

SUBMISSION

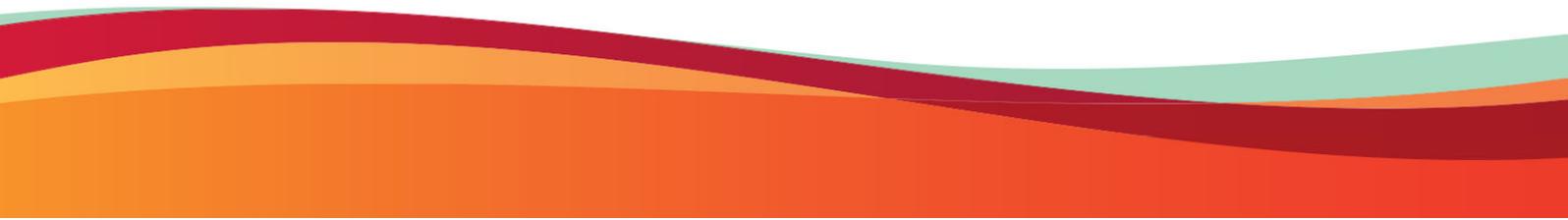
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PRE-BUDGET SUBMISSION – 2021-2022

BUDGET POLICY DIVISION
DEPARTMENT OF THE TREASURY

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ABOUT FRSA

As the national peak body for family and relationship services, FRSA has a critical leadership role in representing our extensive network of Member Organisations to support their interests and the children, families and communities they serve across Australia. FRSA plays a significant national role in building and analysing the knowledge and evidence base relating to child and family wellbeing, safety and resilience. We undertake research and work with government and non-government stakeholders to inform policy and shape systemic change.

Our vision

The wellbeing of all children, families and communities in Australia is supported and protected.

About our members

FRSA has 165 members, with 135 members in a direct service delivery role.¹ The range of services provided includes:

- Family Relationship Centres
- Children's Contact Services
- Family Law Counselling
- Family Relationship Advice
- Family Dispute Resolution (FDR) and Regional FDR
- Parenting Orders Program
- Supporting Children after Separation Program
- Family and Relationship Services
- Specialised Family Violence Services

¹ FRSA's full members deliver family and relationship services. FRSA's associate, individual and honorary members hold policy, research and professional expertise in family law, family and relationships services and related social services.



INTRODUCTION

FRSA welcomes the opportunity to participate in the Federal Government's pre-Budget submission process. Our submission outlines priority issues for Family and Relationship Services to be considered in development of the 2021-2022 Budget.

THE SOCIAL AND COMMUNITY SERVICES SECTOR

The not-for-profit social and community services sector is a significant part of the Australian economy and integral to our social fabric. The community and charities sector contributes \$128 billion to the national economy and employs 1.3 million people (or approximately 840,000 full-time equivalent workers).² The sector delivers a range of key services that many Australians rely on – aged care, child care, family and relationship services, disability support, emergency relief, housing and homelessness services, to name just some.

Family and Relationship Services Sector

The FRSA membership, which includes all Family Law Service providers and a large proportion of other Family and Relationship Services providers, employs between 4 000 and 5 500 workers across metropolitan, regional and remote Australia, and delivers family and relationship services to approximately 580 000 Australians each year.³ See [Attachment A](#) for a full list of Family and Relationship Services provided by FRSA members.

PRIORITIES

This submission outlines four priority issues that we ask to be taken into consideration in the 2021-2022 Federal Budget:

1. Funding for family and relationship services that meets the real costs of service provision and increased service demand
2. Investment in workforce development for the family and relationship services sector
3. Greater investment in non-court-based options for resolving family disputes
4. Provision of income support payments that keep Australians out of poverty

1. FUNDING THAT MEETS REAL COSTS AND SERVICE DEMAND

Funding has not kept pace with costs

There is a significant gap between Commonwealth funding for service delivery and the real costs of delivering family and relationship services.

² ACOSS (5 May 2020), [ACOSS COVID-19 Response and Recovery: Community sector issues – briefing](#), p. 1.

