent advocacy is an essential part of this process and a paucity of independent advocacy has limited its success.

The majority of NDIS participants are electing to have their funds financially managed for them, or co-managed with agencies. Only 7% solely self-manage their funds. In a largely individualised system, the place of the collective voice of people with disabilities is essential.

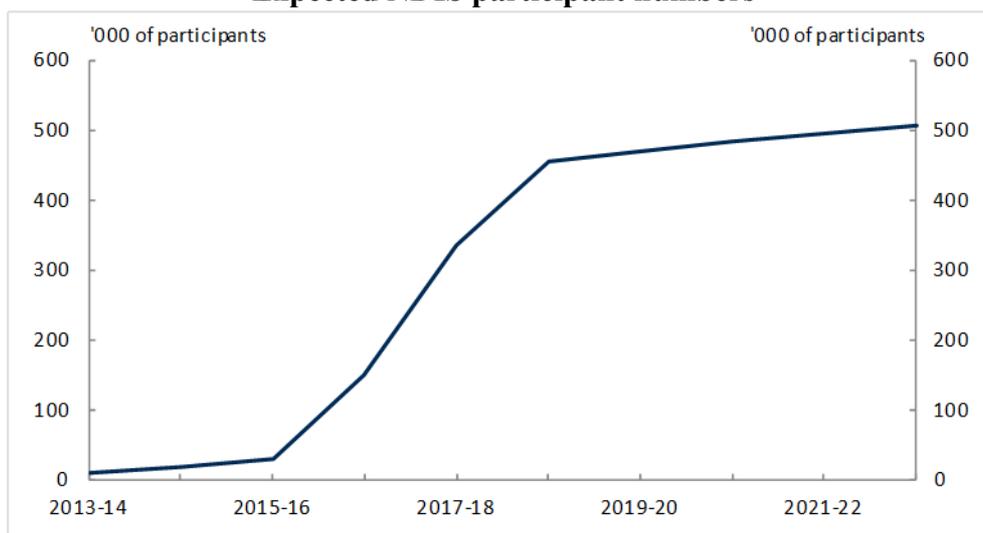
NDIS governance includes both a Board and Advisory Council, with each having statutory roles. The NDIS Advisory Council consists of 13 people, all of who must meet specific requirements under the NDIS legislation (e.g. have a disability, or be a carer). The function of the Advisory Council is to provide the NDIS Board with independent advice of which the Board ‘must have regard to’ when performing its duties as the governing body of the National Disability Insurance Agency. On 2<sup>nd</sup> December 2013, the House of Representatives established the Joint Standing Committee on the National Disability Insurance Scheme. The committee is composed of five Members and five Senators. A Commonwealth body, the National Disability Insurance Agency, manages the NDIS (Australian Government 2012 & 2013).



Source: National Disability Insurance Agency, 2013.

The NDIA will assess the level of impairment of applicants and work with NDIS participants to develop individual packages that meet participants’ needs and support their life goals. The NDIA will also manage packages for those participants who choose not to self manage. The main complementary services are education, employment, health, housing, income support and public transport.

### Expected NDIS participant numbers



Source: Department of Finance

Independent advocacy services provide an essential voice in a difficult transition. NDIS individualisation of support means funding is allocated directly to people with disabilities as consumers who can exercise choice and control over their services, including over the when, what and how of service provision. Some consumers will choose to directly employ their support workers, avoiding the traditional service provider organisations. This will be a major disruption to the nature of disability support.

Choice and control are the fundamental principles of the NDIS, which represents a break from the previous welfare approach. The scheme aims to empower consumers with a disability to use funds given to them to purchase services that reflect their lifestyle and aspirations. The NDIS provides individualised 'cash-for-care' rather than block grants to service provider organisations making them subject to greater market forces.

The principles of choice and control will not be met without extensive involvement of independent advocates. The National Disability Insurance Agency has contracted the local area coordinator (LAC) role to NFP organisations, to act as a conduit between people with disabilities, the NDIA and service providers. The LACs hold planning conversations with NDIS participants, often by phone. Draft plans are negotiated and agreed to, and later go to senior staff for approval. Anecdotal reports from outside the NDIS suggest that during these phone calls people with disability are not supported to consider their options and opportunities. The plans are returned to them with changes they don't want, and they have difficulties getting a review meeting (Laragy 2017). Training was a major problem for the national July 2016 roll out. Nearly 550 coordinators were supposed to be trained by late-June. But only about 150 had done an online program and just 54 had received face-to-face training. Even with the best training the imperatives faced by LACs do not encourage the allocation of sufficient time to deal appropriately with people with multiple needs some of whom have limited communication skills. Independent advocacy is essential to the real exercise of the personal choice promised by the NDIS.

Many people with disabilities need the support of an advocate to participate more fully in society. Advocacy in the NDIS is even more essential because it relies on people with disabilities requesting support and making informed choices about how to receive it. People needing support paid for by the NDIS, first need support to work out how to use and navigate the NDIS (O'Connor 2014). People most likely to miss out for this reason are already marginalised in multiple ways. These marginalised people have multiple and complex support needs including remote communities,

mental illness, drug and alcohol use, poverty, poor education, criminal justice contact and cultural and language barriers. Many of these people are already not receiving the government support they are entitled to (Baldry *et al* 2014) and without independent advocacy (Fawcett *et al* 2014) are unlikely to navigate the informed choice, market-based structure of the NDIS (Stephens *et al* 2014).

Research highlights the gap to be filled by independent advocacy in the NDIS. Thill (2015) finds some evidence of openness in the policy development stage but she finds the scheme falls short of valuing the diverse voices of people with disabilities as partners in shared dialogue.

Over decades, disability advocates have fundamentally shifted traditional models of thinking about disability to a new understanding that society as a whole takes responsibility for enabling inclusion.

The ‘medical model’ of disability focuses on the person’s impairment or physical or mental medical condition and regards the person as the ‘problem’ and unable to do certain things. This thinking has been fundamental in approaches sending children to ‘special’ schools or employing people with disability only in sheltered workshops.

The ‘charity model’ of disability sees people with disability as in need of ‘help’, unable to do things for themselves. While many charities offer vital support, much traditional fundraising promoted the helplessness of people with disability and risked undermining their autonomy, independence and rights. It is a model often adopted by mainstream media.

The ‘social model’ of disability is the most empowering for people with disability because it makes a distinction between impairment and disability and looks to remove barriers that restrict life choices. It holds that ‘disability’ does not come from having to use a wheelchair, for example, but from being unable to use stairs to get to work or board a train (DARU <http://www.daru.org.au/what-is-advocacy/shifting-models-of-thinking>). Independent advocacy is central to empowering people with disability to remove the barriers that restrict their life choices.

In conclusion, it is clear that people with disability have greatly improved access to social capital but that substantial inequity, in comparison to the general population, remains (Mithen *et al* 2015, Bates & Davis 2004, & Chenoweth & Stehlik 2004). Advocacy for people with disabilities has much work left to do.

## Attachment E

### What is disability advocacy?

*Advocacy isn't just another service. It is something that allows individuals to understand their options, have a voice and take their own decisions. It has the potential to help people move from the margins of their communities to being valued and active citizens. (VoiceAbility 2012:23)*

In the social care area, advocacy refers to an intervention that informs service users of their rights and choices and supports them in resolving issues that have a great impact on their lives (Bauer *et al* 2013:2). Advocacy is taking action to help people say what they want, secure their rights, represent their interests, and obtain services they need (Lewington & Clipson 2004:4). Independent advocacy involves a partnership between a concerned member of the community (advocate) and a person who may be feeling vulnerable, isolated or disempowered. The advocate provides support, information and representation with the aim of empowering their advocacy partner and enabling them to express their needs and choices. If necessary, the advocate can represent their partner's wishes to another person or agency on their behalf. Disability advocates may advocate for themselves, another person, or a group of people with disability. They work through issues that have an adverse impact on rights for an individual or group, or on a society-wide level. Advocates may be paid or operate on a voluntary basis. Independent advocacy is crucial to achieving more choice and control for people with a disability (Townesley *et al* 2009:6).

### What disability advocates do

Disability advocacy includes:

- . Providing information to people with disabilities about their human rights and identifying instances of discrimination;
- . Assisting people with disabilities to uphold their rights by speaking with and writing to people and organisations to raise awareness of problems and seek solutions;
- . Helping people with disabilities negotiate complaints processes or legal action to enforce their human rights;
- . Writing submissions and lobbying government to make changes that promote and protect the rights of people with disabilities; and
- . Campaigning for social change by speaking to the media to raise awareness and highlight situations where people with disabilities are treated unfairly.

Core components of the advocacy role include:

- listening to the views and feelings of the person with a disability;
- helping them to speak up in situations where their voice might not be heard;
- advocating for their human and legal rights;
- giving information and advice about available choices and discussing any worries relating to different options;
- supporting the person with a disability to make the choice right for them; and
- helping to sort out problems and issues and making formal complaints to services and other bodies (Townesley *et al* 2009:23).

Disability advocates often require a variety of skills, including:

- Disability awareness, how to communicate with and support people with different disabilities;
- Understanding laws, legal instruments and jurisdictions;
- Understanding processes within oversight and complaints handling bodies;
- Applying a human rights approach to advocacy;

- Negotiation skills; and
- Lobbying and running effective campaigns.

Disability advocacy is not:

- Providing counselling;
- Making decisions for another person;
- Providing mediation; nor
- Providing case management

Advocates can speak out for themselves or for others who are at risk of being disadvantaged or treated improperly as a result of a disability. The issues that advocates support people to manage can include missing out on jobs or services, being pressured to make a decision or choice, or being abused or neglected.

Types of disability advocacy include:

Self advocacy – undertaken by someone with a disability who speaks up and represents themselves. Support and training for self-advocacy is available through community-based groups.

Individual advocacy – a one-on-one approach, undertaken by a professional advocate, relative, friend or volunteer, to prevent or address instances of unfair treatment or abuse.

Group advocacy – involves advocating for a group of people with a disability, such as a group of people living in shared accommodation.

Citizen advocacy – where community volunteers advocate for a person with a disability, such as an intellectual disability, over the long-term, supported by a Citizen Advocacy organisation.

Legal advocacy – where a lawyer provides legal representation in the justice system, pursues positive changes to legislation, or gives legal advice to people with a disability about discrimination and human rights.

Systemic advocacy – involves working for long-term social changes to ensure the collective rights and interests of people with a disability are served through legislation, policies and practices.

An evaluation of ten advocacy projects in America using a range of individual, self, legal and systemic advocacy approaches has found that:

- negotiation not litigation was the strategy of choice among the advocacy projects;
- the use of negotiation resulted in the most favourable outcomes;
- although the advocacy activities did not as a rule involve litigation, the presence of a lawyer on the staff or in the network of the advocacy agency enhanced the project's effectiveness;
- the most expensive activities performed by advocates were administrative actions and investigation;
- referral was the least expensive service per case;
- the cost per case for people with developmental disability was higher overall than the cost per case for people with mental illness; and
- advocacy agency personnel wage rates and non-personnel costs were especially low when compared to other legal and human service agencies. (Bradley, 1983)

### **Why we need disability advocacy**

*Issues for people with disabilities in health and welfare systems go far deeper than inadequate notions of 'access and equity' capture (Goggin & Newell 2005:52).*

Throughout history, people with disability have been hidden away or subjected to abuse, ignorance and prejudice. The efforts of disability advocacy over the past century have achieved a wide spread

recognition of the rights of all people with disability to live in the community, with choices equal to others.

Disability advocacy came from the disability rights movement. In the 1970s and 1980s, significant battles were fought for the rights of people with disability, including the right to have access to a range of in-home, residential and other community support services necessary to support living an independent, unsegregated life. Disability advocates sought equal treatment, equal access and equal opportunity for people with disability. They challenged stereotypes, worked for political and institutional change, and lobbied for self-determination.

*The good things in life are universal and include being treated with dignity, respect, acceptance; a sense of belonging; an education; developing and exercising one's capacities; a voice in the affairs of your community and society; opportunities to participate; a decent material standard of living; a normative place to live; and opportunities for work and self support (Wolfensberger et al 1996).*

Advocacy drives improvement in existing service provision and enables people to develop community-based supports rather than relying exclusively on specialist services. Advocacy support often enables innovative solutions to be found, for example, in exploring ways to ensure as many people as possible can benefit from the resources available.

Advocacy typically provides a cost effective solution because it encourages both prevention and innovation. When advocates become involved in a person's life at an early stage, they can reduce the likelihood of costly situations arising or escalating. Advocacy reduces expensive crisis responses, designing the right support in the first instance by listening to the person – moving from crisis intervention to prevention and wellbeing. Advocacy is also cost-effective because it tailors services to individuals avoiding one size fits all solutions which fail to target resources. People who rely on social care move from being 'service users' to be informed decision-makers. (VoiceAbility 2012:8)

### **Who should pay?**

*"Expenditure of resources by government on independent advocacy should be proportional to their investment in formal human service responses, including "internal protective measures" which are controlled by formal systems, and should also reflect the extent of social turbulence which exacerbates vulnerability. In addition, government investment in advocacy must recognise its developmental needs"* (Cocks & Duffy 1993:126). The office of the Commonwealth Ombudsman (2016) expressed the view that any safeguarding system in the disability environment cannot operate optimally in the absence of a robust, dynamic and well-resourced advocacy system.

Advocacy will be crucial to the effective operation of individual choice in the NDIS. David (2016) suggests that linking people with individualised resources does not produce choice in the absence of the social relations and structural conditions in which it can flourish. The relationship between individualised resources and meaningful opportunities is complex and contingent. Individual choice is shaped by a network of interdependent mechanisms and relationships acting to expand or constrain everyday choice and self-determination.

Governments recognise the importance of advocacy. In Victoria, disability rights advocacy was first recognised as a program area to be funded under the Disability Services Act 1986. The Disability Services Act 1986 provided a mandate to provide advocacy services independent of direct service provision that would protect and promote the rights of people with disabilities. Advocacy is an integral part of a rights protection framework including the Disability Discrimination Act 1992 and

bodies such as the Human Rights and Equal Opportunity Commission, Offices of Legal Aid, and the various offices of Public Advocate/Public Guardian /Ombudsmen.

The 2011 Productivity Commission Inquiry Report into Disability Care and Support made a number of strong statements in support of the role and value of individual and systemic advocacy. The Commission said:

*‘Both independent advocacy and systemic advocacy will continue to play an important role under the proposed NDIS. The independence of individual advocacy organisations will allow them to represent the interests of the most vulnerable people in the disability system, whose concerns may be otherwise overlooked..... Part of this role will entail helping people express concern or make a complaint about the quality of service provision, either to service providers themselves, or to local area coordinators as well as the NDIA (National Disability Insurance Agency) directly. Beyond this, individual advocacy will also play an important role in ensuring that the assessment processes properly recognise people’s needs, as well as providing a safeguard with DSOs (Disability Support Organisations) and local area co-ordinators (LACs).*

*Similarly, systemic advocacy will play an important role in promoting system wide quality of service provision through: uncovering system failures; petitioning for widespread change; disseminating information of best practice to service providers; promoting public awareness of disability issues; and promoting the interests of particular groups such as CALD, indigenous and women with a disability.’ (Productivity Commission 2011:507-508).*

*“Advocacy plays an important role in the disability system. Systemic advocacy pushes for broad policy and social change, while individual advocacy promotes the interests of particular individuals by acting on their behalf to resolve specific issues. These functions should lie outside the NDIS, reflecting the potential conflict of interest that would arise were the NDIS to fund advocacy bodies whose role was to challenge the disability system overseen by the NDIS. Current funding arrangements through FaHCSIA and various State and Territory governments should continue” (Productivity Commission 2011:26).*

The Productivity Commission went on to recognise that:

- the key feature of good advocacy is that no interest is countenanced other than that of the person themselves;
- individual advocacy is integrally linked to systemic and other forms of advocacy;
- neither systemic, nor individual advocacy are well suited to a user pays system so independent advocacy should continue to be block funded;
- organisations funded to provide advocacy, in order to avoid any conflict of interest, should not also be funded through the NDIS, as DSO’s or service providers, or directly by the NDIA at all; and
- the NDIA should not directly fund advocacy support however there may be merit in the NDIA contributing additional untied funds to the existing advocacy programs (Productivity Commission 2011: 524).

Its Recommendation 10.4 states that:

*‘The Australian Government, through the Department of Families, Housing, Community Services and Indigenous Affairs should continue to provide funding for general advocacy by non-government organisations, with no involvement by the National Disability Insurance Agency in this funding role. State and Territory funding of disability advocacy groups should continue.’ (Productivity Commission 2011: 525).*

Independent disability advocacy is an essential part of providing cost effective services to people with disabilities.

## Attachment F

### Economic costs and benefits of disabilities advocacy: review of the literature

*Having spent his whole life having to prove how needy he is in a variety of ways, Christopher longs for a situation where systems have to prove to him how effective they are in accordance with the chosen lifestyles and values of those the system is supposed to serve – Australians with disabilities (Goggin & Newell 2005:55).*

*There is a failure to recognize the many social circumstances which disable or enable people. For example, a small amount of personal care can make all the difference – comparatively cheap, low tech, non-medical intervention can support someone living in the community (Goggin & Newell 2005:72).*

Cost Benefit Analysis is a comprehensive way of determining the degree to which the economic value of the benefits of advocacy to society exceeds advocacy's economic costs to society. Cost Benefit Analysis answers the question *Does advocacy add to the net economic wellbeing of society?*

This attachment summarises the relevant research literature underpinning the valuations adopted in this CBA. Cost Benefit Analysis typically estimates economic valuations based on the research literature. This methodology is known as Benefit Transfer (Boutwell & Westra 2013 & Johnson *et al* 2015). Where available we use meta-analysis, or the “study of studies”, to provide a more thorough and statistically valid value estimate for use in a benefit transfer.

