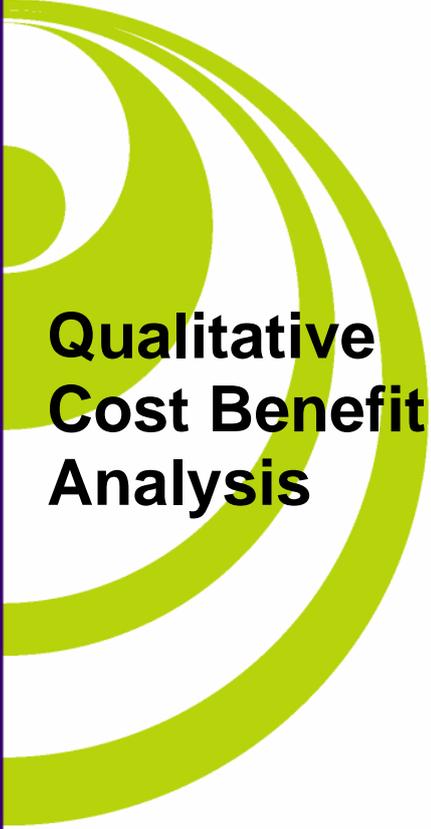# Evaluation of the Stronger Families and Communities Strategy

2000-2004

Qualitative Cost Benefit Analysis

RMIT UNIVERSITY

CIRCLE

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Disclaimer

Annotated Acronyms

AIFS   Australian Institute of Family Studies
AIFS hosted the Stronger Families Learning Exchange and has an ongoing role in the SFCS 2004-2009 hosting the Communities and Families Clearinghouse Australia (CAFCA). **www.aifs.gov.au**

ARACY   Australian Research Alliance for Children and Youth
ARACY is a national collaboration of researchers, policy makers and practitioners from a broad range of disciplines to generate and translate knowledge to enhance the well-being and life chances of children and young people. ARACY is now using online conferencing technology to conduct presentations and discussions with the Communities for Children Facilitating Partners at 45 sites around Australia.   **www.aracy.org.au**

CAFCA   Communities and Families Clearinghouse Australia
Funded by the SFCS 2004-2009 the CAFCA, within the AIFS, aims to improve access to current information and resources to assist those working in the field of early childhood and community development. It continues the work of the Stronger Families Learning Exchange which supported the 2000-2004 Stronger Families and Communities Strategy.

www.aifs.gov.au/cafca/index.html

FaCS   Department of Family and Community Services
The Australian Government department with responsibility for administering the Strategy until January 2006.   **www.facs.gov.au**

FaCSIA   Department of Families, Community Services and Indigenous Affairs
The Australian Government department with responsibility for administering the SFCS 2004-2009 since January 2006.   **www.facsia.gov.au**

SFLEx   Stronger Families Learning Exchange
A research unit of AIFS funded by the SFCS 2000-2004 to provide support to projects funded under the Stronger Families Fund in the 2000-2004 Strategy, to implement action research. **www.aifs.gov.au/sf**

Under the new Strategy, this type of support will be provided by Communities for Children (CfC) Facilitating Partners. In addition through CfC and Invest to Grow (ItG) the department has funded Local Evaluators to assist with project design, action research, and evaluation. Three streams of the new Strategy (all streams except for small equipment grants) are provided with support through the Communities and Families Clearinghouse Australia (CAFCA) and the Australian Research Alliance for Children and Youth (ARACY).

SFCS   Stronger Families and Communities Strategy - also referred to as the Strategy
www.facsia.gov.au/sfcs

The first version of the Strategy, 2000-2004, funded 7 linked community based initiatives, as well as several broader initiatives, to strengthen families and communities.

The renewal of the Strategy (Phase 2) was announced in April 2004 with funding of $365 million, which was subsequently increased to $490 million, with a specific early childhood focus. In the new SFCS, attention has been focussed on early intervention in early childhood and is the primary vehicle for implementing the Government's National Agenda for Early Childhood (NAEC), which focuses on improving national coordination.

Phase 2 of the Strategy commenced in 2004 and will continue over five years until 2009. It aims to help families and communities build better futures for children; build family and community capacity; support relationships between families and the communities they live in; and improve communities' ability to help themselves. Phase 2 of the Strategy comprises four streams, the Communities for Children initiative, Invest to Grow, Local Answers and the Choice and Flexibility in Child Care initiative.