³ The Centre for International Economics (2020), [Expiry of the Social and Community Services Pay Equity Special Account: Implications for family and relationship services](#), p. 17.



Baseline funding for Family and Relationship Services has remained the same over multiple years. Since 2012-13, when indexation has been applied to programs delivered by the FRSA membership base, indexation rates have been on average approximately 1.5 per cent, and applied to the original grant funding value, rather than on a cumulative, annual basis.⁴ A three-year indexation freeze brought in at the 2014-2015 Budget impacted the Family Law Services component of Family and Relationship Services.

Our sector continues to experience frustration with the lack of transparency around decisions underpinning the allocation and rate of indexation applied to different programs. We further note that timeliness in advising indexation decisions would assist in organisational planning.

An independent [report](#) commissioned by FRSA in 2020 showed that while funding has remained relatively static, the costs of delivering services has increased over 2011-12 to 2018-19 (the eight year period under analysis). Efficiency investments by FRSA members have ensured that the sector has been able to maintain client numbers in the face of funding pressures and significant cost pressures. Analysis across the key cost categories of wage and occupancy costs against output measures of cost per client shows that while cost indexes have increased significantly, a rebalancing of the cost base within the sector has allowed for the index of cost per client to rise minimally.⁵ The report concluded that the Family and Relationship Services sector is at, or close to, the efficiency frontier. That is, there is limited, if any, scope for further efficiencies.⁶

Funding has not kept pace with service demand

An ACOSS survey of the not-for-profit community services sector, conducted prior to the 2019-2020 bushfires and the COVID-19 pandemic, showed that government support for the sector is not keeping pace with demand for services.⁷

While, despite significant cost increases, family and relationship support provided by FRSA members has remained constant over past years, service demand has continued to grow – both in terms of potential clients seeking support and the complexity in the cases that need to be managed.⁸

⁴ CIE (20 March 2020), *Final Report: Expiry of the Social and Community Services Pay Equity Special Account – Implications for family and relationship services*, p. 37.

⁵ CIE (20 March 2020), *Final Report: Expiry of the Social and Community Services Pay Equity Special Account – Implications for family and relationship services*, p. 29.

⁶ CIE (20 March 2020), *Final Report: Expiry of the Social and Community Services Pay Equity Special Account – Implications for family and relationship services*, p. 32.

⁷ ACOSS (March 2020), [The Profile and Pulse of the Sector: Findings From the 2019 Australian Community Sector Survey](#)

⁸ CIE (20 March 2020), *Final Report: Expiry of the Social and Community Services Pay Equity Special Account – Implications for family and relationship services*, pp 38-39.



Family Law Services, which are an important component of family and relationship services, receive total annual funding of \$146 million and serve approximately 170 000 clients each year. A 2016 KPMG report, commissioned by the Attorney-General's Department, which looked at Family Law Services, found that should the funding envelope remain the same, the projected shortfall by 2023-2024 would be \$21.2 million.⁹ The analysis of the funding shortfall was based on the assumption that increased demand came only from population growth. The analysis did not account for growing client complexity.¹⁰

Children's Contact Services

The KPMG report found that Government funded Children's Contact Services (CCSs) have the longest wait times of all Government-funded family law services. This can vary greatly from provider to provider, with the wait time ranging from a few weeks to several months. KPMG reported that the wait time to access CCSs may be up to six to nine months, with the average wait time being 7.9 weeks.¹¹ FRSA member, Interrelate, which runs six CCSs, advised the current Joint Select Committee on Australia's Family Law System that their average wait time is approximately six months.¹² This means that children and parents may be waiting months to see each other.

CCSs enable children of separated parents to have supervised contact with the parent they do not live with in a safe environment. They also provide a neutral space for the transfer of children between separated parents in high conflict situations, and they may be required to provide reports to the family courts. There are three different types of CCSs in Australia:

- Government Funded CCSs
- Full fee paying CCSs operated by non-government organisations
- Privately operated full fee-paying CCSs

The current Parliamentary Inquiry into Australia's family law system draws attention in its [interim report](#) to the lack of availability of CCSs.¹³ Insufficient funding for CCSs has also been thoroughly canvassed in other inquiries into the family law system, including most recently, the ALRC's 2019 [Report, Family Law for the Future – an Inquiry into the Family Law System](#).