Most economic valuation focuses on areas that can be easily measured, avoiding assessment of difficult and problematic interventions including advocacy (Wood & Leighton, 2010, Teles & Schmitt 2011). The difficulties for evaluation of systemic advocacy (Whelan 2009) include:

1. The complexity of public policymaking
2. The role of external forces and conditions
3. Problems of attribution
4. The long time frame needed for changes to occur
5. Shifting strategies and milestones
6. Low capacity and interest in evaluation from advocacy organisations

Advocacy is a merit good<sup>11</sup>. A merit good's value is determined on the basis of the concept of social need, rather than ability and willingness to pay of the consumer. To value a merit good it is necessary to look at the individual consumers willingness to pay for the good, but to also include the benefits that accrue to the wider society (externalities). Cost Benefit Analysis provides the framework for this more comprehensive valuation. Public and philanthropic funding for advocacy

---

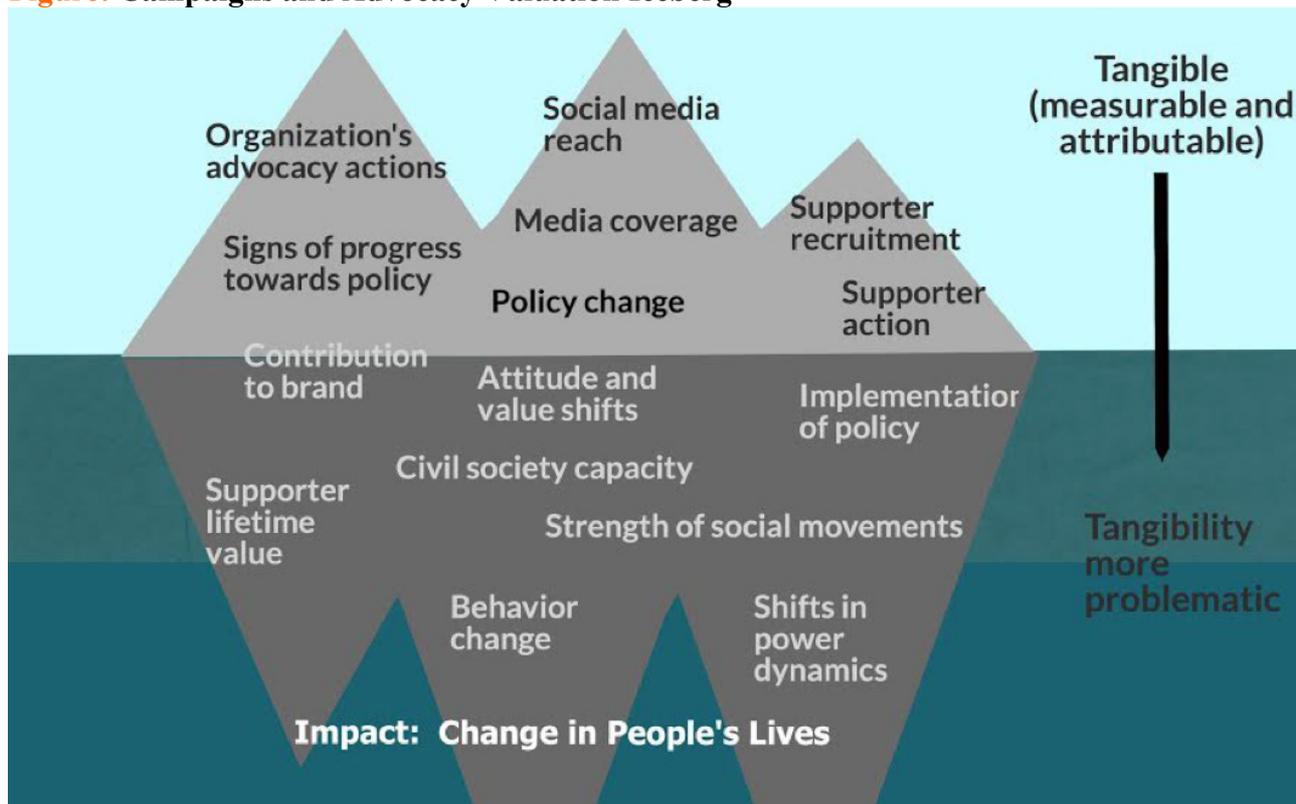
<sup>11</sup> Merit goods and services create positive externalities when consumed and these 3rd party spill over (externality) benefits can have a significant effect on social welfare. A merit good is under-consumed (and under-produced) in the free market economy. This is due to two main reasons:

1. When consumed, a merit good creates positive externalities (an externality being a third party / spill-over effect which arises from the consumption or production of the good / service). This means that there is a divergence between private benefit and public benefit when a merit good is consumed (i.e. the public benefit is greater than the private benefit). However, as consumers only take into account private benefits when consuming merit goods, it means that they are under-consumed (and so under-produced).
2. Individuals are myopic, short-term utility maximisers and do not take into account the long term benefits of consuming a merit good and so they are under-consumed.

reflects its value as a merit good and measures the importance that society places on equality and social inclusion (Ver Eecke 2003 & 2007).

Advocacy seeks systemic and transformational change. It is about power, and challenging and overturning power relations. This presents particular challenges for the economic valuation of advocacy. The Campaigns and Advocacy Valuation Iceberg in the figure below shows many of the benefits of advocacy that are difficult to measure. However by focusing on how advocacy changes people’s lives it is possible to identify tangible and measureable impacts for economic valuation (Wood & Leighton 2010).

**Figure: Campaigns and Advocacy Valuation Iceberg**



Source: Schlangen & Coe 2014:4.

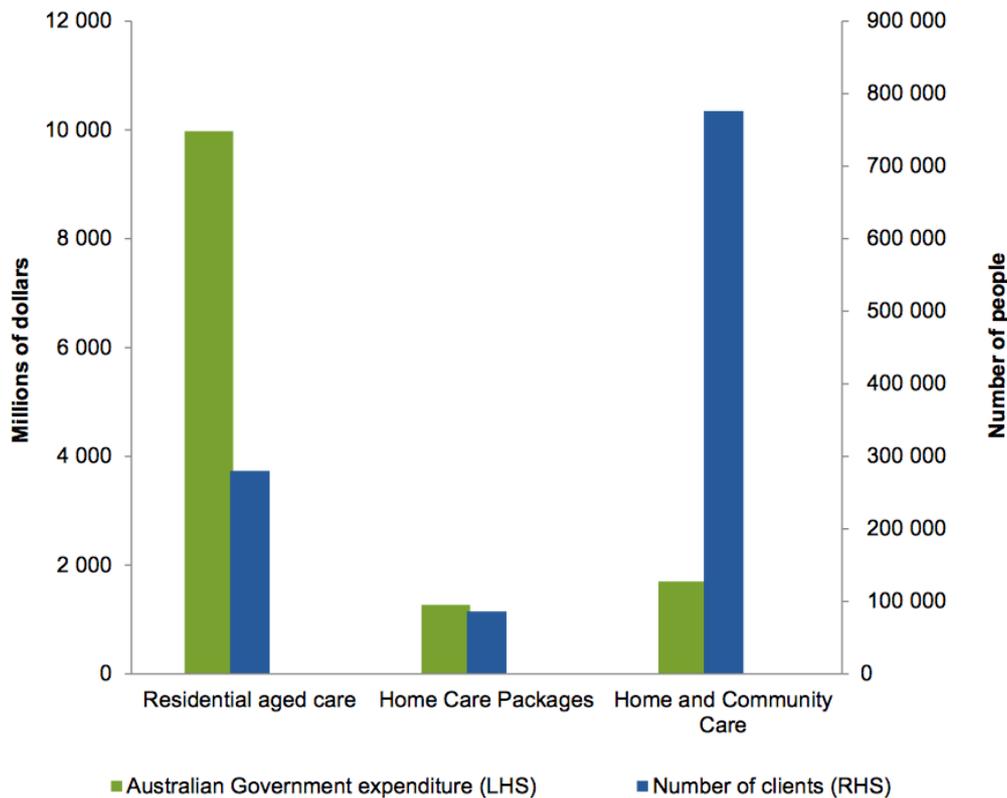
Despite the concerns noted above, it is both possible and often even mundane to estimate economic values for the impacts of advocacy. There are several methods relevant to assessing the economic value of advocacy, including cost effectiveness analysis (CEA), cost benefit analysis (CBA), and social return on investment (SROI) (Fleming, 2013). Some efforts to assess the economic values of advocacy have focused on money in/money out for example a review of advocacy results in terms of government appropriations for health clinics (Gardner *et al* 2008). The National Committee for Responsive Philanthropy assessed the return on investments in advocacy in terms of funds spent in response (Ranghelli, 2012). This evaluation valued USD \$26.6 billion in benefits for taxpayers and communities in 13 states, and found that every dollar grant-makers and other donors invested in policy and civic engagement provided a return of \$115 in community benefit. Other evaluations of advocacy include Roberts *et al.*, (2012), Manthorpe *et al.* (2005) and Stewart & MacIntyre (2013).

The role of advocacy as a preventative and early intervention in the provision of personal social services is identified in Faulkner and Sweeney’s (2011) literature review on adult safeguarding. The preventative and early intervention impacts of advocacy on hospitalisation, imprisonment, criminal

justice proceedings, unemployment, erosion of family life for carers, nursing home use, etc. are amenable to economic valuation in a Cost Benefit Analysis framework.

For example, earlier and lower cost intervention in the form of in-home care will reduce the need for much more expensive residential care. The Productivity Commission (2015b) demonstrates this in the table below.

**Aged care clients and costs to government, 2013-14**



Source: Productivity Commission 2015b:89.

Some CBA valuations of advocacy include PohWer (date unknown) in a Social Return on Investment (SROI) analysis of an advocacy service estimated that for every £1 invested into the service £5–£20 of social value was created. Glasgow’s older people’s advocacy service reported that for every £1 invested in its service, the SROI was £8 (Cameron, 2013). White (2012) evaluated Kirklees Advocacy Service and estimated that it created benefits to its stakeholders greater than the costs, resulting a cost-benefit ratio of between 2.4 to 3.15. Advocacy for improved legislation governing municipal services for people with disabilities in the Ukraine achieved a benefit/cost ratio (SROI) of 30 to one over one year and a 53 to one over five years (Yesmukhanova 2012). A cost-benefit analysis focusing on the children of parents with learning disabilities who are subject to child safeguarding procedures found a mean average cost of an advocacy intervention of £3,040 and a gross mean saving directly to children’s social services of £3,760. This creates a net benefit arising from the advocacy intervention of £720, with an associated Return on Investment (ROI) ratio of 1.2. After including wider impacts the net benefit rose to £1,900 and the ROI ratio to 2.0 Bauer *et al.* (2013:17).

Benefit Transfer is used to estimate the average value of the impacts of advocacy. To estimate the total value estimates of the scale of the impact of advocacy. In Australia, around 60 advocacy agencies were funded through the National Disability Advocacy Program (NDAP) for the period 1

July 2013 to 30 June 2014. They assisted a total of 11,529 people with disability with a total of 20,557 advocacy issues (see Table below). The incidence of issues actioned and the number of people with disability assisted are used to scale up the average benefits to total benefits per year. The choice depends on the nature of the benefit. Using issues actioned rather than people assisted recognises that many of the people were assisted for more than one issue.

**Advocacy issue types actioned, 2013-2014, % of all issues, Australia**

Legal	15
Accommodation	11
Services	11
Finances	10
Discrimination/rights	7
Education	7
Health/mental health	6
Employment	5
Recreation/social or family	5
Vulnerable/isolated	5
Abuse/neglect	3
Transport	2
Equipment/aids	2
NDIS	2
Physical access	1
Other	9
<b>Total</b>	<b>100</b>

Source: DSS *n.d.*:4.

During 2013-14, 37 of the around 60 agencies were funded by the NDAP to provide some systemic advocacy support. A total of 611 issues were actioned during the reporting period. The main systemic issues actioned were services (e.g. gaps, access, policy, reduction of service or complaints). A total of 1,815 group sessions/presentations were conducted during the reporting period.

**Type of disability, 2013-2014, % of total persons accessing advocacy services, Australia**

	Primary	Other significant
Intellectual	33	14
Physical	18	20
Psychiatric	16	22
Autism	10	5
Acquired brain injury	9	4
Neurological	6	6
Sensory & Speech	3	9
Specific Learning	2	8
Developmental Delay	1	3
Other	2	9

Source: DSS *n.d.*:6 & 7.

Individual people can experience more than one disability and therefore the grand total percentage is greater than 100.

For comparison the proportion of issues actioned by the 22 organisations funded by the Victorian Government through the Office for Disability Advocacy Program to provide disability advocacy services over the four-year period 2012 to 2016 is shown below. Advocacy services were provided to 12,400 clients.

**Victorian Advocacy Topics, %, 2012- 2016**

Education	20
Disability Services	18
Accommodation	10
Legal	9
Abuse and Neglect	5
Family	5
Transport	4
Leisure and Recreation	3
Employment	2
Built Environment	2
NDIS	2
Other	6
Not Specified/Error in counting	6

Source: DARU 2016.

For comparison the proportion of issues actioned by a single advocacy agency (Disability Advocacy NSW) are summarised in the Table below. The distribution is similar to the national level data from the Department of Social Services given above.

**Advocacy issues, Disability Advocacy NSW, 2015-16, % of all issues**

Legal	18.2
Services	13.8
Finances	12.8
Accommodation	10.0
Education	9.4
NDIS other	8.7
Discrimination	6.2
Vulnerable &/or isolated	4.4
Health	2.9
Abuse/neglect	2.5
Employment	2.5
Recreation, social or family	2.1
Independence	1.8
Physical access	1.6
EMR	1.4
Transport	0.3
Equipment	0.2
Other	1.2

Source: Advocacy Law Alliance, Annual Report 2015-16, 408 King St, Newcastle West, NSW, Australia, p.19.

For comparison the proportion of issues actioned by a single advocacy agency (ACT Disability, Aged and Carer Advocacy Service) are summarised in the Table below. The distribution is similar to the national level data from the Department of Social Services given above.

## **Distribution of Client Advocacy Issues, 2015-16 (%)**

---

Accommodation	20%
NDIS	15%
Services	14%
Health	7%
Financial	7%
Children	7%
Abuse	5%
Legal	5%
Vulnerable/Isolated	5%
Employment	4%
Other	11%

---

NB: 'Other' includes the following issues which range from 1-3% in value; Transport, Recreation, Physical Access, Equipment Aids and Education.

Source: ADACAS Annual Report 2015-16, ACT Disability, Aged and Carer Advocacy Service, Canberra, p. 8.

## **Costs**

### **Independent advocacy labour, vehicles, services and supplies**

The resources consumed by the around 60 advocacy agencies funded through the National Disability Advocacy Program (NDAP) will not be available for other uses and therefore there is an opportunity cost to society. These costs would not have occurred without advocacy agencies.

The resources used by the agencies will be purchased in competitive markets where prices are a good estimate of economic value. Therefore these costs are valued at market prices.

In 2015-16, fifty-eight advocacy agencies in locations across Australia were funded by \$16.4 million under the National Disability Advocacy Program (NDAP). Approximately 12,000 people with disability were expected to receive individual support, and a broader group of people with disability would benefit from agency support progressing systemic matters on their behalf (DSS 2016:2).

It assumed that the advocacy agencies contributed \$7.6 million in addition to the \$16.4 million proved by NDAP. This gives a total cost to run the advocacy agencies of \$24.0 million per year.

### **Volunteers in advocacy**

In 2012-13, there were almost 3.9 million volunteers in all Australian non-profit institutions (NPI). These volunteers worked 521 million hours for NPIs, equating to an equivalent of 265,600 full time employed persons. The economic value of these hours was estimated at \$17.3 billion (ABS 2015).

Volunteers whose costs do not appear in the agencies' financial accounts assist many advocacy agencies. Engagement in advocacy may be costly for volunteers in many different ways. The cost may be financial; in devotion of time; in loss of career advancement; in terms of other relationships; and may even involve the marginalisation of or harm to the advocate (Cocks & Duffy 1993:59).

There are two widely applied imputation methods used to value voluntary labour - the opportunity cost method and the replacement wage method. The replacement wage method uses the wage rate of hypothetical workers who could be hired to replace the volunteers. In contrast, the opportunity cost method values the time of the volunteers at the rate they could earn in the market. Where the individual is not employed in the market, the market wage of the individual may be difficult to

determine. Typically, either the minimum wage or the median wage is used as a proxy (Cushing & Rosenbaum 2012).

In this CBA it is conservatively assumed that 600 volunteers work to assist advocacy agencies. These volunteers are unpaid but give up their valuable time. The standard method for valuing this time is at a relevant wage. Here it is assumed that most volunteer workers are part-time and the time they donate is worth an average of \$3,000 per year. This gives a total yearly value of \$1,800,000 per year.

## Advocacy benefits

Hoggarth *et al* (2004) finds that advocacy services have a multi-faceted impact on outcomes in the lives of people with disability. These advocacy outcomes can be classified as either **process outcomes** such as personal development, as or **destination outcomes** in education, employment or training.

**Process** benefits include:

- more choice and control,
- improved empowerment,
- changes to attitudes and practices,
- advocacy partner's voice now heard,
- advocacy partner able to participate in community,
- people learn new skills and insights,
- greater understanding of issues,
- increased awareness of access to rights,
- expectations raised,
- advocacy partners more actively involved in planning meetings and policy making,
- improved personal independence and life skills,
- improved social wellbeing and psychological health, and
- improved self-confidence and self-esteem (Advocacy and Resource Exchange 2004). (Townesley *et al* 2009:26).

Process outcomes are typically the primary reason for the advocacy and have a personal impact on people with disability. It is difficult to place a comparable value on these personal impacts of process outcomes, however, they are likely to be substantial for the individuals involved. These benefits are not included in this CBA, making our estimate of total benefits a conservative underestimate. This strengthens our conclusion that advocacy agencies have net positive impact on Australia's economic welfare.

