

26 November 2013

By email: [submissions@ncoa.gov.au](mailto:submissions@ncoa.gov.au)

Dear Madam/Sir

I am writing to you to provide Treasury and the Department of Finance with the views of Family & Relationship Services Australia (FRSA) on the National Commission of Audit.

As the national peak body providing leadership and representation for services that work to strengthen the wellbeing, safety and resilience of families, children and communities, we are well placed to understand the issues for Australia's not-for-profit sector in relation to the Commission's terms of reference. In particular, we wish to highlight the evidence showing that investment in human services amounts to effective, value-for-money Government expenditure.

### **Introduction**

A significant level of Commonwealth Government activity is focused on the provision of services in partnership with not-for-profit organisations. The Family Support Program (FSP), funded by the Department of Social Services (DSS), is vital to the achievement of improved outcomes for families and increased value from government expenditure. The wide range of child, family and relationship support services provided through the FSP help people to manage life changes and challenges so that children can grow up secure in families with strong relationships, parents can look after their children effectively, and adults can be productive and contributing members of the community. Supporting families contributes to both a socially just, inclusive society, and a productive economy. FRSA therefore encourages the Commission to consider:

1. Continued funding for family support services (at a minimum);
2. Longer term funding contracts to allow greater stability and sustainability of service provision to Australian families; and
3. A commitment to future growth in the funding of these vital support services.

### **The role of family support services**

Family support services work directly with children and young people, individual adults and couples, parents and carers to improve individual and family functioning and well-being. Many services also work with those who are unable to remain with family but aim to engage and encourage all Australians to seek help early when they face changes and challenges in order to create better individual and/or family outcomes over the long term.

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.<sup>1</sup> These evaluation results suggest long term benefits to the community and there is a growing body of evidence seeking to quantify these benefits.

### **Governments must invest 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.

The family and relationship support 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

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<sup>1</sup> 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).

Australians. During times of fiscal constraint, it is even more critical that Government invest in social services, so that optimum prioritisation of spending can occur. If investments are not made in family support services, we risk creating other costs for Government down the track.

### **Quantifying the benefits of family services**

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 (Gold et al, 20012: 7). 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.

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. 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).

### **Value for everyone**

FRSA has recently released a report entitled ['Value for Everyone: Understanding the Social and Economic Benefits of Family Support Services'](#). It draws on Australian and international evidence to demonstrate that supporting families contributes to both a socially just, inclusive society, and a productive economy. The report was launched by Dr John Hewson at the recent FRSA National Conference 2013, and has been endorsed by Professor Peter Shergold, Chancellor of the University of Western Sydney; Dr Deborah Daro of the Chapin Hall Centre for Children in Chicago; and Rosemary Addis of the International Social Investment Taskforce and the International Policy Collaborative.

As Dr Hewson notes in his foreword to the report, *"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 society 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"*.

According to Professor Shergold, *"It is increasing apparent that Australians see family relationships as crucial to civic engagement. I welcome this important report as a means of considering how best governments should invest in the prevention of social dysfunction."*

### **Conclusion**

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.

In light of the evidence provided above, and of the Business Council of Australia's statement that national growth will require policies that lift the living standards of all Australians, continued funding for family support services is vital. Moreover, longer term funding contracts would allow greater stability and sustainability of service provision. FRSA believes it also makes sense for Government to commit to future increases in funding of these services. The risk factors associated with family breakdown and negative parenting practices are significant, and children affected by parental separation 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'.

Thank you for the opportunity to comment on this issue. For more information about FRSA's views, please feel free to contact me.

Yours sincerely



Steve Hackett  
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