As well as lengthy waitlists, FRSA shares the ALRC's, the Australian Children's Contact Services Association, and other stakeholder concerns about the lack of

⁹ KPMG (2016) *Future Focus of the Family Law Services*, Prepared for the Attorney-General's Department.

¹⁰ See for example, [research on Family Law Services](#) undertaken by the Australian Institute of Family Studies.

¹¹ KPMG (2016) [Future Focus of the Family Law Services. Prepared for the Attorney-General's Department](#), p. 25.

¹² Joint Select Committee on Australia's Family Law System, *Improvements in family law proceedings: Interim report*, p. 201.

¹³ Joint Select Committee on Australia's Family Law System, *Improvements in family law proceedings: Interim report*, pp 199-203.



regulation of privately operated CCSs. Government funded CCSs operate in line with the Attorney-General's Department's *Children's Contact Services: Guiding Principles Framework for Good Practice* and are accountable to the Department of Social Services and the Attorney-General's Department via their funding agreements and complaints mechanisms. Full fee-paying services (both not for profit and private operators) are not subject to Government oversight or mandatory standards.

FRSA remains concerned about the safety and the quality of unregulated CCS providers and, echoing the ALRC report, believes a regulatory framework should be prioritised by Government, along with increased funding for Government-subsidised CCSs.

Recommendation 1

FRSA **recommends** that discrete funding be committed to introduce a regulatory framework for ALL Children's Contact Services, to ensure that vulnerable family members receive an agreed acceptable standard of service delivery. This funding should include additional resourcing for government-funded Children's Contact Services to meet the costs associated with transitioning to an accreditation framework.

Impacts of COVID-19 on service demand across family and relationship services

In late 2020, FRSA undertook an exploratory member survey to understand how the pandemic was impacting service demand and service demand projections for 2021. The survey found that:

- While there had been fluctuations in demand since March 2020 – attributed to service delivery constraints arising from lockdown restrictions¹⁴ – an increase in service demand was experienced across a number of family and relationship services, particularly family and relationship counselling and Specialised Family Violence Services. Survey respondents reported an increase in people presenting with domestic and family violence issues and mental health concerns.
- Survey participants anticipate an increase in demand over 2021 as the impacts of the pandemic, such as job losses, continue to unfold and the Coronavirus Supplement is further wound back.¹⁵

The anticipated increase in demand for Family and Relationship Services as financial disadvantage intensifies is consistent with research on the links between financial hardship and family relationship challenges. As the Attorney-General's Department has written, "Financial disadvantage is both a predictor and a consequence of a relationship breakdown."¹⁶ The Department goes on to note

¹⁴ For example, due to court closures service demand for the Parenting Orders Program temporarily decreased and then providers began to experience backlogs as the courts re-opened.

¹⁵ FRSA (2021), *report forthcoming*

¹⁶ Attorney-General's Department (February, 2020), Submission to the Joint Select Committee on Australia's Family Law System, [Submission no. 581](#), p. 4.



that “Recipients of government income support payments have been found to be more than twice as likely to separate as non-recipients of income support”.¹⁷

Recommendation 2

FRSA **recommends** that the 2021-2022 Budget accommodate an increase in funding across the suite of Family and Relationship Services.

Recommendation 3

FRSA **recommends** that in the longer term, the Government undertakes a comprehensive needs analysis for social services, including Family and Relationship Services, across Australia to inform future Budget development. This needs analysis should take account of the longer-term impacts of the pandemic and changing demographics of regions to ensure an optimal match between supply and demand of social services.

2. INVESTMENT IN WORKFORCE DEVELOPMENT

Government investment in workforce development in areas projected to grow is vital to the recovery of the economy, as well as to meeting changing needs of the Australian community. Prior to COVID-19, Health Care and Social Assistance was projected to make the largest contribution to employment growth to 2024.¹⁸ The need for health care and social assistance will be even greater as a result of the pandemic, and commensurate support for workforce development in this area is required. It is essential that strategies and actions that maximise opportunities for attracting and retaining a skilled workforce – particularly in regional and rural areas are put in place.

