About FRSA and our Members

Family & Relationship Services Australia (FRSA) provides national leadership and representation for services that work to strengthen the wellbeing, safety and resilience of families, children and communities. To achieve this, FRSA draws on the expertise of service providers to understand the changing needs of families accessing services and to inform public policy. FRSA received Federal Government funding to provide industry representation and support.

FRSA members provide a diverse range of family and relationship services aimed at supporting and strengthening disadvantaged communities. These services include:

- Accommodation & Housing Services
- Children’s Services
- Children’s Contact Services & Parenting Orders Program
- Community Services & Playgroups
- Communities for Children
- Disability & Mental Health Services
- Family Relationship Counselling
- Family Support Services
- Family Violence Services
- Mediation, Family Dispute Resolution & Family Therapy
- Men & Family Services
- Youth Services

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FRSA acknowledges Aboriginal people as the traditional custodians of this land. FRSA’s vision for reconciliation is that we recognise, respect and value Aboriginal and Torres Strait Islander people and communities in all our efforts to enhance the wellbeing, safety and resilience of Australian children, families, and communities. To help achieve this we have developed a Reconciliation Action Plan (RAP), which is available on our website.

— “Supporting families contributes to both a socially just, inclusive society, and a productive economy.”
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Foreword

Social policy has an unequivocally positive role to play in the twenty-first century. Economists often ignore the fact that we are working to develop and improve our society, not just our economy. Just as a healthy society needs a firm economic base, a strong economy requires strong social foundations. According to a growing body of international evidence, investing in high quality social services has these dual indisputable benefits of a healthy society and a productive economy.

My years of experience working in business, in academia, and in politics as leader of the Liberal Party of Australia, confirm my belief in the vital role of family support services in promoting social and economic benefits for society. As this report convincingly argues, the things which promote the wellbeing of families and children also benefit Australia’s productivity. Meeting the needs of children and families through the provision of these services, particularly for those who are most vulnerable, is therefore our economic as well as ethical responsibility.

Australia has some catching up to do in conceptualising social policy as investment. I therefore wish to congratulate FRSA, as the peak body for family and relationship services, on the production of this report. It is encouraging to see a demonstration of leadership in seeking to ‘turn the curve’.

I commend this report to those in all areas of politics, policy making, business and service delivery as we seek better ways to allocate our collective resources in order to achieve a cycle where everyone benefits: the wellbeing of children and families improves, which in turn supports economic growth that lifts the standards of living and provides opportunity for all Australians.

Dr John Hewson
Executive Summary

Why this report?

Family and relationship support services in Australia help people to manage life changes and challenges so that families can have strong relationships, parents can look after their children, and adults can be productive and contributing members of the community. When we strengthen families and relationships, everyone benefits. Supporting families contributes to both a socially just, inclusive society, and a productive economy.

From welfare to social investment

The family support sector welcomes the opportunity to show the value of the services it provides. In particular, the sector supports the principle of a worldwide movement from a ‘welfare state’ conceptualisation of social services as a form of protection or source of dependency, towards a ‘social investment state’, which recognises the interdependence of social inclusion and economic growth. Indeed the Business Council of Australia acknowledges that the nation’s growth will require policies that lift the living standards of all Australians. During times of fiscal constraint, it is even more critical to understand the value gained from investing in social services, so that optimum prioritisation of spending can occur. If we do not make investments in family support services, we risk creating other costs for government and the taxpayer down the track.

![Figure 1: Value of investment in early interventions](image_url)
Current costs, possible gains

According to Access Economics, the value of benefits from intervening in childhood and early adolescence in Australia is estimated to be in the order of $5.4 billion per annum in 2010 dollars. This can be considered the current cost of negative family functioning, or the value of possible gains in terms of positive family functioning. Family support services are a crucial part of this system of intervention, contributing to a socially inclusive society and the future productivity of children and young people who meet their developmental milestones. For example, Australian research has found that negative parenting practices are the single strongest variable risk factor associated with mental health problems in early childhood. Thus early intervention initiatives that focus on parenting practices – which is a major component of family and relationship services – can prove a crucial and cost-effective way to manage the burden of mental health problems in children and adults.