**Destination outcomes** in justice, accommodation, education, employment or training improve both: the output of people with disability, and the productivity of public services. The greater output of people with disability can be measured by their greater production in the workforce. Cost savings can be measured by the increased productivity of public services: freeing economic resources for their next best use.

Output enhancements are valued first and then cost reducing enhancements are valued.

## Output gains from advocacy (productivity improvements)

Advocacy increases Australian output by allowing people with disability and their families to be more productive.

## Adult employment

Advocacy improves rates of employment and thereby increases the output available to society. The research literature valuing the increased output is summarised below.

Advocacy directly and indirectly assists people with a disability to engage more fully in the workforce both paid and unpaid. The economic value of productivity gains due to these employment improvements are a benefit to society (increased output) and should be included in this Cost Benefit Analysis.

These improved outcomes can manifest in a number of ways, including:

- a reduction in unemployment, that is, an individual that would not otherwise secure employment is able to get a part-time or full-time job;
- a reduction in underemployment, that is, an individual is able to get a job that makes the most of their skills and abilities; and
- there is an increase in productivity, where a person may be employed but has difficulty being fully productive at work.

This CBA takes the conservative approach of only valuing the reduction in unemployment and underemployment. Increased productivity in existing employments is likely to be substantial but a lack of data makes it more difficult to measure.

The benefits of reducing unemployment can be measured as the contribution this makes to productivity, valued by measures of average weekly earnings (human capital approach<sup>12</sup>). It also increases the taxation revenue raised by Government and reduces reliance on unemployment benefits, however these effects are transfer effects rather than a net benefit. Accordingly, these benefits are not included as to do so would result in double-counting (Wilkins *et al* 2012).

In the CBA literature this increased productivity due to advocacy is typically valued at the minimum wage rate. This provides a minimum (ie conservative) estimate of a person's wage (in competitive employment) and thereby an estimate of the value of output (net of other input costs) produced by that person.

Bauer *et al* (2013:8) used this minimum wage approach in a UK study. It was also the approach used in a Queensland CBA of disability interventions. The Queensland valuation of the benefit from full-time employment for a person with disability was \$30,644 per annum or \$0.658 million in Present Value terms (at a 3% discount rate) over a 35 year working life. Their valuation of the benefit from part-time employment (25 hours per week) for a person with disability was \$19,153 per annum or \$0.412 million in Present Value terms (at a 3% discount rate) over a 35 year working life (Synergies Economic Consulting 2012:71-72). The Queensland valuations using the average wage were substantially higher.

Masur and Posner (2012a) estimate that in the US workers who are laid off lose an average of US\$100,000 in wages over the course of their lifetimes even after reemployment due to the loss of firm or industry specific human capital, and thus the loss of employee productivity. These wage losses are social costs. The loss to the workers made unemployed is measured by taking their current market wage and subtracting the market wage that they will earn in their next job and any transition costs (moving costs, retraining costs, etc.). Masur and Posner (2012b) conservatively estimate that amount at US\$100,000 per worker over the worker's lifetime.

---

<sup>12</sup> The human capital approach values the economic productivity of human life as the present value of expected future earnings (Schultz 1997).

While greater output from increased employment is commonly included in Cost Benefit Analysis there are also direct non-monetary benefits to people gaining employment (or losses from unemployment) (Adler 2013). Regardless of the loss of wages, unemployment also carries with it significant hedonic and transition costs. Workers who lose their jobs typically suffer substantial hedonic penalties - the loss of a great deal of happiness that persists even after they have found new employment. They are also more likely to suffer a variety of health problems and to die earlier, even controlling for their lower income. Additionally, the worker's dependents typically suffer costs and losses from the worker's unemployment (Posner & Masur 2012a:2). Increasing employment would reverse these losses into benefits. The health impact of employment/unemployment has been measured using the Human Capital Approach and mortality data. Sullivan and von Wachter (2009) calculate the health impact by dividing a 1.5 year loss of life expectancy by the average U.S. life expectancy of 77.94 years and multiplying by a \$5 million value of a statistical life giving a value per worker of US\$100,000.

The happiness impacts of employment/unemployment have been measured and valued using happiness surveys. Blanchflower & Oswald (2004) estimate that in Great Britain and the United States compensation of US\$60,000 is required to restore the happiness of unemployed men to the level of the employed. These happiness improvements from reduced unemployment are not included in this CBA making our estimate of total benefits a conservative under-estimate. This strengthens our conclusion that advocacy agencies have net positive impact on Australia's economic welfare.

Based on the above research, this CBA uses the following conservative estimates.

The number of people with disability assisted with employment issues by advocacy is estimated as 5% of the 20,557 advocacy issues actioned in 2013-14 by the 58 advocacy agencies funded by the NDAP<sup>13</sup> (DSS *n.d.*:6) giving 1,030 people. Not all of these people will have transitioned to employment as a result and some would have transitioned to employment but at a later time. On the other hand, many of the other issues advocated on (accommodation, transport, etc) will impact on clients ability to access employment making this an under-estimate. Taking a very conservative assumption that 250 people with disability transition to part-time employment at an annual wage of \$10,000 pa the following estimate of employment benefits are calculated below.

Assuming an average wage of \$10,000 over a working life of 20 years for the 100 people with disability who would not have found employment later and discounting by 2% (annuity factor of 16.3514) plus assuming an average wage of \$10,000 pa over only 5 years for the 150 people with disability who would have found employment later (annuity factor of 4.7135) the present value of the increase in employment estimates a total improved productivity valued at \$23,000,000 per year.

### **Productivity gains from education improvements**

Advocacy improves educational achievements and thereby improves labour productivity. The research literature valuing the increased output is summarised below.

Advocacy for both parents with disability and students with disability improves the educational performance of students and their lifetime labour force contribution to economic welfare.

---

<sup>13</sup> 11,529 people with disability were assisted through the NDAP during 2013-14 therefore some people were assisted with more than one issue.

The increase in confidence experienced through the advocacy enables parents with disability to be more actively engaged in school activities. This parental involvement is an important contributor to educational achievement of children (Hill & Tyson 2009).

Based on the research literature, this CBA conservatively estimates the benefits of advocacy to be a 1% increase in lifetime average earnings for **children of people with disability**.

The number of children of people with disability assisted by advocacy is very conservatively estimated as 5% of the 6,300 people with disability assisted by advocacy aged 15 to 54 years (DSS *n.d.*:6) giving 300 students. Assuming an average wage of \$40,000 over a working life of 30 years and discounted by 2% (annuity factor of 22.3965): the present value of the 1% increase in income totals \$9,000 per person over their working life. For the 300 students assisted each year this results in an improved productivity valued at \$2,700,000 per year. This lump sum value of the annuity of the 1% increment in income will not begin until the students finish school and begin employment. Assuming an average of six years from the advocacy intervention to the beginning of employment, the improved productivity needs to be discounted at 2% pa (discount factor of 0.888) resulting in present value benefit from each year's advocacy of \$2,400,000.

Advocacy for students with disability reduces their absenteeism, performance problems, and misbehaviour thereby raising years of schooling (Eivers *et al.* 2000:8-9). The lifetime UK cost of a child leaving school without any qualifications was valued at just below £58,000. Friedli and Parsonage (2007, 2009) estimated the lifetime cost of behaviour problems at £75,000 per case for moderate problems (90 per cent of cases) and £150,000 per case for severe problems (10 per cent of cases).

We have calculated the median income from the ABS 2011 Census for people who needed help with their core activities (ie a different definition of disability than those used elsewhere in this CBA) for those working part-time and full-time. The annual CPI adjusted median incomes in 2017 prices are \$46,000 for full time workers with disability and \$21,000 for part time workers with disability. This is twice the conservative assumption of an average \$10,000 annual income used for people with disability below.

Assuming that education intervention increases the \$10,000 pa income of people with disability by 2% gives an annual increment of \$200 per year. This is conservative compared to \$4,000 pa income premium for the annual median income for all people working part time compared with the median for people with disabilities. The assumed \$200 per year is very conservative compared to the increment of \$4,000 per year for workers without disability.

Based on the research literature, this CBA conservatively estimates the benefits of advocacy to be a 2% increase in lifetime average earnings of **students with disability**.

The number of students with disability assisted by advocacy is very conservatively estimated as 5% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,030 students. This percentage is based on education being 7% of the issues addressed by advocacy and 9% of advocacy clients being under 15 years of age and likely to be in school (DSS *n.d.*:6). Assuming a conservative annual average wage of \$10,000 over a working life of 30 years and discounted by 2% (annuity factor of 22.3965): the present value of the 2% increase in income is \$4,480 per person over their working life. For the 1,030 students assisted each year this results in an improved productivity valued at \$5,700,000 per year. This lump sum value of the annuity of the 2% increment in income will not begin until the students finish school and begin employment. Assuming an average of six years from the advocacy intervention to the beginning of employment, the improved productivity needs to be discounted by

2% pa (discount factor of 0.888) resulting in present value benefit from each year's advocacy of \$5,000,000.

The total output gain from each year's advocacy impacting on children's education is therefore \$2,400,000 plus \$5,000,000, a total of \$7,400,000 per year.

### **Productivity gains from health improvements**

People with disability generally have significantly poorer health than other Australians and typically die at much younger ages. This is exacerbated by poor access to health services.

Advocacy improves the general health of people with disability and increases their lifespans. Estimates of the value of a human life should ideally include both the productive value of a human life (Human Capital Approach) and the consumption benefit of a human life (willingness-to-pay).

Economic estimates of the value of life typically are well over one million dollars (Abelson 2003 & Viscusi & Aldy 2003). The Department of Prime Minister and Cabinet (2014) estimates of the value of a statistical life at \$4.2m and the value of a statistical life year at \$182,000, in 2014 dollars. These willingness-to-pay estimates of the consumption benefit of a human life would be at least as high for people with disabilities as for the rest of the population.

Estimates based on the Human Capital Approach (HCA) are generally much lower. In addition, due to the widespread lack of appropriate support, people with a disability are unlikely to be as productive<sup>14</sup> as assumed in most HCA estimates. These value of life estimates only measure the productive value of a human life and as such are minimum estimates.

An extra year of working life will, through the increased production from that work, be a benefit, increasing the resources available to Australian society. However, the extra year of working life will also mean an extra year of life requiring disability support. This increased cost of support for a longer life is expected to be far less than the cost savings (medical, housing, etc.) derived from the healthier life that enabled the longer working life. To be conservative, this net health cost benefit is not included in the calculation below.

To be conservative a very low estimate for the average productive value of a human life is used in this CBA and the consumptive value is omitted.

This CBA assumes that 1,000 of the 11,529 people with disability assisted with advocacy gain on average of one extra year of working life (after on average 19 years) and values this extra year at \$10,000. Discounting back to the present at 2% per year (discount factor of 0.673) gives \$6,730 per person per year and \$6,730,000 for the total 1,000 people.

### **Productivity gains from systemic advocacy**

Systemic advocacy involves working for long-term social changes to ensure the collective rights and interests of people with disability are served through legislation, policies and practices. Systemic advocacy is implemented through participation in the process of public policy determination and involves interaction with governments particularly attending meetings and submitting reports (Dalton & Lyons 2005).

Ideally this benefit should be measured by the net impact of systemic advocacy on people with disability but the data required for this are not available to the authors. The replacement cost

---

<sup>14</sup> It is important to note that this average conceals people with disability who are highly productive and well paid.

approach used here should be taken as a minimum value of the impact of systemic advocacy on Australia's economic resources. This is only a subset of the activities involved in systemic advocacy, for example published educational resources, numerous events from small information sessions, training sessions to workshops and forums. Nor do they fully value the changes affected by systemic advocacy that benefit all of communities and society, by improving the lives of people with disability, addressing human rights breaches, improving our laws, and developing more functional and healthy communities.

Using the replacement method to value systemic advocacy involves estimating the value of the alternative sources of the policy inputs (meeting attendance and report submissions) provided by advocacy agencies. Private-for-profit provision is the alternative supplier. This CBA uses a very conservative estimate of the average cost of private-for-profit provision of the inputs as the replacement cost.

This CBA assumes that:

- 40 of the 58 advocacy agencies each attend 10 meetings per year with local, state and national governments at a replacement cost (to buy in the expertise) of \$1,000 per meeting;
- 30 advocacy agencies produce 5 minor reports to government per year with a replacement cost of \$5,000; and
- 10 advocacy agencies produce one major report to government per year with a replacement cost of \$30,000.

A total of 1,815 group sessions/presentations were conducted under NDAP funding (DSS *n.d.*:6). These group sessions/presentation have an assumed replacement cost of \$1,000 each.

Advocacy agencies also provide information over the phone. It is assumed that 10,000 calls pa were actioned and the advice provided would have cost at least \$5 per call to source elsewhere.

This gives a total benefit to government from systemic advocacy of \$3,200,000 per year.

### **Cost savings from advocacy (freeing resources for alternative uses)**

Advocacy increases productivity of public services through cost savings: freeing economic resources for their next best use. Advocacy assists people with disability to find the most appropriate services (health, justice system, accommodation, education, etc). Typically these appropriate services are less expensive (over the life of the person with disability) than the services that would be used without the assistance of advocacy. The Commonwealth, State or Territory governments provide most of these services and therefore the net benefits flow directly to reductions in government budget deficits or can be used to support other government priorities.

### **Cost savings in education**

Advocacy reduces the cost of running the education system, saving society's resources.

In 2016, the Nationally Consistent Collection of Data on School Students with Disability identified 685,911 students receiving an educational adjustment due to disability. This is 18.1% of all Australian students (NCCDSSD 2017). Over the three years, 2012-14, the Commonwealth government spent \$300 million on the More Support for Students with Disabilities initiative (PhillipsKPA 2015).

Advocacy helps integrate students with disability from special schools into the general education system. This achieves substantial cost savings. The cost of special education per child in New

South Wales is \$27,500 and in Victoria is \$21,000 (Patty 2011). The average cost of primary and secondary education in Queensland in 2011-12 was \$11,513. The average cost of service to students with disabilities was \$26,881 (Queensland Government 2011). The difference was \$15,367 per student per annum. However, there are still extra costs of having people with disability in mainstream schools<sup>15</sup> so the saving is probably not as large as this. Therefore this CBA assumes a saving of only \$10,000 pa.

The number of students with disability assisted by advocacy is very conservatively estimated as 5% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,030 students. This percentage is based on education being 7% of the issues addressed by advocacy and the 9% of advocacy consumers being under 15 and therefore expected to be attending schooling (DSS *n.d.*:4). This CBA assumes that 10% of those students (103 students) will be assisted to transfer from special to general education at a saving per student of \$10,000 pa. Over an average of six years of remaining schooling, the \$10,000 pa is valued in present terms as the lump sum value of an annuity of \$10,000 pa for six years discounted by 2% pa (annuity factor of 5.6014) giving a present value of \$56,000 per student per annum. For all 103 students this sums to \$5,770,000 pa.

### **Cost savings from financial advice**

Advocacy for people with disability on debt advice can provide substantial public sector cost savings. Evans & McAteer (2011) estimate specialist debt advice reduces evictions and court costs. On this basis, Bauer (2013:15) estimates a net cost reduction to the public sector of £240 per annum per person assisted with advocacy on debt advice.

Based on Bauer, this CBA conservatively estimates the benefits of advocacy on financial issues to be \$400 per person assisted per year.

The number of people with disability assisted by advocacy on financial issues is conservatively estimated as 10% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 2,000 people. This percentage is based on finance being 10% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4). Assuming an average benefit of \$400 per year per person gives a total annual saving of \$800,000.

### **Cost savings from advocacy with ombudsmen and complaints tribunals**

Advocacy for people with disability with ombudsmen and complaints tribunals can provide substantial public sector cost savings by expediting tribunal processes for people with a disability and also by avoiding cases going to ombudsmen and tribunals.

Advocacy, by expediting cases, directly reduces the cost of operating ombudsmen and tribunals. Complaints about disability currently make up the largest number of complains to the Human Rights Commission. The Commonwealth Ombudsman has around 5 cases per month involving advocacy for people with disability (Commonwealth Ombudsman, personal communication, 2017). Extrapolating from this to all relevant ombudsmen and complaints tribunals gives an assumed workload of 200 cases per year.

---

<sup>15</sup> An example is the purchase of inexpensive new technologies for students with disability in the classroom, with associated training in the use of the hardware and related software to enhance students' learning. iPads were the most popular communication tool used aimed at improving curriculum engagement and participation for students with disability. The benefits included increased ability to follow classroom routines, greater independence, and improved opportunities for students to express needs and to make choices related to their learning PhillipsKPS 2015:35). More cost examples are available in Urbis (2015).

This CBA conservatively estimates the benefits of advocacy to ombudsmen and complaints tribunals to be \$400 per person assisted per year. The number of people with disability assisted by advocacy is conservatively estimated as 200 people. This gives a total annual saving of \$80,000.

In addition, without disability advocacy, many more people with disability would have need of Ombudsmen and complaints tribunals increasing their workloads substantially. Here we assume an extra 500 cases costing on average \$2,000 per case giving an annual saving of \$1,000,000.

The total benefit is therefore \$1,080,000 per year.

### **Child protection cost savings**

Child protection obtained by advocacy saves society's resources (lowers costs). The research literature valuing these resources is summarised below.

Economic analysis has identified a range of benefits from advocacy services, concerning child protection for people with a disability (Hussein *et al.* 2006, Townsley *et al.* 2009, Corry & Maitra 2011, Bauer 2013:14). These economic benefits include:

- reduced mental distress, anxiety and depression;
- reduced child safeguarding activities;
- intervening earlier (and reducing use of more intensive services later on);
- reduced likelihood of children going into care:
- reduced exposure to domestic violence;
- safer and healthier housing conditions;
- improved school attendance and performance.
- less social isolation; and
- less use of alcohol abuse services.

