### **Evaluating Conflict Resolution** in Central Australia

A Cost Benefit Analysis of the Yuendumu Mediation and Justice Committee

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## Outline

- Background
   Rhiân Williams
- Technique
  - Greg Barrett
- Conclusion
  - Anne Daly
- Discussion

– you



• Location

# Background

- 350 km NW of Alice Springs on the Tanami Track
- History
  - 1946 ration depot
  - Central Desert Regional Council
- Community
  - Around 800 residents
  - Warlpiri
    - Yalpari (east), Waneiga (north), Walmalla (west) & Ngalia (south)
- Mediation
  - 2006-2012 community violence
  - Indigenous-led agreement making approach
    - 2010: Yuendumu Mediation and Justice Committee
  - Commissioning the evaluation



## CBA track record

- Third Sydney runway
  - Teaching CBA at University of Canberra
- Public Housing in Australia
  - Productivity Commission inquiry
    - for National Shelter
- Kadavu Rural Health Project in Fiji
  - AusAID
- Right People for Country Project
  - Office of Aboriginal Affairs Victoria
- Yuendumu Mediation and Justice Committee
  - Central Desert Regional Council
- Accident Compensation Conciliation Service
  - Victorian statutory agency
- Mornington Island Restorative Justice Project
  - Junkuri Laka Wellesley Islands Aboriginal Law, Justice and Governance Association
- Galambany Court
  - Justice and Community Safety Directorate, ACT Government



## Relevance of CBA

- Framework for comparing projects
  - Answers questions about value
- Widely used
  - Not just bridges
- Broad scope of analysis
  - Includes non-monetary benefits & costs
- Politically persuasive

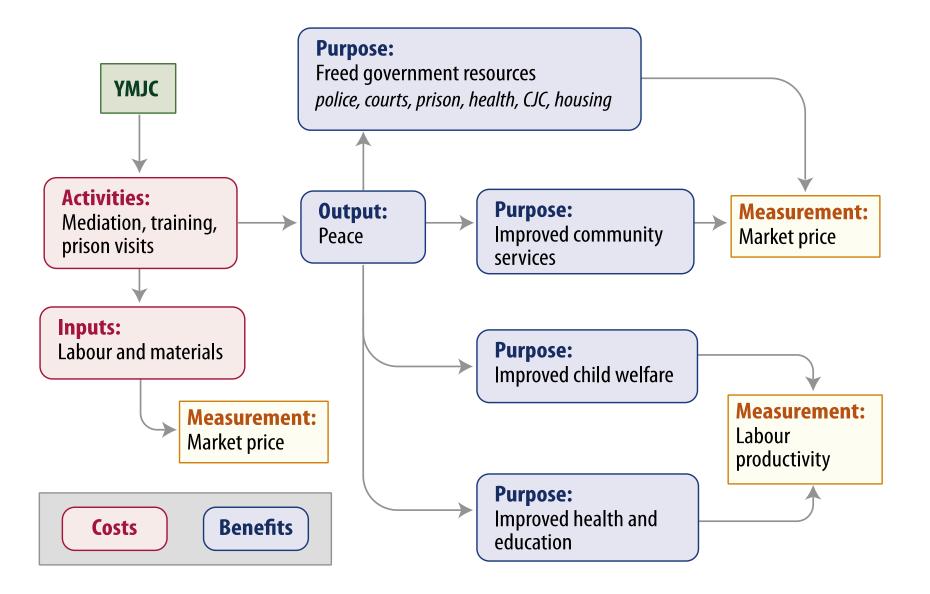
# So Why do a CBA of YM&JP?

- A CBA offers a comparison point
  - State of society
    - Society with YM&JP vs Society without YM&JP
- Measurement
  - What is YM&JP impact on society?
- Aggregation economic value
  - Money is not value: money measures value
    - Economic vs financial value

# Technique: Project Impacts

- Identification
  - Literature, Stakeholders, Logframe
- Valuation
  - Markets, direct & indirect, expressed & actual
- Time
  - Discounting: 2% over ten years
- Comparison
  - Decision criteria: NPV, B/C, IRR
- Uncertainty
  - Sensitivity analysis
- Distribution
  - Incidence table

### YM&JC Impact Chart



### YM&JP Impacts

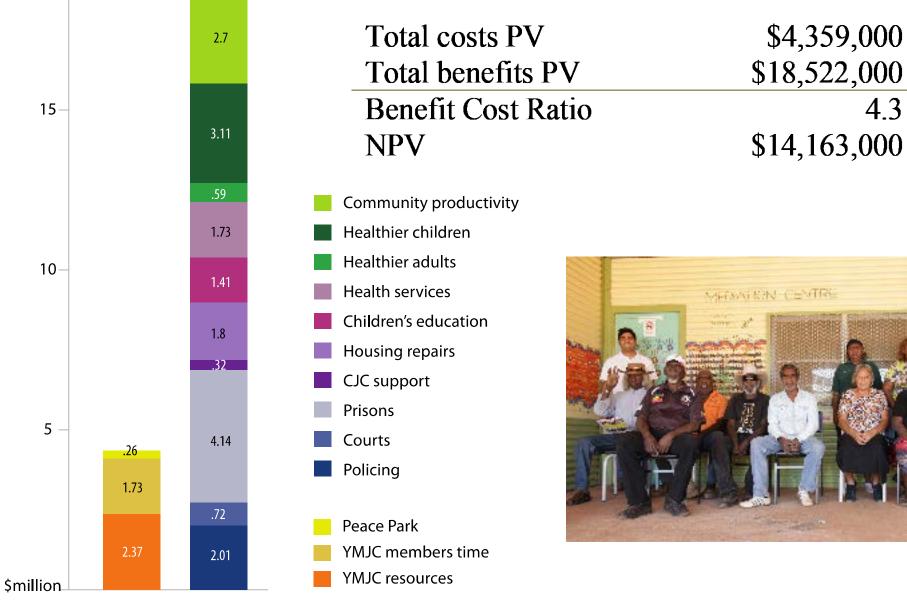
Participant	Cost	Benefit
YM&JC	member's time	nil
PM&C	grant money	fulfilling govt. policy, indirectly reducing welfare spending
CDRC	administration	more effective program delivery
NT Corrections	nil	cost savings
NT Dept. of Housing	nil	cost savings
NT CP&FS	nil	cost savings
NT CJC	training, mentoring	cost savings
NT Police	nil	cost savings
NT Courts	nil	cost savings
Yuendumu School	nil	better attendance & retention
NT Dept. of Health	nil	cost savings
Central Land Council	nil	access to clients
Community services	nil	cost savings, access to clients
Yuendumu residents	nil	better health & welfare increasing productivity