An Australian example

In considering the costs versus benefits of family and relationship services, it is useful to consider the case of Australian Family Relationship Centres (FRCs). These centres were established as part of the 2006 reforms to the family law system, with the purpose of strengthening family relationships, helping families stay together, and assisting families through separation. FRCs achieved measurable success very quickly after their establishment. Between 2006 and 2009, evidence indicates that parenting applications in the Family Court dropped significantly, along with the substantial associated costs. Given that settlement of parental disputes through FRCs costs significantly less than settlement through family court processes, investing in FRCs promises overall net savings for Government. However, under economic constraints in 2012, the then Government imposed a $4 million cut in funding to FRCs, the very services reducing the cost burden on the courts. Clearly, understanding the social and economic benefits of family support services is even more important in a time of fiscal constraint.

Communicating the value

This report demonstrates the need to more clearly identify and communicate the value created by services which support and strengthen families and children in Australia. This value recognition is necessary if we are to successfully advocate for the allocation of limited resources to achieve the best outcomes for families and children.

Figure 2: Argument flow — (As demonstrated in the Productivity Commission’s report ‘Contribution of the Not-for-Profit Sector’ (2010))
Family Support: Everyone Benefits

Introduction
The risk factors associated with family breakdown are significant and well documented. Family breakdown and family violence contribute to the number of people in need of emergency accommodation, as well as increasing the risk of depression, suicide, drug/alcohol misuse and unemployment among adults. Children affected by parental separation also have an increased risk of disadvantage. Differences have been reported for social and emotional behaviour in childhood; educational and adult socioeconomic attainment; aggressive and antisocial behaviour and delinquency; substance abuse; mental health in adolescence and adulthood; and family and intimate relationships. In 1998 the House of Representatives Committee on Legal and Constitutional Affairs noted that the cost of marriage breakdown in the broader Australian community was $2.7 billion per annum and this was considered a ‘conservative estimate’ (FaCS & AGD, 2004: 40).

A core aspect of family and relationship services in Australia is addressing the modifiable risk factors mentioned above, and strengthening protective factors associated with family stability. Program and service evaluation research over the 45 year history of Federal Government investment in family and relationship services has consistently identified benefits to individuals, families and the broader community, particularly in relation to tangible improvements in relationships, cooperation between parents (both together and separated) and parental competency.1 These evaluation results suggest long term benefits to the community and there is a growing body of evidence seeking to quantify these benefits. This report will draw on this evidence base to show that family support services contribute significant value to Australian society, and that investing in family and relationship services makes social and economic sense.

Investing for social change
In their recent book Inclusive Growth in Australia: Social Policy as Economic Investment, editors Paul Smyth and John Buchanan seek to overturn assumptions that social policy is a wasteful source of dependency, or somehow ‘delinked’ from the economy. They argue that social welfare is a vital part of a strong economy, and in Australia, growth must be managed so that it is employment-centred, broad based across sectors and with a social security system that promotes sustainability and equal opportunity. Given that issues affecting communities, families and children are fundamental to the kind of societies in which we live, the delivery of family support services is clearly compatible with an economic growth strategy. Embedded in local communities, family support service providers have a unique capacity to intervene early in order to achieve positive social change, and avoid later negative outcomes and associated higher costs. The money saved can then be reinvested for greater returns.

1 For example, the Evaluation of the Family Relationship Services Program (FaCS, 2004); National Evaluation of the Stronger Families and Communities Strategy 2004-2009(FaHCSIA, 2009); and the Evaluation of the 2006 Family Law Reforms (AIFS, 2009).
Family Relationship Centres (FRCs) were established by the Coalition Government between 2006 and 2008 to help strengthen Australian families, provide referral and support services and to assist families who separate to sort out parenting arrangements in the best interests of children without going to court. This included access to three free hours of mediation, or Family Dispute Resolution (FDR).

Evidence from the Australian Institute of Family Studies (AIFS) evaluation of the 2006 law reforms and from court system reports has shown that FRCs have been effective in the first five years of operation, with overall parenting applications to the courts dropping by approximately 32%, and public use of mediation and counselling services increasing (Kaspiew, 2009: 304-5). Similarly, recent research from the Australian National University has found that among parents who separated in late 2009, only 15 per cent reported being in conflicted or fearful relationships with their former partners. In comparison, nearly a third of parents who split in late 2006 reported conflicted relationships. The study’s author Dr Bruce Smyth believes one important factor might be the extra money spent on support services, such as FRCs (Schneider, 2013).

According to Professor Patrick Parkinson AM from the University of Sydney, the significant decline in court applications since the introduction of FRCs shows how ‘a well-organised and funded system of mediation and other family support, away from the court system, can have collateral benefits to the courts’ (Parkinson, 2013: 209) During the rollout period the Australian Government spent $150 million, including establishment costs. Thus FRCs represent ‘a modest level of expenditure to address issues that [if unsolved] will create other costs for government in one way or another’ (Parkinson, 2013: 211).

