Submission Cover Sheet

Inquiry into the Fiscal Sustainability of the ACT

Submission number: 022

Submitter: Canberra Community Law

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Submission to the ACT Select Committee on the Fiscal Sustainability of the ACT —Canberra Community Law

Executive Summary

Canberra Community Law (CCL) welcomes the opportunity to make a submission to the Select Committee on the Fiscal Sustainability of the ACT. This submission focuses on fiscal sustainability drivers relevant to the Committee's terms of reference, including service delivery costs and wellbeing-based investment decisions.[1]

Unstable funding increases long-term costs for the ACT by driving inefficiency, increasing crisis demand and shifting costs to other ACT services and systems. Insecure funding is not just an administrative burden for service providers; it results in higher spending elsewhere in government. CCL's core services are delivered to cohorts experiencing high levels of disadvantage, and those services function as early-intervention supports that prevent escalation into higher-cost crises in housing, health and justice systems.[2]

CCL submits that:

- Five-year funding cycles (with appropriate indexation and provisions for real growth) improve service sustainability, workforce retention and administrative efficiency, and reduce avoidable costs to government.
- Sustainable investment in preventative legal assistance supports ACT wellbeing objectives (including governance and institutions, housing and home, health and living standards) and reduces longer-term expenditure pressure across multiple directorates.

Recommendations

CCL recommends that the Committee support:

1. Adoption of a stable, recurrent, minimum five-year funding cycle for core community legal services (including CCL's core services), with indexation and an agreed mechanism for considering real growth to meet unmet demand.[3]

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1 Australian Capital Territory, Legislative Assembly, Resolution of the Assembly (4 December 2025) (Select Committee on the Fiscal Sustainability of the ACT).

2 ACT Wellbeing Framework (ACT Government, 2020) pp. 1–2. See particularly Foreword and framing of wellbeing beyond economic measures.

3 Independent Review of the National Legal Assistance Partnership, Final Report (2024) pp. 198ff.

2. Reduction in the reliance on short-term, program-by-program funding arrangements for core services, where those arrangements create avoidable administrative burden and undermine workforce stability.[4]
3. Recognition of preventative community legal services as part of the ACT's fiscal sustainability settings, because they reduce escalation and downstream costs in housing stability, income security, health and tribunal systems.[5]
4. Strengthening of outcomes reporting in a way that captures client impact and complexity, consistent with sector commitments to evidence-based outcomes (including qualitative methods where appropriate).[6]

1. Canberra Community Law and the Inquiry

1.1 CCL's role and client cohort

Canberra Community Law (CCL) is an independent community legal centre and the ACT's only free legal service specialising in public housing, Centrelink, disability discrimination, and homelessness law. For over 40 years, CCL has delivered trauma-informed, culturally responsive, and disability-inclusive services to address systemic barriers to justice for the most disadvantaged members of the ACT community.

CCL provides a range of specialist programs that address critical areas of unmet legal need and support some of the most disadvantaged individuals in the ACT. In the most recent reported year (2024–2025), CCL recorded that 97% of clients experienced financial disadvantage, 69% reported disability, 57% were homeless or at risk of homelessness, and First Nations clients comprised 21% of the client base.[7]

1.2 Relevance to the Committee's terms of reference

The ACT Assembly resolution establishing the Select Committee directs it to evaluate the ACT's fiscal position and sustainability, assess the effectiveness and fairness of own-source revenue, review the costs of delivering services, assess the capital works pipeline, and assess the effectiveness of the wellbeing framework.[8] CCL submits that

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4 ACT Legal Assistance Sector Action Plan 2023–2025 (ACT Government, 2023) Initiative E (streamlining reporting and funding requirements); ACT Legal Assistance Sector Strategy 2023–2025 (ACT Government, 2023) p. 14 (funding concerns).

5 ACT Wellbeing Framework (ACT Government, 2020), especially p. 18 (housing and home domain indicators and homelessness/rental stress).

6 ACT Legal Assistance Sector Action Plan 2023–2025 (ACT Government, 2023) Initiative F (evidence-based outcomes; qualitative methods).