1 Summary

This paper has been developed as part of the evaluation of the Australian Government's Stronger Families and Communities Strategy 2000-2004 (the Strategy). The Strategy was intended to help families and communities build strength and capacity to solve problems, build on their assets and develop opportunities for the future, with a particular focus on those at risk of social, economic and geographic isolation.

This paper explores, in broad qualitative terms, the costs and benefits of the Strategy with reference to similar national and international interventions. The analysis focuses on the 7 community-based funding initiatives of the Strategy, which provided funding for over 600 projects. It considers the costs and benefits of these projects and of the overall Strategy. The costs and benefits of the overall Strategy include, in addition to the aggregated costs and benefits of funded projects, the costs and benefits of the processes for developing and selecting projects, of the legacy of the Strategy for FaCS and consideration of the overall portfolio of investment.

The paper begins by briefly describing the different components of the Strategy, the evaluation of the Strategy, and the methodology used in this paper. To capture the complex nature of many of the costs and benefits of projects under the Strategy, and the multiple stakeholders involved (including, participants and recipients, auspice agencies, other service providers, multiple levels of government, and the broader society and economy), and in response to inconsistencies in data across the diverse projects, the analysis utilises an adaptation of Ziller and Phibbs' (2003) integrative cost benefit matrix approach. The data for this qualitative cost benefit analysis comes from: documented project outcomes from project questionnaires and project reports; previous case studies of individual projects; a previous case study that followed up organisations that unsuccessfully applied for funding under the Strategy; a study of the overall implementation of the Strategy; feedback from FaCS officers in State and Territory Offices who managed the projects; and research literature on the costs and benefits of interventions aimed at strengthening families and communities.

The paper discusses some key ideas in assessing the costs and benefits of the Strategy: definitions of costs and benefits; differences between quantitative and qualitative cost benefit analyses; the need to examine the costs and benefits of both individual projects and the overall Strategy; and potential risks in undertaking cost benefit analyses.

Costs are understood to include both resources expended (by FaCS as the funder, and by other organisations and individuals) and negative outcomes (which may be an intrinsic outcome or due to difficulties in implementation). Benefits are understood to include both achieving positive outcomes and avoiding negative outcomes (for participants, for the broader community, for the organisation receiving funding, and for other organisations, including Government departments).

The paper sets out the difference between quantitative and qualitative cost benefit analyses. Cost- benefit comparison involves three components: identifying and describing costs and benefits; analysing the contribution of the intervention to achieving the outcomes; and summarising the ratio of benefits to costs. Qualitative cost benefit analysis differs from quantitative cost benefit analysis in drawing on a range of evidence of costs and benefits, not all of it converted to monetary value, and therefore not producing a final numeric ratio of costs to benefits.

The report discusses the challenges in undertaking a full quantitative cost benefit analysis of the Strategy and similar interventions. In particular it discusses a number of risks in such analyses: under-estimating costs in terms of resources expended; under or over-estimating the positive outcomes achieved (particularly given the long-term nature of many of these outcomes); under-estimating costs in terms of negative outcomes; over-estimating the contribution of the Strategy to achieving outcomes; and ignoring distributional issues (who receives the benefits or incurs the costs).

A literature review of potentially comparable analyses of the costs and benefits of similar interventions did not identify any directly comparable interventions either in Australia or internationally. The two distinguishing features of the Strategy as compared with other interventions are the diversity of the types of projects funded and the focus on early intervention and prevention to build individual and community capacity rather than the direct delivery of services. Consequently this analysis is not able to make direct comparisons of costs and benefits with similar programs. However, it does make reference to similar interventions when analysing the costs and benefits of particular types of projects.

The rest of the paper sets out a qualitative cost benefit analysis of the community-based initiatives of the Strategy. It identifies and describes the costs and benefits of the overall Strategy, of the projects funded under the Strategy, and makes reference to similar national and international interventions.

The analysis also considers the relationships between different features of the Strategy and the costs and benefits of the complex trade-offs involved in implementing the Strategy.

2 The Stronger Families and Communities Strategy 2000-2004

2.1 Overview of the Strategy

The Stronger Families and Communities Strategy 2000-2004 was an Australian Government initiative to help build family and community capacity to deal with challenges and take advantage of opportunities. It had a special focus on those at risk of social, economic and geographic isolation.

The Strategy consisted of seven community-based initiatives, that provided funding and support for projects in the community, and five broader initiatives.