Despite this arguable success, in 2011-12 the former Labor Government cut funding to the family support sector by over $4 million and forced FRCs to impose a charge beyond the first hour of mediation to parents over a certain income to recover the reduction. As many vulnerable and disadvantaged families do not have the capacity to pay for these services, the cuts have had an impact of reducing the ability of services to support Australian families in a timely manner. This suggests that the ‘social investment’ argument has needs to be more clearly and strongly communicated.
Quantifying the benefits of family services

The economic benefit of family and relationship services was explored when the former Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) commissioned Access Economics to quantify the value of ‘positive family functioning’. They conducted a cost-benefit analysis to ‘establish the returns to government and society for investments made in supporting family functioning’ (FaHCSIA, 2010: i). The report found that there were three outcomes associated with family functioning: health outcomes, productivity outcomes and social outcomes. Overall they calculated that the total potential net present value of benefits from intervening in childhood and early adolescence to be in the order of $5.4 billion per annum in 2010 dollars. This can be considered the current cost of negative family functioning, or the value of possible gains in terms of positive family functioning (FaHCSIA, 2010: i).

A 2012 report prepared for FRSA by the Australian Institute of Family Studies (AIFS), The Social and Economic Benefit of Family & Relationship Services, found a wealth of evidence that supports a ‘pathways’ approach from successfully addressing individual/family needs or problems to broader, long-term social and economic benefits. This is illustrated in the diagram below. The authors argue it is therefore logical to assume that individuals and families who are attending family and relationship services are receiving help that will enable outcomes that promote broader social and economic benefits (Rush et al, 2012: 4).

![Diagram](image_url)

Social and economic benefits e.g. increased social and economic participation, improved productivity, greater social cohesion, reduced health spending, reduced delinquency and crime

 Improved individual and family wellbeing e.g. reduced negative child behaviour, reduced parenting stress, reduced marital conflict, reduced anxiety and depression

 Family and relationship services are accessed to help e.g. counselling, parenting skills workshops, school/home interventions, literacy and numeracy support programs

 Family and relationship-related needs or problems e.g. relationship or parenting challenges, marital conflict, negative child behaviour

Figure 3: Family and relationship services pathway: From needs to benefits — Adapted from Rush et al (2012).
Spotlight:
Preventing violence against women and their children

Violence against women and their children carries an enormous economic cost to society. According to an Australian Government report, violence against women and their children cost the Australian economy an estimated $13.6 billion in 2009. The report also found that, without appropriate action to address violence against women and their children, an estimated 750,000 women will experience and report violence in the period 2021-22, costing the Australian economy $15.6 billion (FaHCSIA, 2009). The cost categories are as follows:

- Pain, suffering and premature mortality costs associated with the experience of violence by the victims/survivors;
- Health costs, including public and private health system costs associated with treating the effects of violence against women;
- Production-related costs, including the cost of being absent from work, and employer administrative costs (for example, employee replacement);
- Consumption-related costs, including replacing damaged property, defaulting on bad debts, and the costs of moving;
- Second-generation costs, which are the costs of children witnessing and living with violence, including child protection services and increased juvenile and adult crime;
- Administrative and other costs, including police, incarceration, court system costs, counselling and violence protection programs; and
- Transfer costs, which are the inefficiencies associated with government benefits such as victim/survivor compensation and lost taxes.

It is also important to remember that the impacts of pain, fear, suffering and damaged life opportunities resulting from domestic violence go well beyond that which can be monetised.

It is estimated that every woman whose experience of violence can be prevented represents a cost saving of $20,766. Indeed if interventions in the National Plan to Reduce Violence against Women and their Children resulted in an average reduction of violence against women and their children by just 10 per cent by 2021-22, some $1.6 billion in costs to victims/survivors, their friends and families, perpetrators, children, employers, governments and the community could be avoided (FaHCSIA, 2009: 2).
The long-term interest of all Australians

In Australia, some studies that are particularly relevant to the work of family support services have been conducted by Lisa Gold from Deakin University. Gold is a researcher with expertise in the economic evaluation of health and social interventions that aim to improve population health and reduce health inequalities. She has designed and successfully conducted a number of economic evaluations in public health related issues as well as systematic reviews of evidence and methodological development in economic evaluation in Australia. A pertinent example is her work on preventing mental health problems in children. Gold and her colleagues found that mental health problems in early childhood, if left untreated, have a 50% chance of persisting throughout childhood and then adolescence. This will in turn result in an increased risk of school dropout, substance abuse, family violence, unemployment, involvement with criminal justice services, and suicide. The single strongest variable risk factor, they found, is negative parenting practices. Thus early intervention initiatives that focus on parenting practices can prove a crucial and cost-effective way to manage the burden of mental health problems in children and adults (Gold et al, 2012: 7).