7 Canberra Community Law, Budget Submission 2026-2027 (2025), p. 4. A copy of this CCL submission is attached.

8 Australian Capital Territory, Legislative Assembly, Resolution of the Assembly (4 December 2025) (terms of reference (a)–(h)).

funding stability for preventative legal assistance is relevant to each of these terms of reference as it concerns service efficiency, cost-avoidance, and wellbeing outcomes.[9]

2. Five-year funding cycles as a fiscal sustainability measure

2.1 Funding instability creates operational inefficiency

CCL's funding environment is a diverse mix of ACT Government, Commonwealth and non-government funding sources operating on differing timelines, creating significant uncertainty and variability. CCL's Budget Submission 2026-2027 identifies for its core functions diverse funding arrangements that are due to cease at 30 June 2026 without an ongoing commitment, and notes the administrative and planning complexity that results from mismatched funding periods across programs.[10]

At the sector level, the ACT Legal Assistance Sector Strategy describes the legal assistance sector as a "system under pressure" that is resource constrained and faces "challenges of short-term funding cycles".[11] The Strategy also records sector concern that current funding cycles and reporting requirements "drain organisational resourcing away from front-line services", and that competitive, short-term administration can discourage collaboration and innovation.[12]

A minimum five-year cycle for core services reduces avoidable transaction costs (re-application cycles, renegotiation, contract management churn) and supports more efficient service planning and delivery. This is a fiscal sustainability measure that reduces administrative waste and allows resources to be directed to front-line delivery.

2.2 Workforce stability, recruitment and retention

Short-term funding cycles constrain workforce retention, limit service continuity and undermine long-term planning in the context of increasing and more complex demand.[13] Funding certainty is essential to workforce stability, talent retention and continuity of service delivery, as reflected in the objectives identified in ACT sector strategies.

It is CCL's experience that short-term funding fluctuations directly impact staffing and, consequently, service delivery, with turnover eroding experience, training and morale, and vacancies resulting in legal need going unmet.

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9 ACT Wellbeing Framework (ACT Government, 2020) p. 31 (Embedding wellbeing in budget decision making).

10 For further information, see attached Canberra Community Law, Budget Submission 2026-2027.

10 *Ibid* 'CCL funding needs 2026–2027' p. 2 (Table 1).

11 ACT Legal Assistance Sector Strategy 2023–2025 (ACT Government, 2023) p. 6.

12 *Ibid* p. 14; ACT Legal Assistance Sector Action Plan 2023–2025 (ACT Government, 2023) (Initiative E, Simplify and streamline government reporting and funding requirements).

13 ACT Legal Assistance Sector Strategy 2023–2025 (ACT Government, 2023) pp. 6, 11–12.

The ACT Legal Assistance Sector Action Plan includes a dedicated initiative on “sector wellbeing and talent retention”, recognising the need for workforce development, retention and wellbeing as foundations for sustainability.[14] The Strategy identifies strengthening sector capability (including workforce development) and supporting sector sustainability as explicit strategic directions.[15]

The Independent Review of the National Legal Assistance Partnership (NLAP Review) similarly identifies employment insecurity in non-government legal assistance services due to short-term and fragmented funding. The Review observes that contracts in community legal services are often limited to one or two years, with lower pay and reduced access to employment entitlements, and that these conditions compare poorly with ongoing employment available in Legal Aid Commissions and other government legal services. The Review reports consistent evidence that employment insecurity contributes to higher staff turnover and loss of experienced practitioners, particularly in specialist services, with flow-on effects for service continuity, institutional knowledge and efficiency.[16]

In its consideration of funding architecture under the proposed Australian Access to Justice Partnership (A2JP), the NLAP Review identifies misalignment between the five-year term of the partnership and shorter downstream funding arrangements as a key structural weakness in the current system. Recommendation 30 emphasises the importance of aligning funding architecture with the partnership term, and Box 10.1 further explains that fragmented and short-term funding undermines the intended benefits of a longer partnership period, including workforce stability and effective planning. The Review’s analysis makes clear that, where legal assistance providers remain subject to shorter-term, program-specific or ad hoc funding cycles, the benefits of a five-year partnership are substantially weakened.[17]

This analysis supports a system-wide approach to funding alignment, in which legal assistance funding is delivered in a manner that is coherent with the five-year partnership term, rather than through shorter and inconsistent cycles. That approach would better support workforce stability, reduce administrative inefficiency, and strengthen the contribution of community legal services to the ACT’s broader fiscal sustainability objectives.