The seven community-based initiatives were:

- Can Do Community;

- Early Childhood Initiative (Strategy projects);

- Early Intervention Parenting and Family Relationship Support; (three sub-initiatives – Parenting, Family Relationships and Playgroups);

- Local Solutions to Local Problems;

- National Skills Development for Volunteers Program;

- Potential Leaders in Local Communities;

- Stronger Families Fund.

The five broader initiatives, which are not included in this analysis, were:

- Greater Flexibility and Choice of Childcare;

- The Longitudinal Study of Australian Children;

- National Skills Development of Volunteers (non-linked project component) including International Year of Volunteers activities in 2001;

- Can Do community – (non-linked project component) including web page and awards;

- Early Childhood (capital grants and research projects).

2.2 Implementation of the Strategy

The implementation of the Strategy involved the following activities:

- Identifying regions to be targeted;

- Providing information about the Strategy to potential applicants;

- Developing early announcement projects to be started at the launch of the Strategy to serve as exemplars for other organisations;

- Assisting organisations with the development of proposals for funding, particularly from targeted regions and communities, including support to make necessary revisions during the review and approval process;

- Proposal review and selection;

- Ongoing liaison with organisations during the proposal review and selection period
- Contract management during implementation;
- Providing additional support during implementation, including resourcing action research support, and briefings on relevant research.

These activities are described briefly below, and are discussed in more detail in the evaluation report on the implementation of the Strategy in each State and Territory.

Providing information about the Strategy

Information about the Strategy was disseminated through advertisements, public meetings, the FaCS website and announcements at conferences. An information kit was produced with information about each of the funding initiatives and early announcement projects.

Developing early announcement projects

Within each State and Territory one project was developed very early in the Strategy and announced at the time of the Strategy launch. These projects were intended to encourage interest in and publicity for the Strategy and to illustrate the types of projects that would be encouraged.

Project development processes

There were no formal funding rounds or closing dates. Proposals could be submitted at any time.

Organisations were encouraged to submit an initial brief outline of their proposed project. FaCS officers in State and Territory Offices and the National Office were available to assist organisations to revise initial project outlines and develop detailed proposals.

Each State and Territory developed a Targeting Plan that identified geographic communities and communities of interest that were a priority. Additional activities were undertaken by FaCS officers to encourage the development of proposals for these communities.

Proposal review and selection

Projects went through several stages of approval. Proposals were initially reviewed by an Internal Reference Group, consisting of FaCS Officers in the State or Territory (or National Office for national projects). A summary of the proposal and their advice was then considered at a meeting of a State and Territory Advisory Group (STAG) (or the Partnership for National projects), a group of unpaid representatives from community organisations, researchers, and other government organisations. They could recommend further development of the proposal or forward it for Ministerial approval.

Criteria for selection included an assessment of the involvement of other agencies and communities in developing proposals, the likely outcomes of the project, its location in terms of targeting and previous allocation of funding, its likely sustainability, and whether it was within the scope of the Strategy.

Each State and Territory had an allocation of funding that was available under each funding initiative in each calendar year. Projects could be funded from a single initiative or from a combination of initiatives.

Across the Strategy, at least 25% of funds were distributed for projects classified as Indigenous.

This review and selection process applied to all project proposals regardless of the planned duration of projects and the level of funding requested.

Liaison with submitting organisations during the proposal selection phase

In some cases it took over 12 months for the project selection process to result in projects being approved or rejected. During this period work was generated for FaCS staff in responding to queries from submitting organisations about the status of projects and anticipated timelines for decision making.

Some proposals applied for SFCS funding to implement activities that had been planned as part of a larger project with multiple, coordinated funding sources. In these cases delays in approving funds generated additional work as proposals had to be redeveloped in light of changing opportunities for coordination.

The long project selection process also had implications for auspice agencies in terms of maintaining partnerships, keeping partner agencies and communities informed of progress and for staff planning.

FaCS staff and advisory committees (including some STAGS) assisted some organisations that were not successful in obtaining SFCS funding to seek out alternative sources of funding.

Contract management

Once projects had been approved, a contract was developed between the auspice organisation and FaCS. Three forms of contract were developed, a short, medium and long form, depending on the size of the funding and the risks associated with the project.

Regular reporting was required in terms of performance indicators (based on a common framework but customised for each project), achievement of milestones, and submission of progress reports and a final report. Some projects had a specific budget allocation for an evaluation.