# Technique: Project Impacts

- Identification
  - Literature, Stakeholders, Logframe
- Valuation
  - Economic values have a limited ethical basis
  - Market prices, labour productivity (wages)
- Time
  - Discounting: 2% over ten years
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### YM&JP Costs & Benefits

2014 dollars discounted at 2% over ten years



Costs Benefits

20-

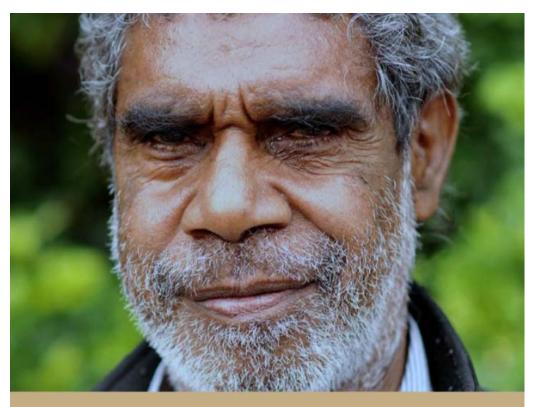
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## Conclusions

- YM&JP adds to Australia's total welfare
  Government support is justified
- Community mediation works
  - YM&JP won a Certificate of Merit
    - 2014 Australian Crime & Violence Prevention Awards
  - New community stored opened in June 2016
    - More fresh fruit & vegetables
- CBA supports expansion to other communities
  - Amata in South Australia's APY Lands
    - Adopting Yuendumu mediation approach
- Economic & social justice objectives align

## Thank you



Robert Robertson, Team Leader Yuendumu Mediation and Justice Program

### CBA is available at

http://www.centraldesert.nt.gov.au/yuendumu-justice-andmediation-committee-independent-cost-benefit-analysis

### Benefit Cost Table

	2014 doll		_	-	_	_	_	_	-			
	2014 -	2015 -	2016	2017 -	2018 -	2019 -	2020 *	2021 <sup>*</sup>	2022 <sup>⁼</sup>	2023	Total	Total @ 2%
Costs												
Peace Park	229	4	4	4	4	4	4	4	4	4	265	259
YMJC members time	192	192	192	<b>19</b> 2	1 <b>9</b> 2	1 <b>9</b> 2	192	192	192	<b>19</b> 2	1,920	1,726
YMJC: labour, vehicles,	264	264	264	264	264	264	264	264	264	264	2,640	2,374
Total Costs	685	460	460	460	460	460	460	460	460	460	4,825	4,359
discounted @ 2%	678	442	433	425	417	408	401	392	385	377	4,359	4,359
Benefits											F	, <b>-</b>
reduced policing	224	224	224	224	224	224	224	224	224	224	2,236	2,011
reduced CJC support	35	35	35	35	35	35	35	35	35	35	350	315
reduced housing repair	200	200	200	200	200	200	200	200	200	200	2,000	1,798
reduced court costs	80	80	80	80	80	80	80	80	80	80	800	719
reduced prison costs	460	460	460	460	460	460	460	460	460	460	4,600	4,136
reduced health costs	192	192	192	192	192	192	192	192	192	192	1,920	1,726
improved child welfare	3,145	Ŧ	-	-	-	-	-	-	-	- 7	3,145	3,114
improved education	157	157	157	157	157	157	157	157	157	157	1,570	1,412
improved health	66	66	66	66	66	66	66	66	66	66	660	593
improved productivity	300	300	300	300	300	300	300	300	300	300 -	3,000	
Total Benefits	4,859	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	1,714	- 20,281	- 18,522
discounted @ 2%	4,810	1,647	1,614	1,583	1,553	1,522	1,493	1,462	1,434	1,405	18,522	18,522
Benefits-Costs										Ŧ	-	-
undiscounted	4,174	1,254 -	1,254	1,254	1,254 -	1,254 -	1,254 -	1,254 -	1,254 -	1,254	15,456	14,163
discounted @ 2%	4,132	1,205	1,181	1,158	1,136	1,113	1,092	1,069	1,049	1,028	14,163	13,033
Discount factor @ 2%	0.990	0.961	0.942	0.924	0.906	0.888	0.871	0.853	0.837	0.820		
NPV @ 2% IRR	14,163 na											
B/C ratio	4.249											