Families where at least one parent has intellectual disability represent approximately 1–2% of families in Australia, yet an estimated 10-12% of care proceeding cases before the children's court involve a parent with intellectual disability. It is estimated that one in six children in out-of-home care has a parent with intellectual disability. The over-representation of parents with intellectual disability in Children's Court proceedings and out-of-home care can partially be attributed to overly pessimistic views regarding the ability of people with intellectual disability to parent (IDRS 2015). In court, parents with learning disabilities have reported feeling embarrassed, confused, excluded, and humiliated by the legal system (Booth and Booth 2005). They also have difficulty in instructing a solicitor and are often not advised to do so by children's services (McConnell and Llewellyn 2000).

Advocacy assists parents with disability to maintain a place in their children's lives while providing greater child placement stability. Placement stability has been identified and repeatedly confirmed as a lead contributor to improved outcomes for looked-after-children (Pecora 2010). Placement stability is a good predictor of school performance. Research shows that children who have had an unstable placement history over 18 months are twice as likely to develop behaviour problems as those children who achieved early stability in their foster placements (Rubin *et al.* 2007). Friedli and Parsonage (2007, 2009) estimated the lifetime costs of behaviour problems as £75,000 per case for moderate problems (90 per cent) and £150,000 per case for severe problems (10 per cent). Other costs that may be avoided when a placement is stable are short-term costs to the child welfare system for arranging new placement (Price *et al.* 2008) and having to arrange (at least temporarily) for care home provision. Advocacy both helps parents with a disability maintain their families and helps parents with a disability, whom are unable to maintain their families, to maintain contact with their children and strengthen the placement stability of their looked-after-children.

Advocacy for people with disability in parenting programmes can provide substantial public sector cost savings Bauer 2015:9).

- Cost of programmes vary substantially (an average estimate by Bonin *et al* (2011) is £1,750 per case with a present value of long-term cost savings to society estimated substantially higher at up to £18,000 per case.
- The average cost per year for the provision of adoption services based on UK national expenditure data was £83,585 for statutory and £85,045 for independent provision (PSSRU 2014:95). In addition there were also costs of placement order in the first year of £400 (Plowden *et al.* 2009).
- In a UK study based on five case studies with troubled young people and their families, the average cost of a successfully provided intensive family intervention was about £35,000 and the cost savings from prevented expenditure over five years was £280,000 per person so that the return on investment over a five years period was estimated at 800% (Flint *et al.* 2011).
- Holmes *et al* (2010:15) estimate average English Local government child protection costs from initial contact to core assessment at £1,177 per case and care proceedings at £2,463 per case.
- Salman (2012) estimated that advocacy intervention regarding child safeguarding costs around £1,000 to complete a needs assessment, an average of £489 for foster care, and calls to a duty desk cost around £50 an hour; but that advocacy can lead to an alternative costing only £60 per week producing a substantial net benefit in resource savings.
- Bauer *et al* (2013:13-15) estimates the UK the cost of child placement in care homes £136,214 pa and foster care £20,800 pa and a net average cost reduction to the public sector of £3,760 per annum per person assisted with advocacy on parenting programmes from a reduction in safeguarding activities care proceedings and care provision.

Based on the research literature, this CBA conservatively estimates the benefits of advocacy on child protection issues to be \$3,000 per person assisted per year.

The number of people with disability assisted by advocacy on child protection issues is conservatively estimated as 5% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,030 people. This percentage is based on recreation, social or family being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), family being 5% of Victorian advocacy issues (DARU 2016) and children being 7% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$3,000 per year per person gives a total annual saving of \$3,090,000.

### **Saving disability services costs**

Employees in disability service providers benefit in various ways from their collaboration with advocacy providers. Jones (2004), identified benefits including:

- reduction in workload;
- training and education;
- improved understanding; and
- cost savings to disability services.

Disability service provider cost savings from advocacy include:

- Fewer services required in NDIS plans so saving to NDIS;
- Keeps price of service down because less admin/executive/coordination costs when services are delivered without any issues;
- Cost of regulatory bodies reduced because advocacy can resolve earlier or save time/costs in complaint processes (State regulatory bodies, Commonwealth Ombudsman, NDIS quality and safeguards agency);
- More stable workforce;
- Reduced costs for admin due to shift/staff changes;

- Happier more stable clients;
- Less workdays missed for carers;
- People with disabilities are more able to achieve social inclusion and employment; and
- Less restrictive practices employed.

Advocacy services help improve the professionalism of disability service provider staff particularly around accountability, obligations and quality control. Typically advocacy service staff will collaborate with 2 to 5 disability service staff on each issue. The opportunities for on-the-job learning are substantial as there were 20,557 advocacy issues actioned under NDAP; 18,669 disability service organisations (AIHW 2017:6); and the around 34,000 full-time disability services staff<sup>16</sup>. Advocacy regarding disability services represents 11% of advocacy undertaken by NDAP (p72). So of the 20,557 issues actioned 11% or 2,261 cases are about services. If for each case between 2-5 staff are involved and therefore get some benefit/improvement in their work due to the interaction with advocacy this would be between 4,522 and 11,306 staff. To obtain these professional benefits, without disability advocacy services, more staff training would be required.

These on-the-job learning benefits have been valued using the replacement cost approach. Based on the above, this CBA assumes around 76 disability services staff benefit from improved professionalism through on-the-job learning from collaboration with each of the around 60 advocacy organisations funded under NDAP. This gives a total of 4,500 disability services staff requiring training each year. We assume that to purchase the accountability, obligations and quality control benefits (of the on-the-job learning with advocates) through training programs would require a half day of training per person valued at \$200. This gives an annual benefit of \$900,000 per year.

### **Saving informal carers' costs**

Advocacy assists carers by finding appropriate assistance to people with disability. This frees carers' time for other uses. This freed time adds valuable resources to society.

Carers have among the lowest levels of wellbeing of any group of Australians (Productivity Commission 2011:6 & Mental Health Council of Australia 2009). The research literature valuing carers costs is summarised below.

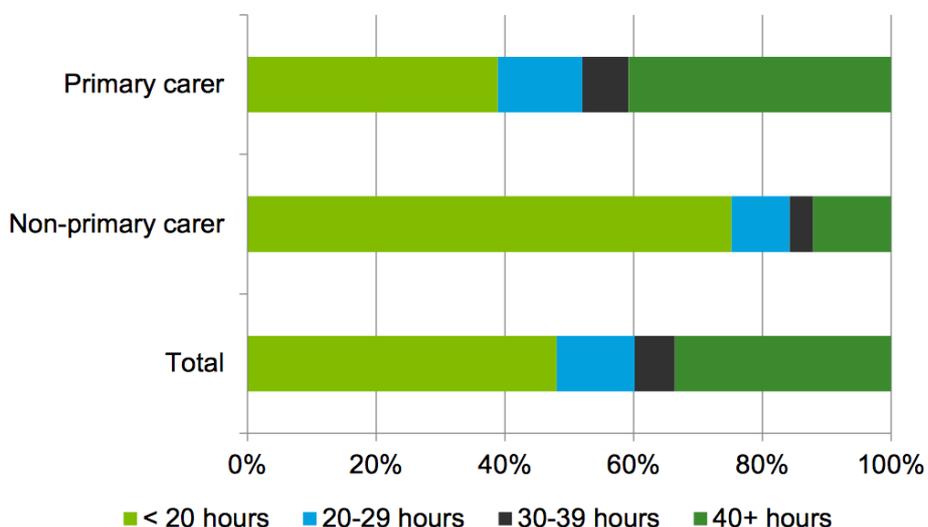
Access Economics (2010) estimated the economic value of informal care in Australia. It estimated that approximately 129,900 carers were unemployed as a result of informal care responsibilities in 2010 (1.1% of the country's workforce). It used the opportunity cost method (average national wage rate of \$968.10 per week) to derive its lower bound estimate of the cost of informal care. This method provided a total economic value of informal care in Australia of \$6.5 billion.

Access Economics also applied the replacement cost method (wage rate of full-time carers and aides in the formal sector), which provided an upper bound estimate. In August 2008, this wage rate was \$22.30/hour, which increased to \$31.04/hour when loading costs were added. The replacement cost method yielded a value of \$40.9 billion for informal care in Australia. Deloitte Access Economics (2015:15) used the replacement cost method (Feinberg *et al* 2011, Grimmond 2014) to estimate the average hourly cost of employing a carer in the formal sector to replace an informal carer at \$31.36

<sup>16</sup> In 2009, about 68,700 people were employed across Australia in directly providing disability services or managing those who provide these services. This represents about 34,000 equivalent full-time (EFT) workers. About 58,200 workers (or 25,000 EFT workers) provided disability services directly, while the remainder managed their work. Organisations providing disability services also employed other workers who provided other services or administered the organisations, including such workers, organisations providing disability services employed a total of about 97,000 workers (Martin & Healy 2010:109).

in 2015. These estimates demonstrate that there is a substantial cost associated with informal care. This is a cost that can be reduced by advocacy.

### Informal carers. Time spent caring, 2015



Source: Deloitte Access Economics (2015:7) based on ABS 2012.

The hours per week spend caring by informal carers varies widely with around half doing less than 20 hours per week and around a third doing more than 40 hours per week, based on a study by Deloitte Access Economics (2015). This CBA assumes informal carers of people with disability can reduce their care by an average of one hour per week due to participation in advocacy. This is conservatively valued at \$20 per hour.

The number of carers for people with disability assisted by advocacy to reduce their care hours is very conservatively estimated as 20% of the 11,529 total people with disability assisted by advocacy (DSS *n.d.*:6) giving 2,300 people. This percentage is based on accommodation being 5% and disability services being 11% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), accommodation being 10% and disability services being 18% of Victorian advocacy issues (DARU 2016) and accommodation being 20% and disability services being 14% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of one hour per week freed for alternative uses, for each carer, valued using the replacement cost methodology at \$20 per hour this gives a total annual saving of \$2,400,000 per year.

### Medical cost savings

Advocacy for people with disability on health issues can substantially reduce health costs releasing resources for alternative uses. The research literature valuing these costs is summarised below.

Not included here are the wider advocacy benefits resulting from individual cases in health systems. These wider benefits improve health systems responses to issues and therefore avoid litigation costs. For example, avoidable deaths in hospitals due to a lack of recognition of symptoms presenting in a person with disability.

Independent advocacy assists people with disability to gain appropriate healthcare, typically this care is more likely to be community based and at lower cost than in the absence of independent advocacy. Examples of the typical cost savings are given below:

- Advocacy for people with disability on alcohol treatment intervention can substantially reduce public sector costs. Godfrey (2005) estimates a net reduction in cost of between £590 and £800. On this basis, Bauer (2013:15) estimates a net cost reduction to the public sector of £1,950 per annum per person assisted with advocacy on alcohol treatment intervention.
- Advocacy for people with disability being counselled for depression can provide substantial public sector cost savings. Petrou *et al* (2006) values public sector cost savings from depression preventative primary care intervention at £1,760 per month based on willingness to pay. Layard *et al* (2011) estimates a cost saving of £1,820. On this basis, Bauer (2013:15) estimates a net cost reduction to the public sector of £860 per annum per person assisted with advocacy on depression counselling.
- Community-based treatment is much cheaper than hospital-based acute residential treatment for patients with substance use and psychiatric disorders. Timko *et al* (2006) in the US estimate the average cost for hospitalised patients at US\$25,462, and the cost for community-based patients at US\$12,174, a saving of US\$13,288 per person with a disability.
- Mental health peer support for hospital avoidance and early discharge provides substantial savings. Lawn *et al* (2008) estimate savings in Australia of \$93,150 after deducting the cost of peer support set up, delivery of approximately \$19,850.
- Mental health service use and costs for persons with severe mental illness are typically reduced where advocacy improves long-term employment. Bush *et al* (2009) estimate an average cost reduction of US\$166,350 per participant for outpatient services and institutional stays for those in the steady-work group compared with a minimum-work group over ten years

Based on the research literature, this CBA conservatively estimates the benefits of advocacy on health issues to be on average \$2,000 per person assisted per year.

The number of people with disability assisted by advocacy on health issues is conservatively estimated as 5% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,030 people. This percentage is based on recreation, social or family being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), and health being 7% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$2,000 per person gives a total annual saving of \$2,060,000.

### **Accommodation savings**

The cost of homelessness can be quite high. Hospitalisation, medical treatment, incarceration, police intervention, and emergency shelter expenses can add up quickly, making homelessness expensive for governments and taxpayers. Dennis *et al* (2002) established that persons placed in supportive housing achieve marked reductions in shelter use, hospitalisations, length of stay per hospitalisation, and time incarcerated. The research literature valuing these costs is summarised below.

People experiencing homelessness are more likely to access the most costly health care services. Many homeless people also suffer from disability and homelessness inhibits their care. Housing instability often detracts from regular medical attention, access to treatment, and recuperation. This inability to treat medical problems can aggravate health problems, making them both more dangerous and more costly. For example:

- Salit *et al* (1998) found in the US, homeless people spent an average of four days longer per hospital visit than comparable non-homeless people at an extra cost of approximately US\$2,414 per hospitalisation.
- Martell *et al* (1992) found that homeless people in Hawaii had a rate of psychiatric hospitalisation over 100 times higher than their non-homeless cohort. The estimated excess cost for treating these homeless individuals was US\$3.5 million or about US\$2,000 per person.

People who are homeless spend more time in jail or prison, which is very costly. For example:

- Diamond and Schneid (1991) estimate that each homeless Texan costs taxpayers US\$14,480 per year, primarily for overnight jail.

Advocacy for people with disabilities experiencing chronic homelessness to transition to permanent supportive housing frees economic resources for other uses. Examples include:

- Larimer *et al* (2009) followed the progress of the Downtown Emergency Service Center (DESC) in Seattle, WA. All the residents at this Housing First-styled residence had severe alcohol problems and varying medical and mental health conditions. When taking into account all costs – including housing costs – the participants in the 1811 Eastlake program cost US\$2,449 less per person per month than those who were in conventional city shelters.

- Mondello *et al* (2009) found that in rural Maine, permanent supportive housing allowed people with disabilities to access significantly more efficient and appropriate housing and service delivery with tangible cost savings. Permanent supportive housing also improved quality of life for all involved. The benefits were a:

- 57% reduction on expenditures for Mental Health Services, from a shift away from expensive psychiatric inpatient care to less expensive outpatient community-based services

Permanent supportive housing placements reduced service costs;

- 99% reduction on expenditures for accommodation;
- 14% reduction on expenditures for emergency room,
- 95% reduction on expenditures for incarceration, and
- 32% reduction on expenditures for ambulance transportation.

The saving per person with a disability was US\$18,629 over six months. Net of the permanent supporting housing cost (US\$4,577 per half year) this provides a US\$1,348 benefit per person in cost avoidance.

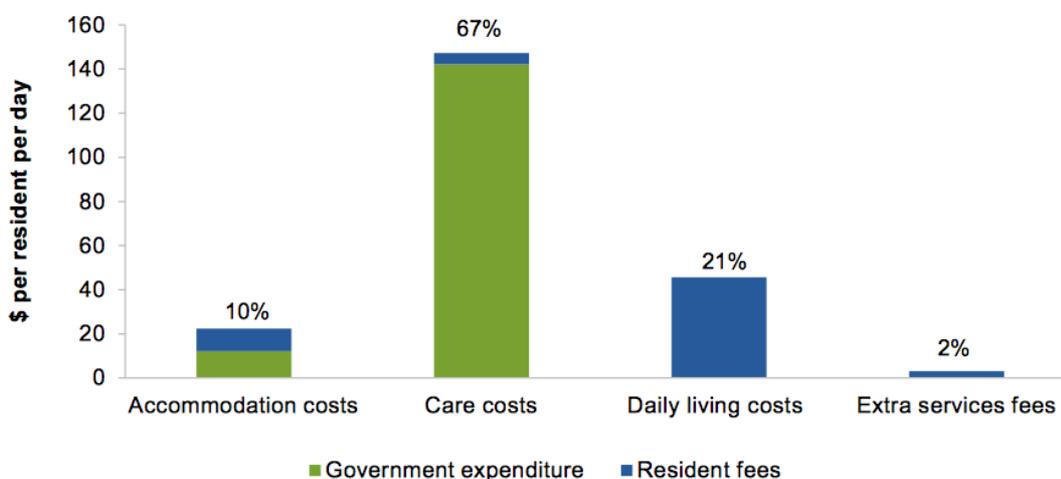
- Connelly (2014) found that for an investment of \$500,000 the Homeless to Home Healthcare After-Hours Service reduced both inpatient admissions and Emergency Department presentations in Brisbane, saving nearly \$7,000,000 in hospital costs and providing a net social benefit of over \$12,000,000 per year.
- Flatau *et al* (2008) estimated in Western Australia, homelessness programs (43% of sample had mental health condition) produced an annual cost reduction of \$1,739 per client from reduced use of justice services and potential annual whole-of-government savings of at least twice the annual cost of delivering effective homelessness programs; e.g. single male homelessness assistance cost only \$4,625 per client compared to average health and justice costs of \$10,212 above the normal population rate while homeless.
- Meehan *et al* (2010) estimate the recurrent cost of keeping the ‘average’ client in housing assistance for 12 months at \$74,000 less expensive than keeping the same client in a community care unit (CCU) and \$178,000 less expensive than keeping the same client in an acute inpatient unit.
- Meehan *et al* (2011) estimate an average cost per person with a disability per annum for supported accommodation of \$61,580 (including 20 hours personal care, GP/case management services and allocation for 10 day admission to acute care). This is much lower than the cost of keeping the same client in an acute inpatient unit (\$246,700) or a community care unit (\$133,225).
- In Denver, PSH saved \$15,733 per year, per person in public costs for shelter, criminal justice, health care, emergency room, and behavioural health costs. The savings were enough to completely offset the cost of housing (US\$13,400) and still save taxpayers US\$2,373.

Advocacy can help people with disability find more appropriate and less costly accommodation options. For example, across Australia, an estimated 6,200 people under the age of 65 currently live in residential aged care facilities, where the average age is 84 (ADACAS 2016:22).