Where difficulties arose, FaCS officers worked with auspice organisations to address the issues. In some cases this involved negotiating variations to contracts as a result of adjusting timelines (for example where there had been delays in commencement due to difficulties in recruiting suitable staff), adjusting milestones (for example, substituting alternative activities when the original plan became unworkable), or changing auspice organisation.

For some projects, particularly those with longer timeframes working to build community capacity, contract variations occurred as a result of enhanced knowledge, developed through action research, of what works in a given circumstance. In these cases changes in project plans were motivated by a new level of understanding rather than the need to overcome difficulties in implementing original project plans.

Information about all proposals was kept on a Strategy database, using Lotus Notes, including copies of applications and records of correspondence. More information was recorded about funded projects, including reporting against performance indicators, progress reports and final reports, which were attached to the database as separate documents. Coverage of projects and project data was by no means comprehensive and many reports were only available in hard copy in the relevant State and Territory Office. Attached reports were not readily searchable. The Strategy database is discussed in more detail in the issues paper on *Evidence-Based Policy and Practice* developed as part of this evaluation.

Additional support during implementation

Some projects received additional support from FaCS during implementation. In some cases FaCS Officers visited the project and gave advice on addressing project management issues. Projects funded under the Stronger Families Fund received support for the implementation of action research through the Stronger Families Learning Exchange, which provided a library, a bulletin, individual advice and support, and a conference that brought Stronger Family Fund projects together.

Projects funded under the Early Intervention initiative received advice and support on early intervention issues from a panel of consultants and met with other projects in a forum in each State and Territory.

2.3 Projects funded under the Strategy

This paper focuses on the 635 projects funded under the community-based initiatives and the management of these initiatives by the Department of Family and Community Services (FaCS).

Projects varied enormously in scope and scale from less than $1,000 for a project (for example, for a project that provided travel costs to attend a conference to make a presentation on a previous project) to over $1,000,000 (for example, for a three-year comprehensive family support project). While the overall average funding per project was $125,869, funding was generally higher for projects funded under the Stronger Families Fund initiative (average of $370,569) and generally lower for projects funded under the Local Solutions for Local Problems initiative (average of $41,979).

The duration of projects also varied enormously. Some projects were completed within a few months while other projects continued for more than three years. While most projects have now finished, some are not due for completion until mid 2006. More detailed information about the projects funded under the Strategy will be reported in the Final Report of the evaluation.

The initiatives under which projects were funded provide a general guide to the type of project activities. However, these categories are not mutually exclusive. Some projects incorporated elements of other initiatives. For example, Stronger Families Fund projects all had an early intervention focus and often included volunteers, parenting education, and skill development in addition to community strengthening activities. In some cases projects initially funded under one initiative continued with further funding from a different initiative.

For the purposes of identifying costs and benefits of projects in this paper, we have grouped Strategy projects into four types:

- **Early Intervention** – provided direct services, such as casework, counselling, advice, parent education, mentoring (of at risk youth), group work, referral - many focused on early childhood, but also included other groups in transition or 'at risk';

- **Volunteering** – as their primary purpose provided training or developed systems (database, register, skills passport) to support volunteers or organisations' use of volunteers;

- **Leadership and Mentoring** – identified current or potential community leaders and developed their skills and networks;

- **Community strengthening** – diverse projects that were intended to increase community capacity (skills, social capital and/or physical infrastructure).

The project types do not necessarily reflect the initiative(s) under which projects were funded.

2.4 Contributions of Strategy projects to stronger families and communities

Strong families and communities can be understood as families and communities that effectively and sustainably apply resources, responding to challenges and opportunities, to achieve and maintain well-being.

This definition recognises that family and community strength is not just about resources, or how they are applied, but also the result of this application. It also recognises the inter-relationship between these three elements. For example, improvements in wellbeing, such as physical and mental health, can also increase various types of capacity, such as ability to contribute to volunteer activities, and opportunities to apply this capacity.

Strategy projects contributed to stronger families and communities in two broad ways. During the life of the project, there were direct impacts on various domains of wellbeing, such as mental and physical health, safety, and quality of interpersonal relationships. Projects also contributed to building both capacity and opportunities to use this capacity, thereby increasing the resilience and sustainable wellbeing of families and communities in the medium and longer-term.