Another relevant Australian study was conducted recently by the Centre for Health Economics, Research and Evaluation at University of Technology, Sydney Business School. It found that people who were sexually abused as children had, on average, annual health-care costs more than double those of people who had not been abused (Reeve, 2010). It found that if they had been both sexually and physically abused, their annual health-care costs as adults were six times higher. According to the study’s authors, child abuse is a serious economic as well as social problem due to repercussions on health care costs. Family and relationship services, by working with vulnerable families to ensure the best interests of children are served, are often best placed to intervene early when children are at risk of abuse. Thus the persistent health and wellbeing impacts of child abuse should be considered as part of the evaluation of early intervention and prevention of child abuse and neglect.

Heckman and Washington State: Some US examples

Research from the US further demonstrates the high benefit-cost ratios and rates of return of investing in social services. Indeed Nobel prize-winning US economist Professor James Heckman has shown that investing in early childhood development reduces inequality and raises productivity, resulting in economic benefits for a society. His starting point is that many major economic and social problems such as crime, teenage pregnancy, dropping out of school and poor health conditions are linked to low levels of skill and ability in society. Programs that successfully intervene early in a child’s life by fostering skills and abilities will also promote schooling, reduce crime, foster productivity and reduce teenage pregnancy. While Heckman’s work has specifically focussed on early childhood education, his arguments logically apply to other successful early intervention programs – for example, parenting education, acknowledging that the quality of parenting is vital in determining a child’s cognitive and socio-emotional outcomes (Heckman, 2008: 56). As the graph below shows, early intervention makes economic sense because the longer a society waits to intervene in the life cycle of a disadvantaged child the more costly it is to remediate the disadvantage (Heckman, 2008:50). Thus, Heckman argues, public policy must be refocussed to capitalise on early intervention programs with high rates of return, even if this must be conceptualised as a down-payment.
Detailed work on evidence-based and cost-beneficial public policies in relation to criminal justice has been undertaken by the Washington State Institute of Public Policy (WSIPP). In 2005, long-term forecasts predicted that Washington would need two new prisons by 2020 and possibly another by 2030. WSIPP was directed by the legislature to determine whether the need for prison construction could be reduced through the implementation of programs which would contribute to lower crime rates. It conducted a review of research evidence in adult and juvenile corrections and prevention programs, and undertook an economic analysis of many of them. This research and analysis determined that serious crime is costly to both victims and taxpayers, and there are evidence-based and economically sound options for prevention that produce attractive returns on investment (Drake et al, 2009: 194). The 2007 legislature then invested $48 million over two years for the expanded use of evidence-based programs and prevention programs – including drug treatment, education, vocational training, correctional industries, functional family therapy and early childhood education. Subsequently the state’s prison forecast was adjusted downward (Drake et al, 2009: 171).
A new report by private health insurer Medibank, launched in partnership with depression prevention not-for-profit beyondblue, estimates the overall cost of supporting people with mental illness in Australia at $28.6 billion per year (Medibank, 2013). The research takes a whole-of-system look at expenditure on supporting people with a mental illness in Australia, including the activities that lie outside of hospital services and community and public health services. Clearly, preventing mental health problems can create significant savings for the nation. We also know that the longer a society waits to intervene, the more costly it is to remediate the disadvantage (Heckman, 2008:50).

Researchers at Deakin University have found that mental health problems in early childhood, if left untreated, have a 50% chance of persisting throughout childhood and into adolescence. This will in turn result in an increased risk of school dropout, substance abuse, family violence, unemployment, involvement with criminal justice services, and suicide. The single strongest variable risk factor, they found, is negative parenting practices. Thus early intervention initiatives that focus on parenting practices can prove a crucial and cost-effective way to manage the burden of mental health problems in children and adults (Gold et al, 2012: 7).