As noted above, FRSA members have reported an increase in service demand and anticipate a further increase as the impacts of pandemic related job loss, isolation and increased financial disadvantage impact on family relationships and psychological wellbeing.

FRSA members located in, and servicing, regional and rural/remote areas have reported for some time difficulty in recruiting appropriately qualified social workers, psychologists, counsellors and mediators. This has been compounded during the pandemic with scope to recruit from elsewhere – particularly other states – limited by pandemic restrictions, including border closures. More recently, members have started to report recruitment challenges in major city locations. This suggests, unsurprisingly, that as demand for appropriately skilled professionals such as psychologists grows, so too do wages. With relatively static funding and increased costs (discussed earlier), it is extraordinarily difficult for our members to attract suitably qualified professionals when government and private sector can afford to pay those professionals higher wages.

¹⁷ P. 4.

¹⁸ Australian Government Labour Market Information Portal, [2019 Employment Projections](#) – for the five years to May 2024.



The Family and Relationship Services sector and social services more broadly will continue to be integral to Australia's social and economy recovery from the COVID-19 pandemic. The sector must be supported to meet demand for services and broader community need.

Recommendation 4

FRSA **recommends** that the 2020-2021 Budget include provision for a workforce development strategy for the family and relationship services sector (and health and social service more broadly).

3. GREATER INVESTMENT IN NON-COURT SOLUTIONS

In 2019 the ALRC put forward a recommendation in its Family Law Inquiry [report](#), to support greater use of non-court processes for resolution of property and financial matters.¹⁹ Earlier, in 2014, the Productivity Commission argued that the resolution of less complex family law matters would be best achieved through expanded availability of low-cost family dispute resolution. Increased use of family dispute resolution would reduce the expense involved in litigating in the family courts when resolving a dispute. The Commission proposed expanding the availability of low-cost resolution mechanisms such as Family Dispute Resolution to property and financial matters.²⁰

Recent government initiatives go some way to supporting greater access to Family Dispute Resolution and Legally Assisted Dispute Resolution. In November 2018, the Australian Government announced the Women's Economic Security Package, which provided \$50.4 million in new funding for family law property mediation services and related initiatives.²¹ This includes \$13 million each year for the 65 Family Relationship Centres across Australia, all of which are FRSA members. This investment was certainly welcome. However, the scale of the issue requires system-wide change and, correspondingly, a larger pool of funding.

Family Dispute Resolution provides a more affordable and less adversarial option for resolving property and financial matters and helping parties to consider the needs of children in relation to property and financial decisions. It is particularly appropriate for matters involving small asset pools. The benefit of Legally Assisted Family Dispute Resolution is that assists clients to better understand their legal obligations and responsibilities on the spot as they seek to resolve their dispute.

¹⁹ ALRC (March 2019). *An Inquiry into the Family Law System: Final Report*. Commonwealth of Australia, pp 257-263.

²⁰ Productivity Commission (2014). *Access to Justice Arrangements – Inquiry report*. No. 72, Vol 2., pp 877-878.

²¹ ALRC (March 2019). *An Inquiry into the Family Law System: Final Report*. Commonwealth of Australia, p. 255.



While Family Dispute Resolution may not be appropriate in all circumstances – particularly in situations involving family violence and safety risks – FRSA is of the firm opinion that increased funding of Family Dispute Resolution for property and financial matters would produce better outcomes for many separating families as well as reducing the cost burden on the courts.

Recommendation 5

FRSA **recommends** that further government investment in Family Dispute Resolution is accommodated in the 2021-22 Budget.

4. INCOME SUPPORT THAT KEEPS AUSTRALIANS OUT OF POVERTY

The increase to basic benefits at the start of the pandemic, particularly JobSeeker, and the relaxation of conditionality requirements, were welcomed by FRSA members and the broader community sector. These measures brought much-needed relief to many families and individuals.