In Australia many people with disability end up in inappropriate accommodation in aged care nursing homes where people are required to pay a Basic Daily Fee in 2017 of \$48.44 per day, plus a means-tested care fee, plus fees for optional extras. Often, a bond/accommodation payment or holding deposit to secure a place is required. In contrast, home care provided through the Home Care Package program, requires a Basic Daily Fee of 17.5% of the Single Age Pension (\$139.58 per person, per fortnight) and a means-tested care fee, which is based on an assessment of income and assets. By working in partnership with a home care provider, people with disability can remain in their homes keeping their assets, their independence and their dignity intact.

The Productivity Commission (2015b) provides estimates of the cost of residential aged care in 2013-14 at over \$200 per day per resident. See the table below. ACFA (2016:xxii) estimate the cost of residential aged care at \$249 per day per resident in 2014-15.

### Sources of revenue for residential aged care providers 2013-14



Source: Productivity Commission 2015b:105

In the absence of advocacy, people with disability more often end up in crisis centre accommodation. Salman (2012) values crisis centre accommodation at a weekly cost of £1,300, amongst other expenditure. In contrast, help-at-home schemes offer a mix of community support with the aim to address a range of wellbeing needs at a much lower cost (Bauer *et al* 2017). Advocacy for people with disability on homelessness can provide substantial public sector cost savings (Thomson *et al.* 2001). Department for Communities and Local Government (2012), found savings to housing based on reduced expenditure for temporary accommodation and cost for re-housing. On this basis, Bauer (2013:15) estimates a net cost reduction to the public sector of £5,850 per annum per person assisted with advocacy on homelessness.

Based on the research literature, this CBA conservatively estimates the benefits of advocacy on accommodation issues to be on average \$10,000 per person assisted out of residential nursing homes per year and on average \$8,000 per person assisted out of crisis accommodation per year (assuming five weeks per person per year). Appropriate housing also has positive impacts on health, education and employment. It is assumed these benefits are worth an additional \$5,000 per person.

The number of people with disability assisted by advocacy on accommodation is very conservatively estimated as 5% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,030 people. This percentage is based on accommodation being 5% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), accommodation being 10% of Victorian advocacy issues (DARU 2016) and accommodation being 20% of ACT advocacy issues (ADACAS 2016:8). Assuming an average

benefit of \$10,000 per year for 200 people assisted out of nursing homes, an average benefit of \$8,000 per person for 200 people assisted out of crisis accommodation, and an additional \$5,000 (health, education and employment impact) per year for all the 1,030 people gives a total annual saving of \$8,750,000 per year.

### **Abuse**

Townsley *et al* (2009:13) identified the benefits of advocacy for vulnerable adults who had been victims of abuse. People with disabilities are less likely to report crime against them in comparison to the general population. Research has identified factors that affect this under-reporting. These include people not knowing how to report a crime or not having the appropriate support to do so. The research suggests that people with disabilities feel the police do not take their claims seriously and do not always investigate them appropriately. There is a role for independent advocacy in addressing these barriers.

Abuse results in both personal costs to the person with disability and to society. The health and justice systems use considerable resources to address the results of abuse of people with disability. Advocacy helps to avoid the abuse but also helps to reduce medical and justice system costs by assisting people with disability to access earlier and more appropriate care.

This CBA conservatively assumes the benefits of advocacy on abuse issues to be on average \$5,000 per person assisted.

The number of people with disability assisted by advocacy on abuse is conservatively estimated as 3% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 600 people. This percentage is based on abuse being 3% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), abuse being 5% of Victorian advocacy issues (DARU 2016) and abuse being 5% of ACT advocacy issues (ADACAS 2016:8). Assuming an average benefit of \$5,000 person per year and 600 people assisted gives a total annual benefit of \$3,000,000 per year.

### **Economic costs of the justice system**

*People with disability can be highly vulnerable to a wide range of legal problems. They are also significantly over-represented in the criminal justice system both as offenders and victims. People with disability often experience barriers to justice, which prevent them from fully participating in legal and justice system processes (DSS 2016:6).*

People with mental and cognitive disabilities (in the absence of advocacy and alternative pathways) are often pressed into the criminal justice system early in life. Once caught up in a cycle of charges, court appearances and incarceration, people with cognitive impairment use up substantial resources (Baldry *et al* 2015:52 & French 2017). These substantial costs fall on the individuals with mental health disorders and cognitive impairment, their families and communities, as well as the government. These costs increase over time, as people with mental health disorders and cognitive impairment become entrenched in the criminal justice system and are further disadvantaged (Hayes 1994).

In the justice system, people with disability experience substantial costs including lost productive and consumptive activities, health impacts, and reductions in their future productivity.

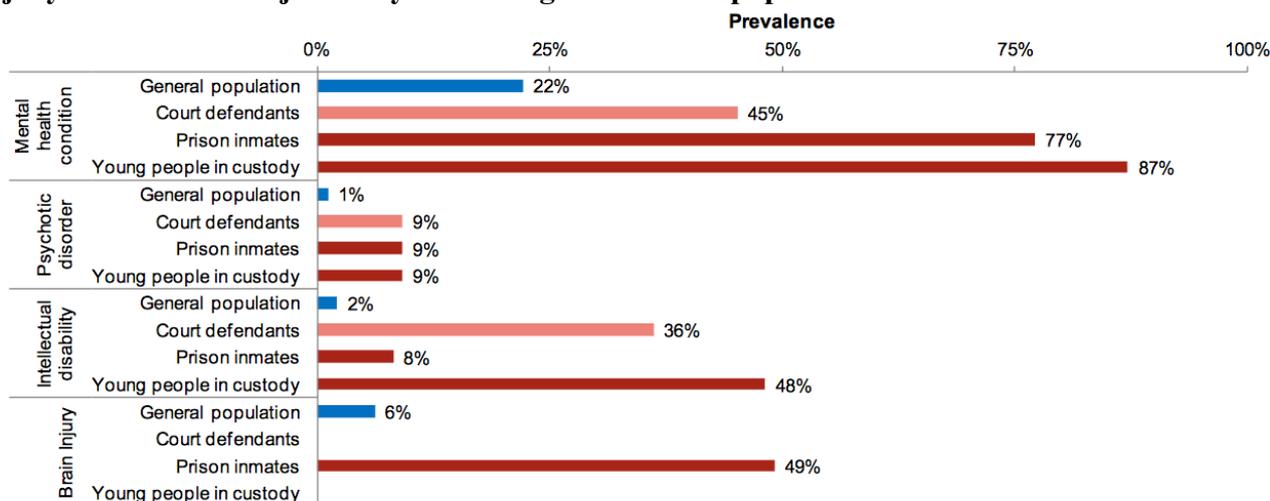
In addition, providing justice system services to people with disability uses substantial economic resources. Justice system providers use substantial resources to serve people with disability. The

services include policing, courts and incarceration all using resources such as labour, energy, materials, etc. These resources can be valued to establish their economic cost to Australia.

Advocacy provides a net economic benefit to Australia by diverting perpetrators from the police, courts, and prison to community-based programs. This provides a substantial reduction in resources used in the justice system and improves the productivity of offenders, creating new resources for the Australian economy. Justice system diversion programs reduce re-arrests, increase median time to first arrest, and reduce the likelihood of post-program imprisonment (compared to those who did not complete the program) (Crime Research Centre 2007:9). Diversion influences important areas of an offender's life and can produce substantial economic savings for publicly funded services such as health and welfare (Welsh 2004:12). Benefits of diverting justice system clients include improvements in education, employment, health, social service use, and illicit substance use.

The high number of people with mental health problems inappropriately placed in the justice system has led to considerable strain on prison services and related costs (Edgar and Rickford 2009, & McCausland *et al* 2013). Substantial economic resources are used up in the justice system. Australian governments spent nearly \$15 billion dollars on the justice system in 2013-14, 68% on the police, 23% on prisons and 9% on the courts (SCRGSP 2015a:C.8). A major benefit of advocacy identified in this CBA is a reduction in the use of justice system resources, freeing them for their next best use.

### Prevalence of mental health conditions, psychotic disorders, intellectual disability and brain injury in the criminal justice system and general NSW population



Source: McCausland *et al* 2013:3

In the absence of advocacy, some disabilities make it difficult to avoid the justice system. Mental disabilities including disorders such as clinical depression, schizophrenia, anxiety and psychosis; are over represented in the justice system. People can experience these for a short time or throughout their lives. Cognitive disability covers impairments such as intellectual disability, acquired brain injury, dementia and fetal alcohol spectrum disorder. These are ongoing impairments in comprehension, reason, judgment, learning or memory. A person with any of these disabilities may have poor control over their behaviour, not foresee the results of their behaviour, act on false or distorted beliefs and react impulsively in a stressful or threatening situation (Baldry 2017).

Justice system clients, both victims and offenders, use substantial resources to participate in the justice system. Friends and relations of the participants also use substantial resources to support the victims and offenders. These resources include their time and travel costs. Economic costs to

victims of crime are tangible (e.g., lost wages/production, medical expenses) and intangible (e.g., pain, suffering, lost quality of life, fear of future victimisation) (Welsh 2004:10). Fear of crime is an economic cost to people with disability.

Advocacy for people with disabilities in the justice systems frees economic resources for other uses. Examples include:

- Advocacy for people with disability concerning domestic violence issues can provide substantial public sector cost savings. CAADA (2012) reports a benefit cost ratio of 3.2:1 for specialist service provision (public service expenditure only). On this basis, Bauer (2013:15) estimates a net cost reduction to the public sector of £1,021 per annum per person assisted with advocacy on domestic violence.
- Baldry *et al* (2012) estimated pathway costings using a dataset on Mental Health Disorders and Cognitive Disability (MHDCD) in the Criminal Justice System of lifelong interventions and interactions with all NSW criminal justice and some human services agencies. Life course institutional costs (for 11 case studies, aged between 23 and 55), range from around \$0.9 million to \$5.5 million. Estimated benefit cost ratios in the case studies range from 1.4 to 2.4. That is, for every dollar spent on the earlier investment, between \$1.40 and \$2.40 in government cost is saved in the longer term (Baldry *et al* 2012:12). Typically earlier care and protection did not occur in any substantial or sustained way. The lack of earlier and adequate services caused costly criminal justice, health and homelessness interactions and interventions later in their lives. Millions of dollars in crisis and criminal justice interventions continue to be spent on these vulnerable individuals whose needs would have been better addressed in early support in a health, rehabilitation or community space (Baldry *et al* 2012:6). Advocacy is a crucial element in ensuring earlier and appropriate intervention is obtained.

Values of economic resources used in the police, courts and prisons have been estimated in several recent studies. The research literature relevant to this CBA of advocacy are summarised below.

### **Policing cost savings**

Police use substantial resources in their interactions with people with disability. For example: AVOs are a gateway to criminal offences for many people with cognitive disability who have a high likelihood of breaching the orders. Advocacy can often be an effective alternative to AVOs, saving police resources. The research valuing these policing resources is summarised below.

Browning (2011:31) based on Mason and Robb (2010) uses a value of \$570 per Mornington Island Queensland Police call out in 2008-09 dollars. This is based on one car and two police officers for half day and is consistent with the staff cost per Queensland police officer of around \$100,000 per year. A call out involving two cars, four police officers and one day to resolve and complete paper work would use economic resources valued at \$2,300 on average. A street offence involving one police officer for half a day and resulting in arrest would use economic resources valued at \$212 on average (Mason and Robb 2010:55).

The economic resources used in issuing warrants and summons and laying charges varies with the time taken. A minor case (issuing warrants and summons, laying charges) using 3 days of police time (at \$425 per day) is valued at \$1,300 per case, a medium case using 10 days is valued at \$4,250 per case and a major case is valued at \$8,500 per case. Police resources used in preparing for court include \$180 per day for custody or remand services (Mason & Robb 2010:55).

In this CBA, based on the research literature summarised above, police resources used are valued at \$500 per minor case and \$2,000 per major case. This value is based on the more conservative of the estimates above.

The number of people with disability assisted by advocacy on police issues is conservatively estimated as 3% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 600 people. This percentage is based on legal issues being 15% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), legal issues being 9% of Victorian advocacy issues (DARU 2016) and legal issues being 5% of ACT advocacy issues (ADACAS 2016:8). One advocacy agency (Intellectual Disability Rights Service<sup>17</sup>) alone assisted over 80 people with disability at police stations. Assuming an average benefit of \$2,000 person for 200 major cases and \$500 per person for 400 minor cases gives a total annual benefit of \$600,000 per year.

Advocacy directly reduces the need for Police resources and frees these resources for other productive uses.

### **Court costs**

Courts use substantial resources in their interactions with people with disability. The research literature valuing these resources is summarised below.

Advocacy for people with disabilities in the courts frees economic resources for other uses.

Examples include:

- Lind *et al* (2002) estimate the value of economic resources used in NSW courts. For sentencing in a local court economic resources worth on average \$200 are used. For appearances in the NSW Drug Court, pre-program appearances use economic resources worth on average \$440, on program appearances \$250 and termination appearances \$840. These include overheads of \$80 per appearance and client (non-court) costs of \$92 per appearance (Lind *et al* 2002:24).
- In Western Australia, economic resources used by magistrates are valued at \$370 per hour and for administration at \$51 per hour. The economic resources used by the WA court based Indigenous Diversion Program are estimated to be worth on average around \$3,400 per client. The general cost of community supervision in 2005/2006 was \$23.22 per day (Crime Research Centre 2007:124-128).
- In Queensland, for major prosecutions taking 20 days, legal aid resources were valued at \$9,000 per case. A Queensland Police prosecutor's time was valued at \$550 per day (Mason & Robb 2010:56-58). The average value of economic resources used per criminal finalisation in the Queensland Magistrates Courts was estimated at around \$430 in 2013-14 (SCRGSP 2015b: Table 7A.34).
- Browning (2011:31), based on Mason and Robb (2010), uses an economic value of \$450 per case for Queensland legal aid for minor offences requiring one day in 2008-09 dollars.

Advocacy will directly reduce the number of people with disability appearing in court and free court resources for other productive uses. This CBA assumes advocacy will reduce court appearances by 100 from around 400 to 300 per year. Given that a single advocacy agency (Intellectual Disability Rights Service, see tables below) supports around 400 people with disability in NSW courts each year, this is a very conservative assumption.

---

<sup>17</sup> The IDRS justice system work is included as an example of the scale of relevant activities. It is not part of the NDAP and is therefore not included in the CBA's benefits or costs.

### **IDRS Criminal Justice System advocacy support, 2015-16, % of total occasions**

Court support	68
Support at police station	14
At Legal Appointments (other than at court)	7
AVL Hearing from prison	7
Other	4

Note: 586 people assisted on 1,817 occasions

Source: Intellectual Disability Rights Service, Annual Report 2015-2016, Redfern NSW, p.21

### **IDRS legal casework, % of total cases**

	<i>2014-15</i>	<i>2015-16</i>
Criminal defendant or AVO	25	18
Victim of crime/ Victim's compensation	20	15
Consumer/Debt/Fines	16	18
Complaints re services	13	14
Employment	9	7
Guardianship/Financial management orders	9	20
Other	8	8
<i>Number of long term legal cases</i>	<i>65</i>	<i>84</i>

Source: Intellectual Disability Rights Service, Annual Report 2014-2015, Redfern NSW, p.16

In this CBA, based on the research literature summarised above, court resources used are estimated at \$450 per case for minor cases and \$3,000 for major cases. These values are based on the more conservative of the estimates above.

The number of people with disability assisted by advocacy on court issues is conservatively estimated as 7% of the 20,557 advocacy issues actioned (DSS *n.d.*:6) giving 1,400 people. This percentage is based on legal issues being 15% of the issues addressed by advocacy under NDAP (DSS *n.d.*:4), legal issues being 9% of Victorian advocacy issues (DARU 2016) and legal issues being 5% of ACT advocacy issues (ADACAS 2016:8). One advocacy agency (Intellectual Disability Rights Service<sup>18</sup>) alone assisted nearly 400 people with disability at court appearances and manages 60-80 long-term cases each year (see tables above).

Assuming an average benefit of \$3,000 person and for 400 major cases and \$450 per person for 1,000 minor cases gives a total annual benefit of \$1,650,000 per year.

Advocacy will directly reduce the number of people appearing in court and free court resources for other productive uses.

### **Imprisonment costs: direct**

Australian prison services use substantial resources. The research valuing these resources is summarised below.

Studies have identified the cost implications of not providing an effective advocacy service for offenders with a disability (NACRO 2007) including:

- doctors' fees,
- administration,
- prison places,
- transfers, and

<sup>18</sup> The IDRS justice system work is included as an example of the scale of relevant activities. It is not part of the NDAP and is therefore not included in the CBA's benefits or costs.

- hospital beds.

People with mental health disorders and cognitive impairment are a disproportionate number of people entering the criminal justice system, for example, being 3 to 9 times more likely to be in prison than the general NSW population (McCausland *et al* 2013:3). Re-offending rates are high. Around 40% of prisoners return to prison within two years of their release (SCRGSP 2015a:C.22). Prisons are a lesser deterrent to re-offending compared with cheaper community-based programs typically supported by advocacy.