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14 ACT Legal Assistance Sector Action Plan 2023–2025 (ACT Government, 2023) Initiative B (‘Sector wellbeing and talent retention’).

15 ACT Legal Assistance Sector Strategy 2023–2025 (ACT Government, 2023) pp. 19–20 (strategic directions).

16 Independent Review of the National Legal Assistance Partnership, Final Report (2024) pp. 147-149.

17 Ibid, p. xix (Recommendation 30); p. 198 (Box 10.1).

3. Preventative legal assistance reduces downstream costs

3.1 Early legal assistance as cost avoidance

Preventative legal assistance plays a critical role in reducing escalation of legal and social problems into higher-cost government systems. Legal issues rarely occur in isolation for people experiencing disadvantage. Problems relating to housing, income support, discrimination, family violence, disability, and mental ill-health are often interconnected, and unresolved legal issues frequently trigger or exacerbate crises that impose significant costs on housing, health, welfare, and justice systems.

National policy and inquiry findings recognise that early legal intervention can prevent escalation. The Productivity Commission has observed that failing to provide timely legal assistance can be a "false economy", because unresolved problems are displaced rather than resolved, with costs shifting to other parts of government expenditure, including homelessness services, health care, child protection, and courts and tribunals.[18]

CCL's service model prioritises discrete, targeted interventions in response to capacity constraints. Unresolved issues (including housing instability, income disruption, and discrimination) can compound into higher-cost crises. Early intervention through advice, outreach and education helps prevent escalation. [19]

3.2 CCL experience of avoided escalation

CCL's experience aligns with this analysis. CCL's core services operate at points of acute risk, where early legal intervention can stabilise housing, income and personal safety before matters escalate into crisis. In practice, this work includes assisting tenants to avoid eviction, restoring or maintaining income support, resolving discrimination matters that affect employment or access to services, and supporting people with disability or mental ill-health to navigate complex administrative systems.

Early legal intervention through these services commonly prevents a cascade of downstream impacts, including entry into homelessness, prolonged reliance on emergency accommodation, deterioration in mental and physical health, repeat tribunal proceedings, and increased demand on crisis and community services. These avoided impacts represent real costs that would otherwise be borne by government, even where they fall outside justice portfolios.

CCL's Budget Submission 2026-2027 includes case studies illustrating how timely legal assistance avoids escalation:

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[18] Productivity Commission, Access to Justice Arrangements (Inquiry Report No 72, 2014) vol 1, pp. 30–31.

[19] Canberra Community Law, Budget Submission 2026-2027 pp.10-11.

- **Jane**[20] (social security debt): CCL representation in an Administrative Appeals Tribunal (AAT) appeal led to waiver of more than 90% of a childcare subsidy debt, reducing ongoing financial stress while the client experienced homelessness and mental ill-health.
- **Florence**[20] (housing and family violence): CCL assistance enabled resolution of a housing-related barrier (historic debt), allowing placement on the Priority Housing List following imminent eviction risk and family violence.
- **Wendy**[20] (social housing eviction / hoarding): CCL assisted the client to avoid eviction at the ACT Civil and Administrative Tribunal (ACAT) through advocacy, submissions and coordination with supports, with the eviction application withdrawn.
- **Ella**[20] (ACAT arrears / DFV): CCL assistance secured rent rebate reassessment and a payment order enabling the client to remain housed, avoiding eviction into homelessness.
- **Tracey**[20] (First Nations housing transfer / arrears): CCL advocacy resulted in waiver of arrears accrued through dual charging and improved transfer pathway, with the issue noted as being considered systemically.

These case studies illustrate the same cost-avoidance pathways identified in economic modelling: preventing eviction avoids re-housing and homelessness service costs; restoring income support avoids downstream health and crisis impacts; and early representation reduces tribunal time and repeat proceedings.

3.3 Indicative economic evidence supporting prevention

Economic analysis undertaken for the community legal sector supports these observations. A landmark study commissioned by the National Association of Community Legal Centres and the Combined Community Legal Centres Group (NSW), undertaken by the Institute for Sustainable Futures at the University of Technology Sydney, examined the economic value of community legal centres using case-study analysis. The study identified significant “avoided costs” arising from early legal intervention, including reduced use of courts and tribunals, reduced reliance on welfare and crisis services, and improved capacity for individuals to stabilise housing and income. The authors concluded that, in some contexts, the value of avoided public costs substantially exceeded the cost of providing community legal services.[21]

The authors were explicit that their findings were indicative rather than definitive, noting the methodological difficulty of quantifying indirect and long-term benefits of early legal

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20 This name has been changed to protect privacy.