These different pathways to strengthening families and communities are shown in the following figure. The impacts of projects are expected to be iterative, where initial outcomes from the Strategy projects are further developed and enhanced by later developments.

Figure 1 Pathways by which Strategy projects contributed to stronger families and communities
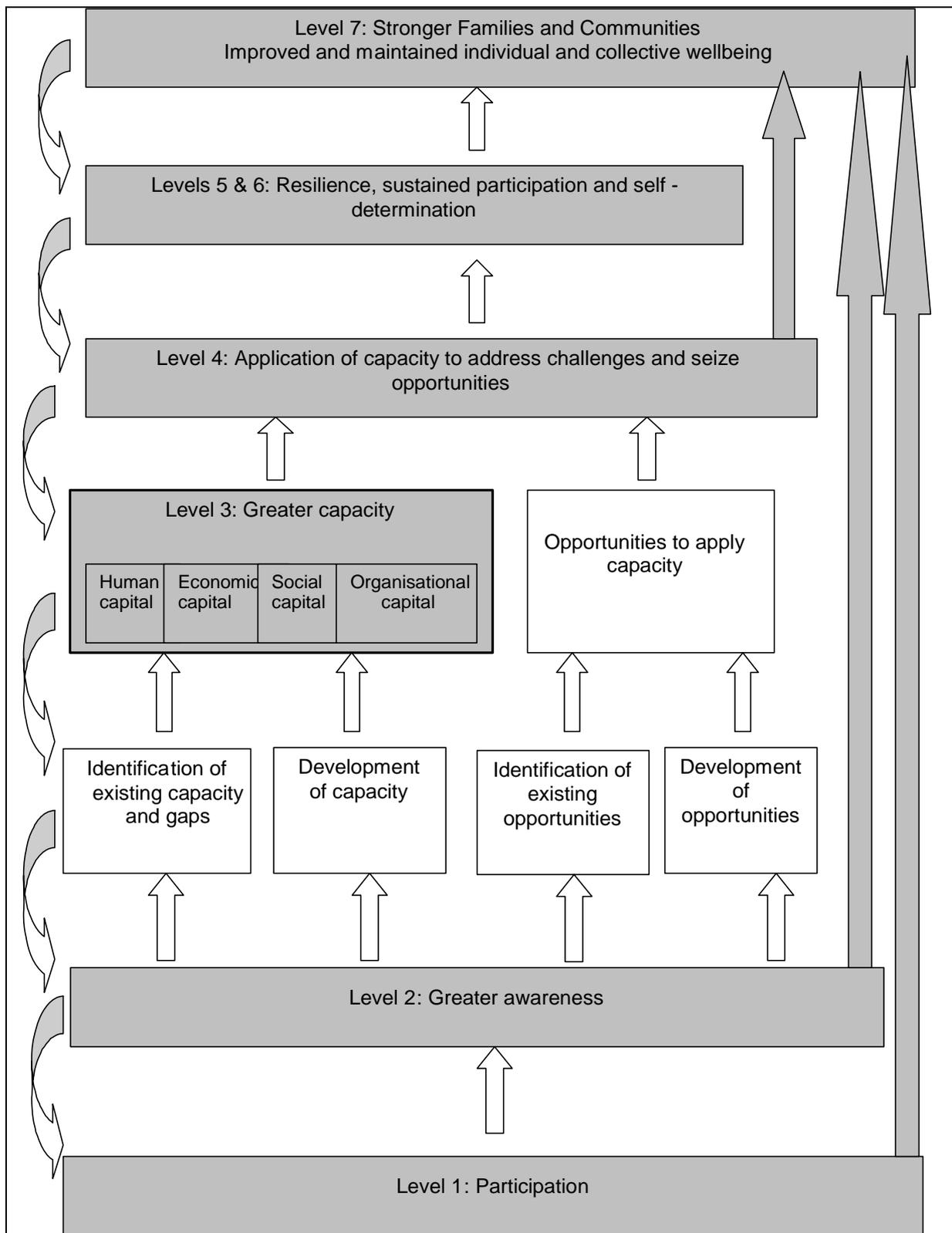
2.5 Evaluation of the Strategy

Overall evaluation

The evaluation of the Strategy 2000-2004 was conducted by a consortium of organisations led by CIRCLE (Collaborative Institute for Research, Consulting and Learning in Evaluation) at RMIT University (Royal Melbourne Institute of Technology), including BearingPoint and Performance Improvement.