Advocacy for diverting people with disabilities from prison frees economic resources for other uses. Examples of the resources saved include:

- Substantial economic resources are spent on correctional custodial facilities in Australia. These resources are valued at annual average of \$315 per prisoner per day for 2012–13 (ANCD 2013:viii). The ANCD (2013) report, prepared by the major accounting firm Deloitte Access Economics, estimated that resources worth \$111,000 can be saved per year per offender by diverting non-violent Indigenous offenders with substance use problems into treatment instead of prison. The report further estimates that additional resources worth \$92,000 per offender will be saved due to lower mortality and better health related quality of life outcomes.
- Recent US survey data suggest that yearly average recurrent costs of imprisonment range from US\$14,000 to US\$60,000 per adult prisoner and US\$40,000 to US\$350,000 per juvenile detainee across US States (Henrichson & Delaney 2012; Justice Policy Institute 2014). In Australian dollars this would be approximately \$52 - \$236 per day for adult prisoners and \$156 - \$1,592 per day for juvenile prisoners.
- McCausland *et al* (2013:5) estimate that in NSW a prisoner's interaction with the corrections system costs \$9,235 per admission for an Indigenous juvenile and \$4,658 per non-Indigenous. For adults the life-time cost per person is estimated as \$361,238 per person rising to \$450,000 per person for those with previous juvenile admissions. Case studies presented by McCausland *et al* (2013) estimate that over a lifetime the cost of prison and crisis support are as high as \$1 million per annum per person.
- Lind *et al* (2002:32) estimate the value of economic resources used in NSW prisons. For women's imprisonment economic resources worth around an average of \$220 per day are used and for men \$170 per day. In contrast, supervision in the community uses economic resources worth only around \$3 per day. The NSW Department of Correctional Services estimated that the resources it used to imprison the average prisoner were worth \$188 per day in 2003-04 (Public Accounts Committee 2005:1).
- In NSW, in 2014, the operating and capital costs of imprisoning an adult was on average \$250 per day but for juveniles this rose to an average of around \$780 per day (Auditor-General 2014:14).
- The recurrent cost (excluding payroll tax and less revenues raised) of imprisoning Queenslanders was around \$180 per prisoner per day in 2013-14. Including capital costs increases this to around \$300 per prisoner per day. In contrast, community corrections cost around \$14 per offender per day (SCRGSP 2015b:Table 8A.7). In Queensland, the \$311 full cost per prisoner per day in 2012-13 was made up of operating expenditure 64%, capital cost 34% and transport and escort costs 2% (ANCD 2013:46).

In this CBA, based on the research literature summarised above, prison resources saved are valued at \$300 per adult prisoner per day for adults and \$600 per day for juveniles. This value is based on the more conservative of the estimates above.

This CBA assumes that of the 1,400 people with disability assisted in the courts, 300 adults and 200 juveniles will avoid a prison sentence of on average 100 days. This results in an annual saving of \$21,000,000.

Advocacy will directly reduce the number of people imprisoned and free prison resources for other productive uses.

In total the cost savings to the police, courts and prisons is estimated to be \$23,250,000 per year

### **Imprisonment costs: prisoner productivity**

While it is not included in these CBA calculations, it is important to note that imprisonment has a negative impact on the productivity of prisoners and thereby society's economic welfare. There is an immediate negative impact on production as prisoners are taken out of the workforce. But there are also substantial long-term negative impacts on ex-prisoner's productivity and society's overall economic welfare.

US research suggests that there are substantial negative labour market consequences to having any spell of incarceration (Nagin and Waldfogel 1998). US research, comparing individual earnings before and after an arrest, demonstrates that arrests can decrease earnings and employment (Grogger 1998). Even after controlling for a broad range of characteristics like education and demographics, the formerly incarcerated earn substantially less than other workers: 10 to 40 percent less (Geller, Garfinkel, & Western 2006; Pew Charitable Trusts 2010).

In a recent US audit experiment, researchers randomly assigned a criminal record to otherwise identical job applications and found that applicants with criminal records were 50 per cent less likely to receive an interview request or job offer, and differences were larger for Black applicants (Pager 2003; Pager, Western, & Sugie 2009).

Longer incarceration sentences may also be associated with greater skill loss and higher costs to re-integrate in the labour market, though these costs may be partially offset by participation in rehabilitation or correctional education programs (Kling 2006; Landersø 2015). Research using variation in random judge assignment in Texas found large negative impacts of sentence length on employment; in this setting, a one year increase in sentence length reduces employment by 4 percentage points and reduces earnings by approximately 30 per cent after release (Mueller-Smith 2015). Individuals that cannot find sustainable employment given labour market barriers to re-entry may also have a higher risk of re-offending. Interestingly, US States with more flexible labour market conditions for individuals with criminal records have lower recidivism rates (Hall, Harger and Stansel 2015).

The high rate of imprisonment of people with disability has substantial negative impacts on the families of people with disability. During imprisonment families are broken and this is often exacerbated by the long distance between family and the prisoner, making visits very expensive. On return ex-prisoners bring major physical and mental health problems contracted in prison back to families often lacking appropriate support facilities.

Parental incarceration is a strong risk factor for a number of adverse outcomes for their children, including antisocial and violent behaviour, mental health problems, school dropout, and unemployment (Murray and Farrington 2008). In its 2012 report to the US Attorney General, the National Task Force on Children Exposed to Violence found that traumatic events, including parental arrest and incarceration increases the risk of post-traumatic stress disorder in children (Listenbee *et al.* 2012). US researchers have found that these effects extend to child behaviour outcomes. Wildeman (2010) finds that paternal incarceration is associated with higher levels of physical aggression among boys as young as five years old. Similarly, Johnson (2009) finds that

parental incarceration is associated with behavioural problems in children, and that these effects are largest if the parent is incarcerated while the child is a teenager.

Incarceration results in lost networks, employer prejudice and a diminished skills base. Recent work by Pew Charitable Trusts (2010) estimates that former prisoners face reductions of up to 40% of their lifetime earnings. There are also long-term impacts on re-offending and on client's health, education and employment generating substantial costs. Intergenerational, family and community impacts of the interaction with the justice system include the increased likelihood of children of parents with a criminal record also having a record. All these are economic costs to Australia.

Incarceration is associated with poor health outcomes for prisoners, including a relatively higher risk of dying after release. Research suggests that outcomes of incarceration are worse for Australians with disability than for other Australians.

Prison, rather than ameliorating the trauma, tends by its very nature (institutional, de-humanising, punishing, adversarial and deeply stressful) to compound it.

## Attachment G

### Disability in Australia

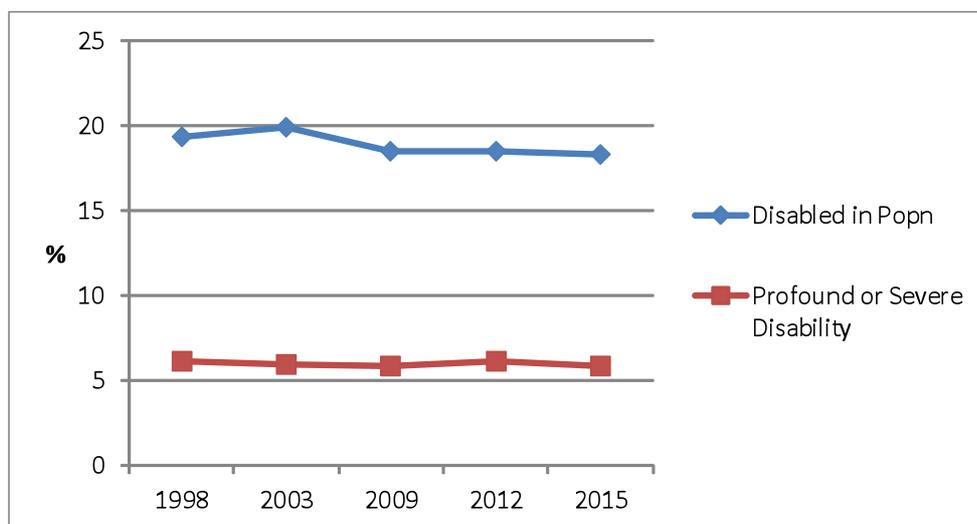
This appendix provides some descriptive background material concerning the current position of people recognised as having a disability, both physically and mentally, in Australia based on the findings of the Survey of Disability, Ageing and Carers (SDAC) conducted by the Australian Bureau of Statistics (ABS) in 1998, 2003, 2009, 2012 and 2015. SDAC, which follows guidelines from the World Health Organisation, defines disability as ‘any limitation, restriction or impairment which restricts everyday activities and has lasted, or is likely to last, for at least six months.’ (ABS 2015:1) The ABS defines four levels of severity of disabilities relating to people’s ability to undertake core activities of communication, mobility or self-care –

- Profound limitation – people in the greatest need for help or who are unable to do an activity
- Severe limitation – people who sometimes need help or who have difficulty
- Moderate limitation – people who need no help but have difficulty
- Mild limitation – people who need no help and have no difficulty but use aids or have limitations.

The survey also recognises specific limitations for example those limiting schooling and employment opportunities. It is conducted throughout Australia and includes respondents from remote, rural and urban areas. It covers both people in private households and in other forms of accommodation such as nursing homes and hostels. Some of the results presented below only relate to people living in private households.

In 2015, 4.3 million or 18.3 per cent of the Australian population was identified as having some form of disability according to the SDAC definitions. As Figure 1 shows, this proportion has remained fairly constant at just under a fifth of the population since 1998. The proportion of the population with profound or severe disability has also remained fairly constant at about 6 per cent.

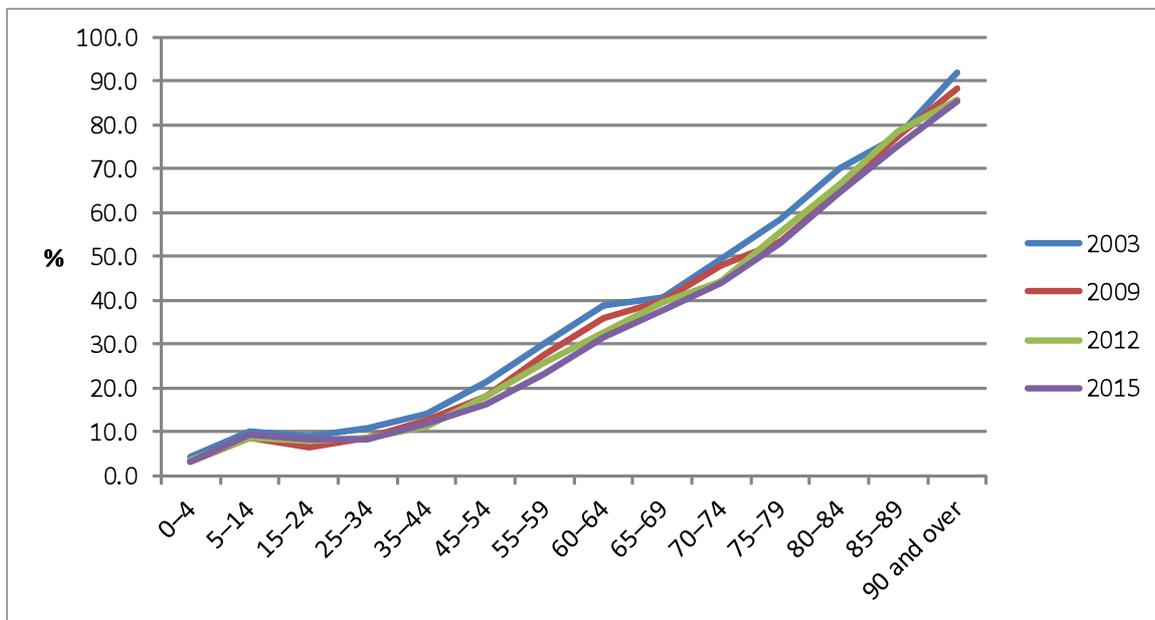
**Figure 1: The Proportion of the Australian Population with a Recognised Disability, 1998-2015.**



Source: ABS (2003, 2009, 2012, 2015).

Figure 2 shows the proportion of each age group that is classified as having a disability. It is not surprising that less than 10 per cent of those under 34 years of age were classified as having a disability but over 50 per cent of those over 75 years of age fell into this category. The proportion of middle aged people living with disability has fallen over time (compare 2003 and 2015).

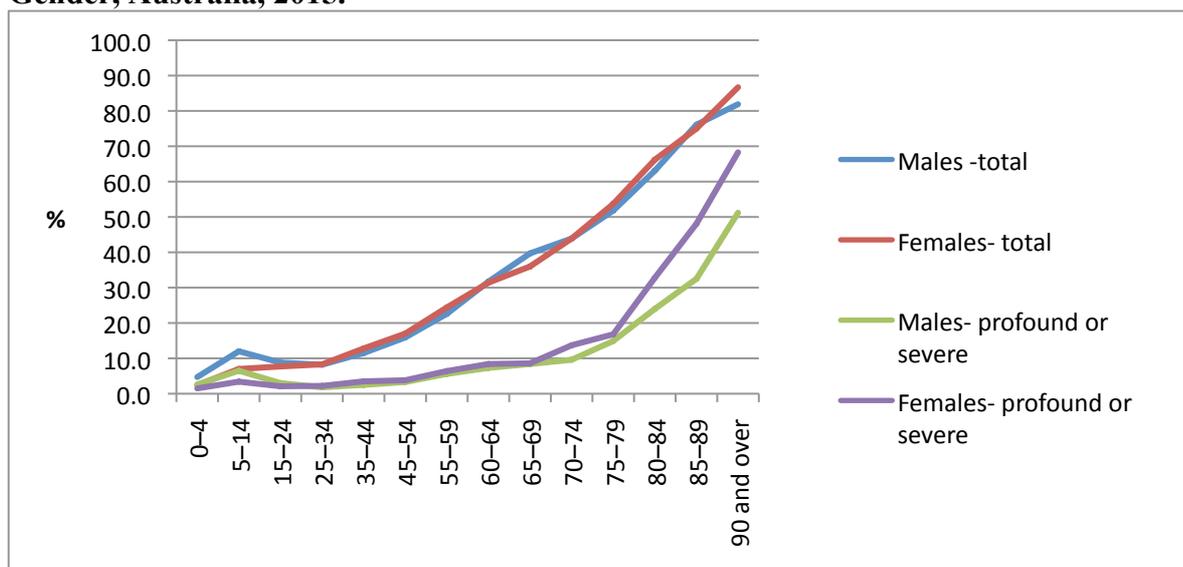
**Figure 2: The Proportion of Each Age Group with a Recognised Disability, Australia, 2003-2015.**



Source: ABS (2015)

Similar proportions of males and females were recognised as living with disability in each age category although the share of females over 70 years of age who faced profound or severe limitations was noticeably higher than for males (see Figure 3 for the results for 2015).

**Figure 3: The Proportion of People in each Age Group with a Recognised Disability by Gender, Australia, 2015.**



Source: ABS (2015)

In the interests of simplicity, the remaining sections will focus on the results from the 2015 survey as they reflect similar findings in earlier surveys.

### Income

Table 1 presents the estimated median income for people with different levels of severity of disabilities and compares them with the median for those without a disability. The median income is the income level that divides the income distribution in half so half of the people in each category have a gross income lower than the median and half a higher income than the median. The results show that the median income for people with a disability of working age (aged 15-64 years) was less than half the median for people without a disability. The median income for people without a disability was estimated at \$950/week but for those with a profound or severe disability it was \$379/week or \$400/week respectively. While people with a disability aged 65 years and over had a lower median income than those without a disability, the gap was much smaller than for the working aged population. However people with disability, particularly those who have had a profound disability for most of their lifetime, are unlikely to have accumulated assets which can be used to finance assistance and activities in their old age. The differences in current income only tell part of the story about their access to financial resources.

**Table 1: Median Gross Weekly Personal Income by Disability Level, 2015.**

	Profound disability \$	Severe disability \$	Moderate disability \$	Mild disability \$	All disabled \$	No disability \$
15-64 years						
	379	400	430	500	465	950
% of no disability	39.9	42.1	45.3	52.6	48.9	100
65+						
	385	400	420	420	415	435
% of no disability	88.5	92.0	96.6	96.6	95.4	100

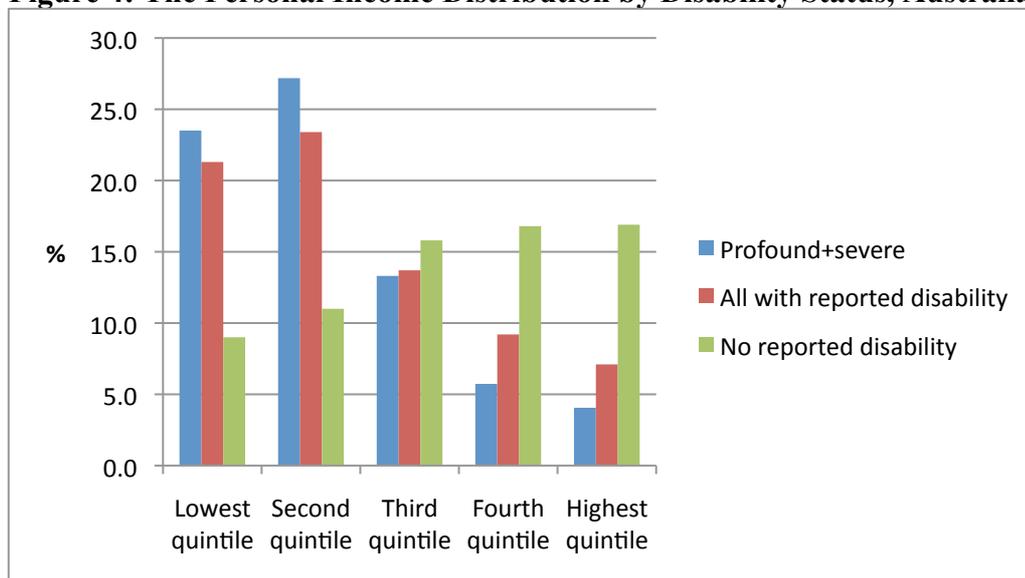
Source: ABS (2015).

The ABS calculates the equivalised gross household income for people in the survey in order to study the differences in personal incomes between people with a disability and those without. This calculation takes into account the composition of households in terms of numbers and ages of occupants to estimate the average level of resources available to individuals in households. The distribution of personal income from the poorest individuals to the richest is then divided into five categories with an equal number of people in each category (quintiles) from the whole population. Quintile 1 (Q1) has the poorest fifth of the population and quintile 5 (Q5) has the richest fifth of the population. The results presented in Figure 4 show that individuals with profound or severe disabilities were much more likely to be found in the lowest or poorer quintiles. Forty-five per cent of all people with disabilities and 51 per cent of those people with profound or severe disabilities were in the bottom two quintiles of the personal income distribution. In contrast, 20 per cent of people with no recognised disability were in these bottom two quintiles, less than half the share of persons with a disability.