THE CORONAVIRUS SUPPLEMENT HAS MADE AN ENORMOUS POSITIVE DIFFERENCE TO PEOPLE'S LIVES.

- 80.8% of people said they were eating better and more regularly
- 70.7% of people said they were able to catch-up on bills
- 67.8% of people said they were able to pay for medicines/health treatments Easier to pay rent/being able to move into better and safer accommodation – 58.8% Able to pay off debts – 56.2%
- Able to save up for emergencies – 51.7%
- Able to save up to purchase major household items (i.e., fridges, freezers, tables) – 51.6%
- Able to save up to pay for studying/training – 26%

Source: ACOSS (2020), 'If it wasn't for the Supplement, I've no idea where I'd be'

However, the reduction of the Coronavirus supplement in late September 2020, and again on 1 January 2021, and a possible return to the pre-pandemic Newstart rate as of 1 April 2021, is of great concern to the FRSA membership.

The inadequate rate of the pre-pandemic Newstart has been well set out by community and business groups²² and acknowledged in the April 2020 Senate Standing Committee on Community Affairs (April 2020), *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*. Already, the cuts to the Supplement have had a devastating impact on people on income support. A potential further cut will compound this impact.

²² See for example, Deloitte Access Economics (September 2020), *Estimating the economic impacts of lowering current levels of income support payments*, for ACOSS.



CUTS TO INCOME SUPPORT PAYMENTS WOULD HAVE A DEVASTATING IMPACT ON PEOPLE.

When we asked respondents about how the \$300 a fortnight cut to JobSeeker and other income support payments scheduled for September 25 will affect them, the picture is stark:

- 80% said they will definitely have to both skip meals, and reduce how much fresh fruit and vegetables they buy.
- Over half said the cut will make it much harder to pay their rent, and that they will need to forego essentials like food, medicine, and other expenses.
- 40% said they will have less than \$14 a day, after paying their rent.
- Over half said the cut will make it much harder to pay their rent, and that they will need to forego essentials like food, medicine, and other expenses.
- 47% said they will likely have to skip medicines or ration their doses, and that specialist services will be harder to afford.
- 56% said it would become much harder to pay bills, and that they would likely have to forego some essentials.

Source: ACOSS (2020), 'If it wasn't for the Supplement, I've no idea where I'd be'

FRSA notes and supports the 2020 Senate Committee recommendation that “once the Coronavirus supplement is phased out, the Australian Government increase the JobSeeker Payment, Youth Allowance and Parenting Payment rates to ensure that all eligible recipients do not live in poverty”.²³

Recommendation 6

FRSA **recommends** that the Australian Government reviews income support payments to ensure that, in line with the Senate recommendation above, all Australians are kept out of poverty.

²³ Senate Standing Committee on Community Affairs (April 2020), *Adequacy of Newstart and related payments and alternative mechanisms to determine the level of income support payments in Australia*, Commonwealth of Australia, Recommendation 27, p. xv.

FRSA Pre-Budget Submission: ATTACHMENT A

Family and Relationship Services

FRSA member organisations receive federal funding to deliver the following family and relationship services:

Children and Parenting services

- Children and Parenting Support
- Intensive Family Support Services
- Child Support Advocacy
- Budget Based Funding
- Home Interaction Program for Parents and Youngsters

Communities for Children Facilitating Partners

Family and Relationship Services

- Family and Relationship Services
- Specialised Family Violence Services
- Family and Relationship Support Services to support Intercountry Adoption Family Support

Reconnect

Family Law services

- Family Relationship Centres
- Children's Contact Services
- Supporting Children after Separation Program
- Parenting Orders Program
- Family Dispute Resolution
- Regional Family Dispute Resolution
- Family Relationship Advice Line
- Family Law Counselling

Adult Specialist Support services

- Find and Connect Support Services
- Royal Commission community-based support services
- Forced Adoption Services

Our member organisations also deliver numerous other services, including:

- Financial Counselling Services
- Family and Domestic Violence Services
- Men's Services
- Youth Services
- Aged Services

- Drug and Alcohol Services
- Community Mental Health Services
- Settlement Engagement and Transition Support (SETS)