21 Nicholas Edgerton and Emma Partridge, The Economic Value of Community Legal Centres (Institute for Sustainable Futures, University of Technology Sydney, 2006) pp. 1–3, 7–9.

assistance.[22] However, the core conclusion has been reinforced by national inquiries and policy frameworks: early, community-based legal assistance can prevent escalation and shift demand away from more expensive systems. The Productivity Commission characterised failures to fund early legal assistance as a potential “false economy”, and legal assistance policy frameworks emphasise prevention, early intervention and cost-avoidance as central to a sustainable justice system.[23]

3.4 Implications for fiscal sustainability in the ACT

Taken together, this evidence supports a clear implication for fiscal sustainability in the ACT. Preventative community legal services do not simply address individual legal problems; they operate as part of broader risk-management and cost-containment settings by reducing escalation into higher-cost crisis responses. Where funding instability constrains the capacity of preventative legal services, costs are not eliminated but deferred and displaced into more expensive parts of government.

CCL submits that stable investment in preventative legal assistance is a fiscally responsible strategy to help control long-term expenditure pressures across housing, health, welfare and justice systems.

4. ACT Wellbeing Framework and fiscal sustainability

The ACT Wellbeing Framework explicitly states that wellbeing is broader than economic measures and that government should consider the range of factors affecting quality of life.[24] It includes domains directly linked to CCL’s client issues, including governance and institutions, housing and home, health, living standards and safety.[25] The Framework commits the ACT Government to embedding wellbeing considerations into budget decision-making.[26]

CCL’s Budget Submission 2026-2027 directly links CCL outcomes to wellbeing domains, including access to justice and human rights, housing and home, health, living standards, safety and social connections. Stable funding for preventative legal services is consistent with the Government’s wellbeing budgeting approach as these services support the wellbeing domains the framework seeks to measure and improve.

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22 *Ibid* pp. 2–3, 19–20.

23 Productivity Commission, Access to Justice Arrangements (Inquiry Report No 72, 2014) vol 1, pp. 31–35; Independent Review of the National Legal Assistance Partnership, Final Report (2024).

24 ACT Wellbeing Framework (ACT Government, 2020) pp. i–ii (Chief Minister’s Foreword).

25 *Ibid* p. 13.

26 *Ibid* p. 37.

5. Why stability matters to fiscal sustainability

CCL's 2026-2027 budget submission sets out specific ACT funding lines requiring renewed commitment from 1 July 2026, including:

- Baseline Funding supporting three solicitors in housing and social security ($415,306.17 indexed)
- Dhurrawang Aboriginal Human Rights Program additional funding ($139,058.46 indexed)
- Mental Health Justice Clinic paralegal ($58,851.61 indexed) including an identified top-up
- ACAT Duty Lawyer Service senior paralegal ($116,769.89 indexed) including an identified top-up
- Socio-Legal Practice Clinic total funding ($140,788.14 indexed), including additional funding to offset anticipated philanthropic funding decline.[27]

CCL's submission also documents a multi-source funding environment with variable philanthropic and sector contributions, and identifies uncertainty created by differing timelines and insecure funding lines.[28] A five-year core funding cycle supports fiscally sustainable service delivery by allowing stable staffing and planned service models, reducing the likelihood that legal need will escalate into more expensive crises that the ACT must fund elsewhere.

6. Conclusion

Stable, recurrent five-year funding cycles for core community legal services are consistent with ACT policy settings on sector sustainability and wellbeing budgeting, and are justified on fiscal sustainability grounds. Funding stability supports workforce retention and efficient service delivery, and strengthens preventative legal services that reduce escalation and downstream government costs.

CCL welcomes the opportunity to provide additional information or appear at a public hearing if requested by the Committee.

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27 Canberra Community Law, Budget Submission 2026-2027 p. 3 (Table 2).
28 *Ibid* 'CCL funding needs 2026–2027' p. 2 (Table 1).