An important determinant of household income is employment with those in full-time employment having larger incomes than those relying on government transfers such as pensions and benefits. While 61 per cent of people of working age with no reported disability stated that wages and salaries were their main source of income, only 7 per cent of those with a profound or severe

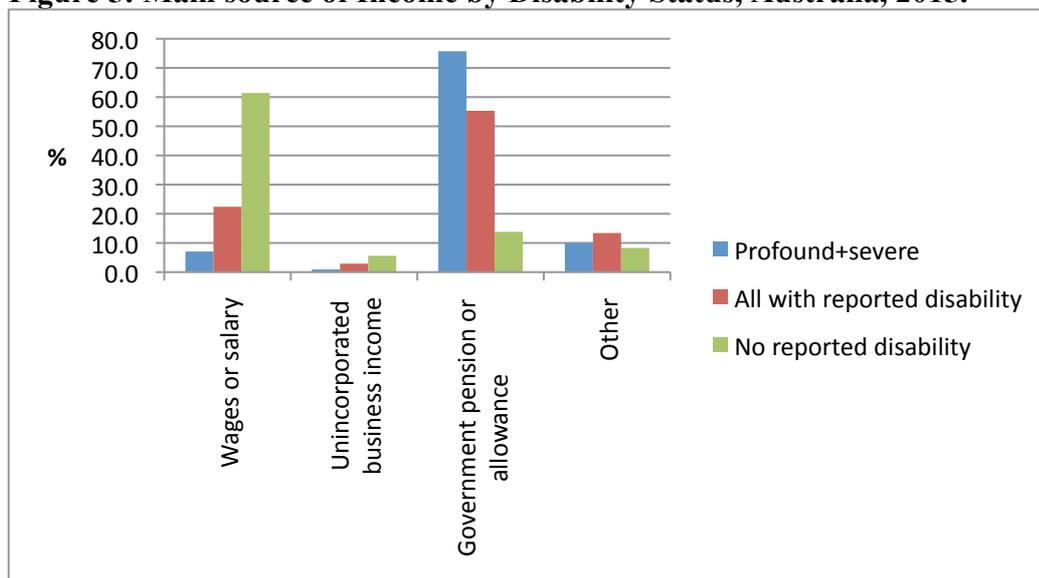
disability and 22 per cent of all the persons with a disability recorded these sources as their main source of income. In contrast, this group relied heavily on government transfers (76 per cent of people with a profound or severe disability and 55 per cent of all the people with disability of working age). Figure 5 presents the results on the main source of income recorded in the survey.

**Figure 4: The Personal Income Distribution by Disability Status, Australia 2015.**



Source: ABS (2015)

**Figure 5: Main source of Income by Disability Status, Australia, 2015.**



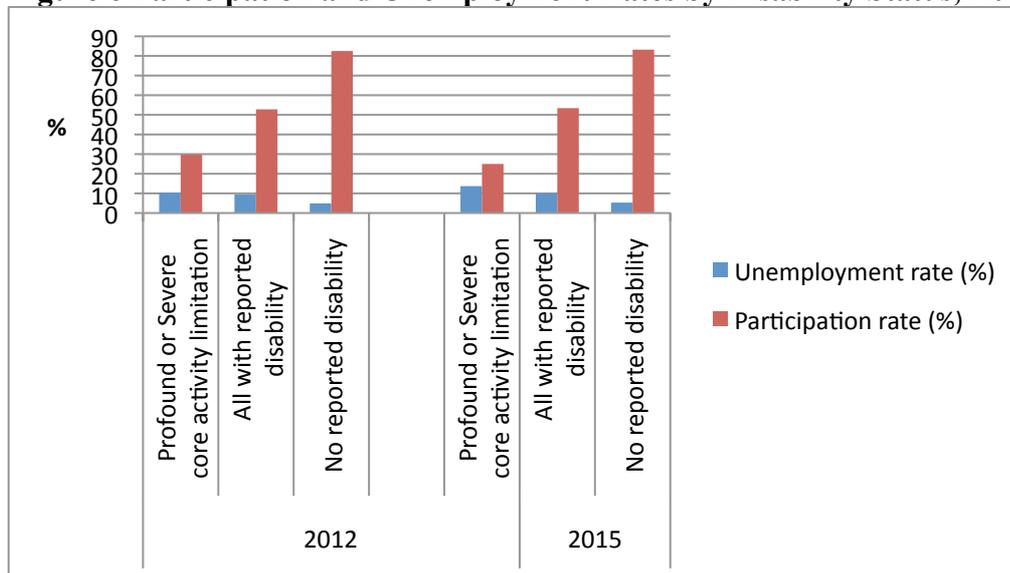
Source: ABS (2015)

### Labour Force Status

As already noted, the level of personal income is closely correlated with employment status with those in full-time employment on average having higher incomes than those who are not. As Figure 6, using data from both the 2012 and 2015, surveys shows, people with disabilities, particularly profound or severe disabilities were much less likely to participate in the labour force (that is being in employment or unemployed) than people with no recorded disability. The participation rate for all people with disabilities was two-thirds that of people without a disability while that of people with profound or severe disabilities was a third of that rate. Between 2012 and 2015 the participation rate of people with profound or severe disabilities fell from 30 per cent to 25 per cent.

Over the same period, the unemployment rate for this group rose from 10 to 14 per cent while the unemployment rate for the population without disabilities rose marginally from 4.9 per cent to 5.3 per cent.<sup>19</sup>

**Figure 6 Participation and Unemployment Rates by Disability Status, Australia 2015.**



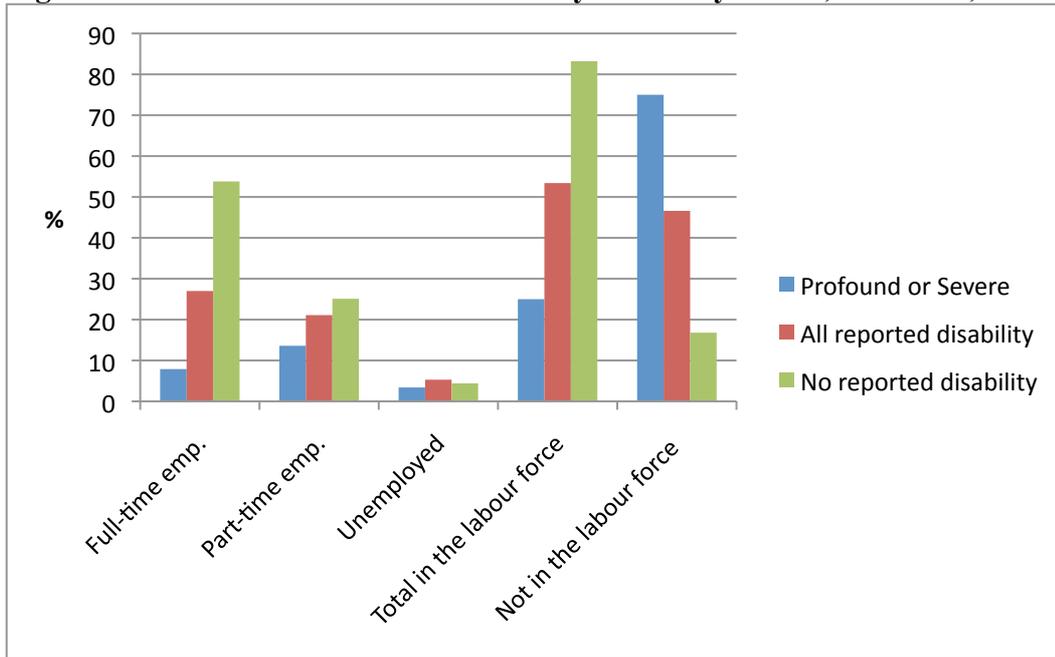
Source: ABS (2015)

Figure 7 provides more detail of the type of labour force participation for people with a disability compared to those without disabilities in 2015. Individuals with no reported disability were much more likely to be in employment than individuals with disabilities, particularly severe or profound ones. Only 8 per cent of those individuals with profound or severe disabilities were in full-time employment compared with 27 per cent of all people reported with a disability and 53 per cent of those reported to have no disability. The share of individuals with profound or severe disabilities in full-time employment fell by a third from 14 per cent in 2012, compared with a decline of only 2 per cent for individuals without a reported disability. Part-time employment increased its share of labour force participation between 2012 and 2015. The differences in the share of part-time employment between all people with disabilities and those with no reported disability was fairly small but the rate among people with profound or severe disabilities was less than two-thirds of the rate for those with no reported disability. The share of the whole population of individuals with profound or severe disabilities who were unemployed remained constant at 3 per cent in the two survey years. In a comparative study across the OECD in the mid 2000s, the employment rate of people with disabilities in Australia fell below the OECD average and had declined between the mid 1990s and the mid 2000s (OECD 2009).

<sup>19</sup> The unemployment rate measures the proportion of people in the labour force who are currently actively looking for work.

The labour force participation rate measures the proportion of people who are either employed or unemployed to the total population of working age, 15-64 years.

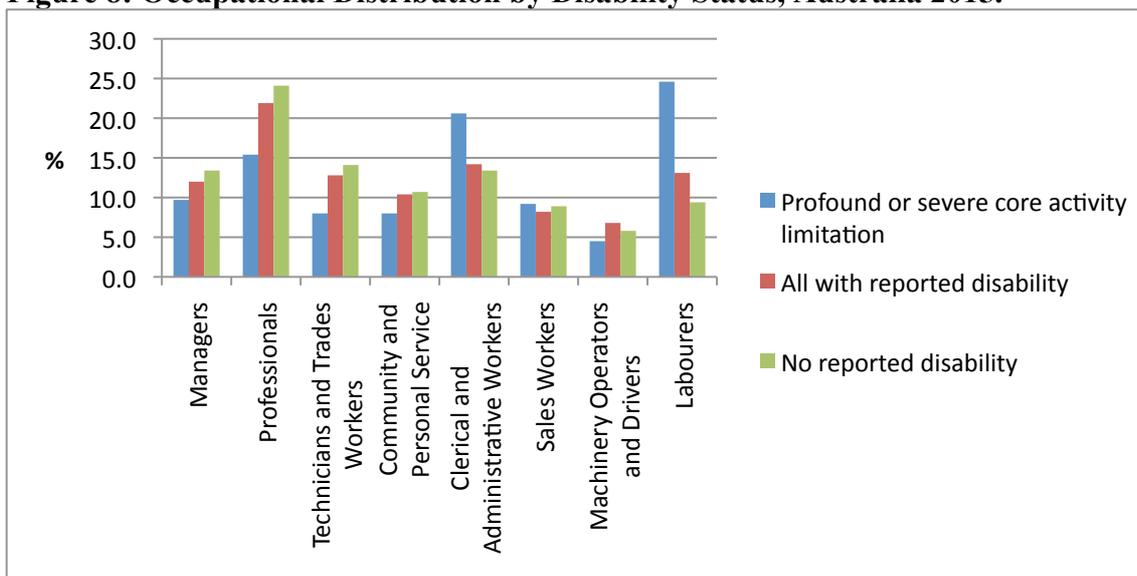
**Figure 7: Detailed Labour Force Status by Disability Status, Australia, 2015.**



Source: ABS (2015)

Among those in employment, the occupational distribution was very similar for all those with a reported disability and those with no reported disability. The largest category with over a fifth of employment was ‘Professional’ (see Figure 8). However, the occupational distribution of individuals with profound or severe disabilities was different with a greater concentration in the occupations with lower levels of skills, particularly the two categories Labourers and Clerical and Administrative workers. As Table 2 shows, employment of individuals with profound or severe disabilities was particularly concentrated in the Agriculture and related industries, Administrative and Support, and Health Care and Social Assistance industries. In 2015, private sector employment accounted for more than 80 per cent of employment for each of the groups identified here with the remainder working for the government.

**Figure 8: Occupational Distribution by Disability Status, Australia 2015.**



Source: ABS (2015)

**Table 2: Distribution of Employment by Industry, 2015.**

Industry of main job	Profound or severe core activity limitation	All with reported disability	No reported disability
Agriculture etc	6.9	3.4	1.9
Mining	0.0	1.3	1.9
Manufacturing	6.0	7.0	7.9
Electricity, gas, water	1.3	1.4	1.3
Construction	6.6	7.9	8.7
Wholesale trade	1.5	3.3	3.1
Retail trade	12.3	10.2	10.3
Accomm and food services	7.6	5.7	7.3
Transport, postal and warehousing	4.1	5.2	4.8
Info media and telecom	2.8	1.4	1.8
Financial and insurance	1.5	3.1	3.7
Rental, hiring, real estate	0.0	1.0	1.7
Prof, scientific and technical	6.0	7.1	8.6
Administrative and support services	6.8	4.1	3.2
Public administration and safety	8.7	8.4	6.7
Education and training	7.0	8.4	8.2
Health care and social assistance	20.0	14.4	12.7
Arts and recreation	0.8	1.8	2.2
Other services	2.9	4.0	3.9
Inadequately described	0.0	0.4	0.1
<i>All industries</i>	<i>100.0</i>	<i>100.0</i>	<i>100.0</i>

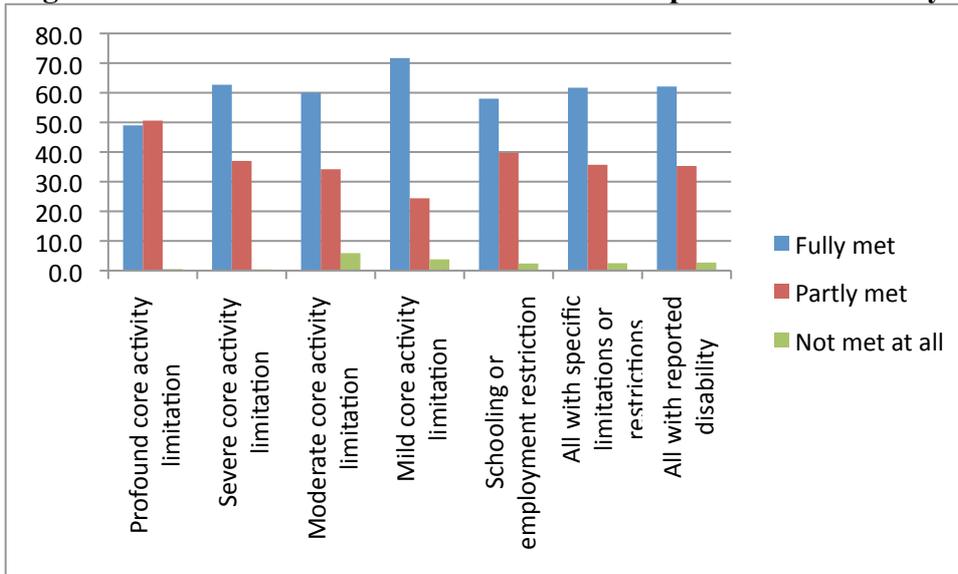
Source: ABS (2015)

In summary, people identified with a disability were less likely to be employed and in full-time employment than those without a reported disability. Not surprisingly, the unemployment rate for people with a disability in the labour force was higher than for those without a reported disability. There were particularly marked contrasts for people with profound or severe disabilities. In 2015, 75 per cent of this group were not in the labour force and of those who were employed, they were more likely to be working in less skilled occupations and were concentrated in particular industries.

### **The Extent to which Needs of People with a Disability Were Met**

One measure of the importance of advocacy for people living with disabilities is the extent to which their needs for support are met. Where there are significant unmet needs advocates can play an important role in supporting claims. Figure 9 presents the results of reported unmet needs for people with disabilities living in households (that is it excludes the people with disabilities in institutions such as care homes and hostels) for the four levels of restrictions on core activities identified in the ABS data and the two additional restrictions relating to employment and schooling, and other specific restrictions. Among all categories except those with profound disabilities, more than half the needs were met with 6 or less per cent of the needs not being met at all. While less than one per cent of respondents with a profound disability said their needs were not met at all, half were fully met and half only partially met.

**Figure 9: The Extent to Which the Needs of People with a Disability are Met, Australia, 2015.**

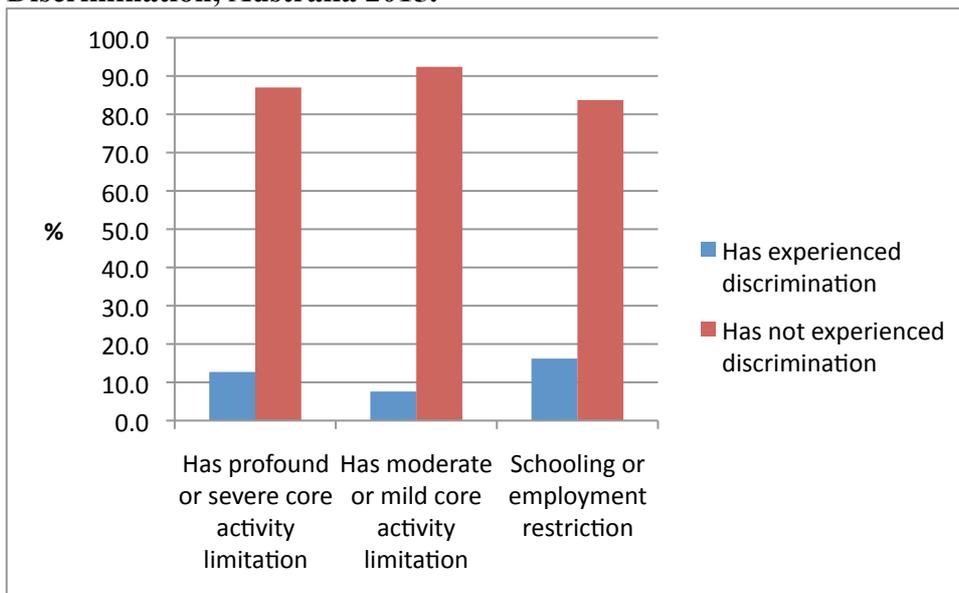


Source: ABS (2015).