— “Early intervention initiatives that focus on parenting practices can prove a crucial and cost-effective way to manage the burden of mental health problems in children and adults.”
A competitive advantage

Leading economic institutions argue that Australia’s competitive advantage lies in a skills-based economy. Skills for the jobs of the future will be vital if Australia is to make the most of opportunities created by changes in Asian societies, technological change and the greening of our economy. As Heckman’s work demonstrates, one of the most effective strategies for ensuring future skills is investing in the development and growth of at-risk young children (Heckman, 2008). Clearly, as evidenced above, family and relationship services are intrinsic to this investment in the Australian context. Not only will the long-term benefits of early investment occur through a reduction in the need for social services and lower criminal justice costs; they will contribute to the skills base of the future as individuals develop through increased self-sufficiency and productivity. The short-term costs of early intervention services are more than offset by such long-term benefits. Thus investing in family and relationship services is consistent with the Business Council of Australia’s call for investment that focusses on the long-term national interest (BCA, 2013).

Funding for program evaluation

Family support services work to solve complex issues, which often cannot be solved by one initiative alone, and therefore require systemic, collaborative responses. Accurately calculating the effectiveness of these responses at a societal level means understanding the issues that services aim to tackle, and helping them learn what works best to solve social problems. Quality program evaluation is therefore essential to the cost effectiveness of the sector, and this requires rigorous data collection and evaluation methodology. Yet organisations consistently cite lack of funding as one of the greatest barriers to measuring impact. It is therefore vital that the sector is appropriately resourced to provide valid, reliable data for measuring the outcomes of programs. This will allow service delivery organisations to track performance over time, so that they can in turn improve their services and deliver better outcomes for families and society (New Philanthropy Capital, 2013).

— “If we do not make investments in early intervention, we risk creating other costs for government and the taxpayer down the track.”
Conclusion: How to achieve ‘value for everyone’

Family and relationship support services in Australia provide significant and well-documented benefits to the Australian community. In assisting people to manage life changes and challenges, they equip families to have strong, healthy relationships, where children’s interests are upheld and both adults and children contribute meaningfully to the community. As this report has highlighted, Australian and international research makes it clear that early intervention services for families and children create cost savings for government and the taxpayer in multiple areas. Thus investing in family support services contributes to both a socially just, inclusive society, and a productive economy.

The Business Council of Australia states that national growth will require policies that lift the living standards of all Australians. The risk factors associated with family breakdown and negative parenting practices are significant, including an increased risk of depression, suicide, drug/alcohol misuse and unemployment among adults. Children affected by parental separation also have an increased risk of disadvantage. These issues occur at substantial cost to Australian governments. Thus even during times of fiscal constraint (arguably, especially during these times) it is critical to view the provision of family support services through the lens of a ‘social investment state’.

This report demonstrates the need to more clearly identify and communicate the value created by services which support and strengthen families and children in Australia. This value recognition is necessary if we are to successfully advocate for the allocation of limited government resources to achieve the best outcomes for our society. Thus we are calling for greater and sustained government investment in family support services. It is also vital that service providers are adequately funded for appropriate data collection in order to evaluate their interventions and programs. This will enable the continued improvement service delivery, client outcomes and, in turn, further cost savings for government. When we strengthen families and relationships, everyone benefits.
References


Appendix

The Heckman Equation

Invest
Invest in educational and development resources for disadvantaged families to provide equal access to successful early human development.

Develop
Nurture early development of cognitive and social skills in children from birth to age five.

Sustain
Sustain early development with effective education through to adulthood.

Gain
Gain a more capable, productive and valuable workforce that pays dividends to America for generations to come.

Background

In 2011 members of Family & Relationship Services Australia were invited to make financial and in kind contributions to assist in building FRSA’s capacity in key areas. Ten organisations contributed to the Social and Economic Benefit Research and Development Fund. In mid-2012, FRSA approached the Australian Institute of Family Studies (AIFS) to undertake a review of existing literature (including program evaluations and published research) that demonstrates the social and economic benefits that flow from family and relationship services, as delivered by FRSA member organisations. The original project brief nominated six service types for review:

- Family and relationship counselling;
- Family dispute resolution;
- Relationship education and skills development;
- Parent education and support;
- Family support and intensive family support; and
- Communities for Children programs.

The final AIFS report presented the findings of the review. It found that large scale evidence exists to suggest that family and relationship services have an important influence on outcomes for children, families and communities. It also found, however, that there is a number of ways that the evidence base can be strengthened in order to provide concrete support for the many different services and programs operating within the family and relationship services sector. The report also argued the importance of evaluation being supported as a worthwhile activity across the full spectrum of family and relationships services program delivery.