### Experience of Discrimination

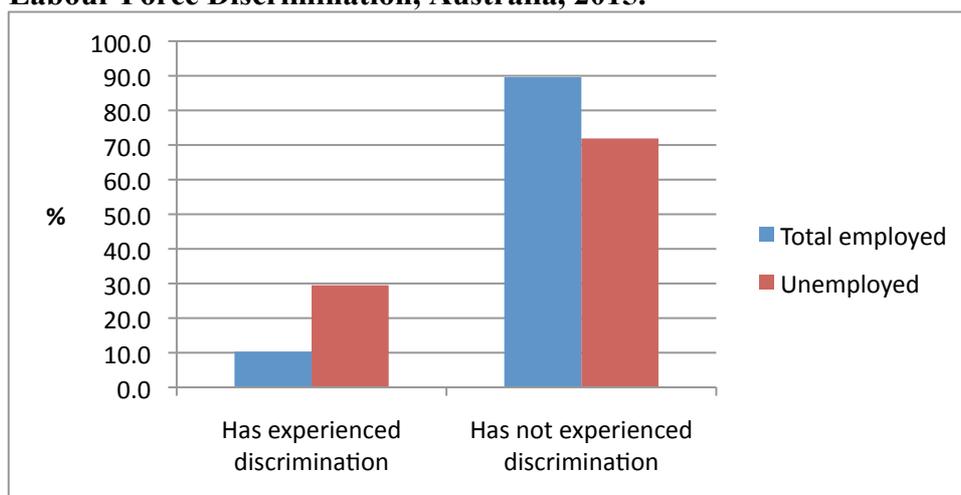
Another area where advocacy has an important role to play, given the legal context of anti-discrimination laws, is the extent to which people with disabilities experience discrimination. This is a difficult topic for respondents to comment on as discrimination may not be explicit and may be difficult to identify. The data reported in Figure 10 show that 13 per cent of people with a profound or severe disability and a smaller 8 per cent of people with a moderate or mild disability had experienced discrimination. The group reporting the highest level of discrimination, 16 per cent, were those who had employment or schooling restrictions. Figure 11 explores this result further and shows that among people with disabilities in the labour force, 10 per cent of those employed and 30 per cent of the unemployed had experienced discrimination.

**Figure 10: The Proportion of Those with a Disability who Report They Have Experienced Discrimination, Australia 2015.**



Source: ABS (2015)

**Figure 11: The Proportion of Those with a Disability who Report They Have Experienced Labour Force Discrimination, Australia, 2015.**

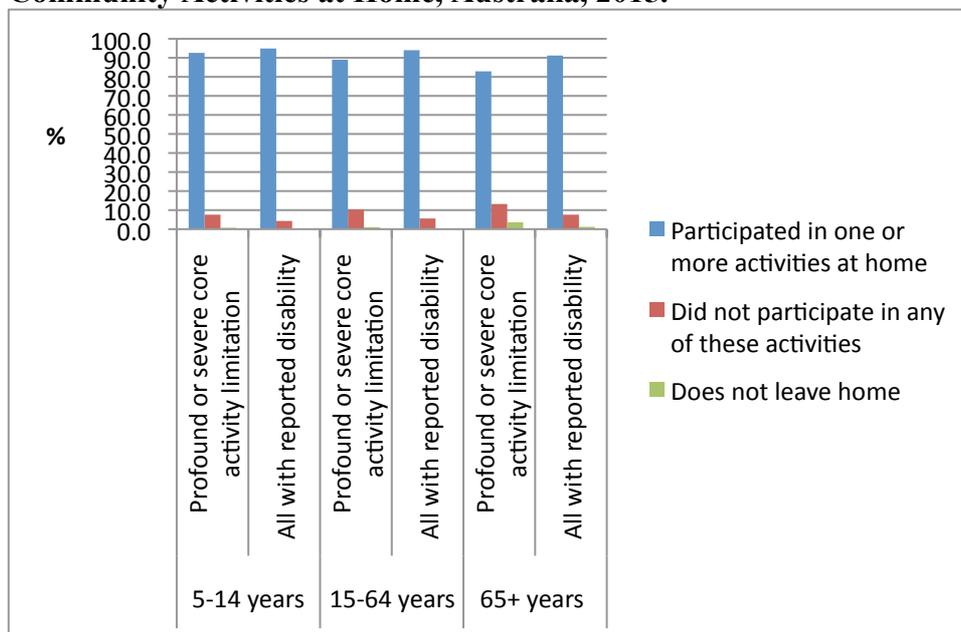


Source: ABS (2015).

### Social and Community Participation

Over 90 per cent of people in all age categories and levels of disability participated in some family or community activities such as visits from friends and family, craft work and hobbies and religious observance in the home. People aged over 65 years and with a profound or severe disability were the group least likely to participate in any activity or ever leave home (see Figure 12). The data in Figures 12 and 13 only relate to people living in private households, not to those in institutions.

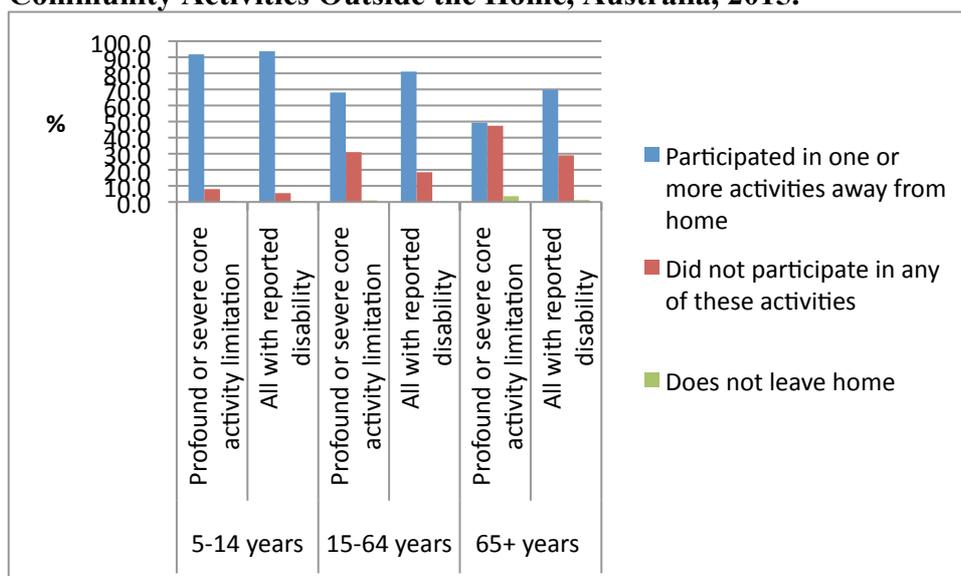
**Figure 12: Proportion of those with a Recognised Disability who Participate in Social and Community Activities at Home, Australia, 2015.**



Source: ABS (2015).

Apart from the 5-14 year old respondents, older people with disabilities were much less likely to participate in community and social activities outside the home than they were inside (see Figure 13). The list of possible activities included in the survey was wide ranging including visiting family and friends, holidays, participation in religious, craft and sporting groups. Among people aged over 65 years with a profound or severe disability, only half participated in activities outside the home.

**Figure 13: Proportion of those with a Recognised Disability who Participate in Social and Community Activities Outside the Home, Australia, 2015.**



Source: ABS (2015)

### Summary

This appendix presents a broad picture of the position of people with a disability in Australia. It shows that the proportion of the population recognised as living with a disability has remained fairly constant in recent years with older people being more likely to be counted as living with a disability than younger Australians. Australians with a disability are less likely to be in employment than those without a disability and to have on average lower incomes. People with a profound disability were particularly disadvantaged with low incomes and poor labour market outcomes. The SDAC shows that there is an important role for advocacy for people with disabilities to promote access to assistance and reduce discrimination, particularly in employment.

### References

- Australian Bureau of Statistics (2004) 'Disability, Australia, 2004', ABS Cat. No. 4446.0, ABS Canberra.
- Australian Bureau of Statistics (2009) 'Disability, Australia, 2009', ABS Cat. No. 4446.0, ABS Canberra.
- Australian Bureau of Statistics (2012) 'Disability, Ageing and Carers, Australia: Summary of Findings, 2012', ABS Cat. No. 4430.0, ABS Canberra.
- Australian Bureau of Statistics (2015) 'Disability, Ageing and Carers, Australia: Summary of Findings, 2015', ABS Cat. No. 4430.0, ABS Canberra.
- Organisation for Economic Co-operation and Development (OECD) (2009) 'Sickness, Disability and Work', OECD, Paris.

# Independent Cost Benefit Analysis of Australia’s Independent Disability Advocacy Agencies



*‘Every dollar used by Australia’s Independent Disability Advocacy Agencies delivers \$3.50 in benefits. This is an excellent result.’\**

There are just over 24 600 000 people in Australia. Around 4 million Australians, or about one in six, have a disability. All Australians have the right to enjoy the same freedoms, rights, choices and quality of life. Yet people with a disability face numerous and significant barriers to achieving this.

### What are some of the difficulties and disadvantages experienced by people with a disability?

- More than 70 per cent of women with disability have been the victim of violent sexual encounters
- 90 per cent of women with an intellectual disability have been subjected to sexual abuse.
- 53 per cent of people with disability of working age are in the labour force, compared with 83 per cent of people without disability.
- People with disability have nearly twice the unemployment rate of those without disability.
- 36 per cent of people with disability of working age have completed high school, compared with 60 per cent of people without disability.
- 35 per cent of people with disability report poor or fair health compared with 5 per cent of people without disability.
- The relative income of people with disability in Australia is approximately 70 per cent of those without disability, the lowest of all 27 countries in the OECD. As a result, people with disability are more likely to live in poverty.

### What do independent advocates do for people with a disability?

Independent advocacy enables people with a disability to enjoy the same rights as other Australians, to make choices about the decisions that affect their lives, to pursue goals that are important to them and to live independent lifestyles and participate fully in social and community life.

### Who needs an independent advocate?

According to the most recent publically available National Disability Advocacy Program (NDAP) Annual Performance Analysis Report (2013–14), people with intellectual disability were found to be the most frequent consumers of advocacy support (47 per cent), followed by those with physical disability (38 per cent), and psychiatric disability (38 per cent). And disability discrimination matters account for the highest volume of complaints to the Australian Human Rights Commission.

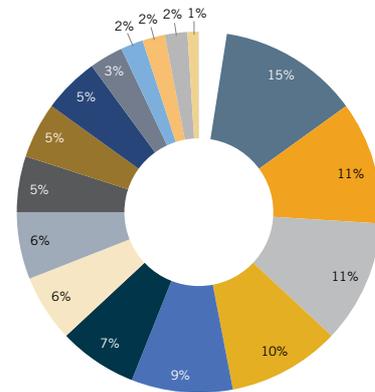
### What sort of things do independent advocates deal with?

Independent advocates support people with a disability in a range of ways. They help people with a disability to negotiate appropriate

and tailored service delivery in settings such as schools, hospitals, accommodation services, shops, transport and in their dealings with government departments. They support people who might be caught up in the criminal justice system or in other legal processes such as care and protection, guardianship matters or who are trying to claim their human rights.

Independent advocates also write submissions and lobby government to make changes that promote and protect the rights of people with disability. They campaign for social change by speaking to the media to raise awareness and highlight situations where people with disability are treated unfairly.

The following figure shows the range of matters advocates dealt with in 2013–2014.



#### Most Common to Least Common

- Legal
- Services
- Accommodation
- Finances
- Other\*
- Education
- Health/mental health
- Discrimination/rights
- Employment
- Recreation/social or family
- Vulnerable/isolated
- Abuse/neglect
- NDIS\*\*
- Transport
- Equipment/aids
- Physical access

\* Examples of ‘Other’ (9 per cent) issues included:

- independent living support;
- individualised funding;
- immigration; and
- family access and supports.

\*\* At the time of the report there were only a few NDIS trial sites operating.

Source: National Disability Advocacy Program (NDAP) Annual Performance Analysis Report 2013–14.

### Who funds Australia’s independent advocacy services?

Nearly 60 advocacy services throughout Australia are funded through the Commonwealth Government’s National Disability Advocacy Program (NDAP). Every state and territory government, except South Australia, also funds disability advocacy services.

**But isn't the National Disability Insurance Scheme (NDIS) going to fix all these problems for people with a disability?**

Of the 4 million Australians with some form of disability, only around 460 000 of them will be eligible for the NDIS. In other words, for every nine people with a disability, only one will be covered by the NDIS, eight will not.

Advocates provide support to people with a disability, wherever they might be experiencing a problem or a difficulty. The majority of matters that advocates deal with relate to matters outside the scope of the NDIS and while the NDIS is likely to become a greater focus as it is fully implemented, it is still likely to remain a small part of the total workload of advocates.

The Productivity Commission has also said that responsibility for advocacy should lie outside the NDIS. This is because of the potential conflict of interest that would arise were the NDIS to fund advocacy services whose role was to challenge the disability system overseen by the NDIS.

**So, what is a Cost Benefit Analysis and why do one of independent advocacy?**

Cost Benefit Analysis (CBA) works by placing monetary values on all the costs and benefits associated with a project, making it a useful tool to aid decisions about the allocation of resources. It does this by considering the impact of a project on the community as a whole, rather than just focusing on particular individuals or group. Where benefits are greater than costs then it makes good economic sense to invest in a project.

Government's resources are limited, so when it allocates them to a project those resources cannot be used for any other purpose. It is important to know if resources are being used on economically effective projects that benefit the whole community. Due to the uncertainty around funding for independent advocacy, Disability Advocacy Network Australia decided to commission an independent Cost Benefit Analysis to assess the range of economic costs and benefits associated with the work of independent advocates.

**What did the CBA find?**

Economists Professor Anne Daly and Greg Barrett took a rigorous approach to identifying and assigning values to the costs and benefits arising from the work of independent advocates. They found investing in independent advocacy leads to a range of benefits including improved educational and employment outcomes and that it frees up resources in the justice system, health and accommodation services and helps to relieve the load on carers and service providers.

**How robust are the CBA results?**

The CBA draws on a range of economic research and uses very conservative estimates of benefits. The economists also applied a sensitivity analysis to further address the risk that the benefits might have been overstated. This found that even assuming an unrealistically large 50% reduction in benefits there was still a significant positive return on investment and independent advocacy remains well worth supporting on economic grounds.

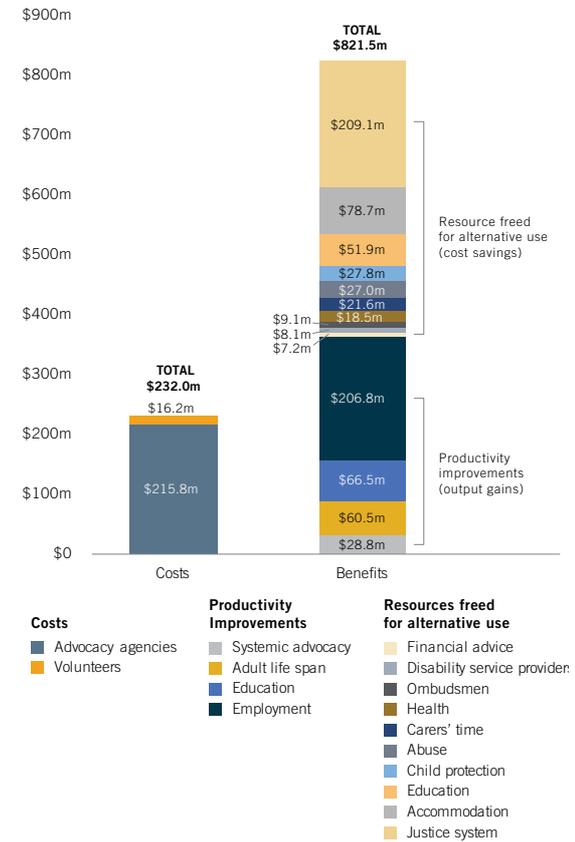
**What does the graph show and why are the figures estimated 10 years into the future and discounted by 2%?**

The following graph shows the costs and benefits associated with independent advocacy. They are shown as an estimate from 2017 to 2026, valued in 2017 dollars and discounted by 2%. Ten years is a good timeframe when considering costs and benefits because it gives sufficient time to analyse the future impacts of independent

advocacy. Because a dollar in the future usually buys less than a dollar today, the value of future costs and benefits are reduced by 2% per year.

**Costs and Benefits**

The following graph shows the economic costs and benefits of independent disability advocacy estimated from 2017 to 2026 and discounted by 2%.



**Does Independent Advocacy Represent Good Value for Australia?**

The CBA found that Independent Advocacy delivers substantial economic benefits exceeding its costs. The Net Present Value of Independent Advocacy is \$589,498,000.00 in 2017 dollars.

This means that an estimated benefit of \$3.50 is returned for each dollar of cost.

Comparatively these are very high ratio of benefits to costs and shows that Independent Advocacy represents a highly effective use of resources.<sup>1</sup>

<sup>1</sup> "In a recent OECD publication "A ratio below 1 is considered poor, a ratio between 1 and 1½ low, a ratio between 1½ and 2 medium and a ratio above 2 high" (Persson & Song 2010:33). For comparison the World Bank (2011:4) estimates benefit cost ratios for Indonesian urban sanitation projects at 1.1 to 2.4, the Productivity Commission (2013:27) estimates the benefit cost ratio of smart electrical meters at 2.7 and the South Australian Centre for Economic Studies (2010:95) estimates a benefit cost ratio of Opal fuel at 3.7.