The evaluation draws on a combination of information sources:

- Data about the implementation of the Strategy, including policy documents, interviews with stakeholders, and notes from meetings and conferences about the Strategy;

- Data about the activities and outcomes of completed projects gathered through project questionnaires and previously reported data; including final reports; and project evaluation reports (where available);

- Data from projects gathered that have not yet completed through project questionnaires and previously reported data; including progress reports;

- Additional data gathered during site visits to case study projects.

The evaluation has produced:

- Issue papers that have analysed available information from a cluster of funded projects; and

- Case studies of individual projects and clusters of project, drawing from a range of data, including site visits to some projects.

This study draws on the range of information sources and previous reports of the evaluation.

3   Undertaking a Cost Benefit Analysis

3.1   Similarities and differences between quantitative and qualitative cost benefit analyses

Conceptually, both quantitative and qualitative cost benefit analyses involve three steps:

1.   *Describing* costs and benefits – identifying and describing costs and benefits;

2.   *Attributing* costs and benefits – analysing the contribution of the intervention to achieving the observed outcomes;

3.   *Comparing* costs and benefits – analysing the relationships between costs and benefits.

A quantitative cost benefit comparison, which expresses all costs and benefits in monetary terms, compares costs and benefits by summarising the ratio of benefits to costs.

A qualitative cost benefit analysis differs from quantitative cost benefit analysis in drawing on a range of evidence of costs and benefits, not all converted to monetary value, and therefore not producing a final ratio of costs to benefits. Instead relationships between costs and benefits are considered.

3.2   Step 1: Describing benefits and costs

Table 1 Summary of Types of benefits and costs of the Strategy and Strategy projects

BENEFITS	COSTS
Positive outcomes	Resources expended
Negative outcomes avoided	Negative outcomes

Costs encompass resources expended, both financial and non-financial, and negative outcomes resulting from the Strategy. Benefits include positive outcomes achieved and negative outcomes avoided in the short-term (during the life of the project) and longer-term. It is usually easier to get evidence of outcomes that have been achieved than of outcomes that have been avoided. In some analyses, benefits also include additional resources leveraged if these are then effectively utilised.

Whose benefits? Whose costs?

Each cost benefit analysis is based on a particular perspective on whose benefits and costs are considered. For example, a funding organisation may see donated volunteer time as a benefit, as it increases the overall resources available to a project to achieve the intended outcomes; for the volunteers, this is a cost, as their time cannot then be used for an alternative project or activity. If cost benefit analysis does not recognise all costs, it risks interpreting cost-shifting as if it were cost-saving.

In this analysis, as the focus is on the effectiveness of an Australian Government initiative to strengthen families and communities, it is important to identify the costs and benefits for the different stakeholder groups involved. The analysis needs to consider outcomes for participants, for the broader community, for the organisation receiving funding, and for other organisations, including Government departments.

Need to consider benefits and costs of individual projects and of the overall Strategy

The benefits and costs of the Strategy include the aggregated benefits and costs of funded projects together with the benefits and costs of the overall Strategy. These include the benefits and costs of processes for developing and selecting projects, the legacy of the Strategy for FaCS and consideration of the overall portfolio of investment.

Timeframe for evidence of benefits and costs

Generating or locating evidence of outcomes presents a challenge, particularly for a short-term evaluation of an intervention whose benefits are expected to be fully realised over several years, even a generation later. It is unlikely that traditional outcome measures (e.g. employment, earnings, offending rates) will show much change during the life of a short-term project even though it is hypothesised that in the long run they will show change.

Opportunity costs

Some analyses of benefits and costs consider the costs of opportunities foregone. Through the Strategy the Australian Government has funded early intervention and prevention initiatives. However, there is also demand for additional resources for crisis response services. If considering the cost of lost opportunities an analysis of benefits and costs could consider whether, in the long-term, the benefits of funding early intervention outweigh the costs associated with not increasing funding to crisis response services. Such an analysis assumes that resources would have been directed to crisis response services if the Strategy had not been funded, which may not be a valid assumption. An analysis of opportunity costs is beyond the scope of this report.

Monetising benefits and costs

Quantitative cost benefit analyses attach a dollar value to the identified benefits and costs and converting benefits into monetary value presents further challenges. Monetising many of the benefits of, for example, early childhood intervention is difficult or impossible. We cannot attach a monetary value to a mother's greater satisfaction with her relationship with her child. Neither can we determine at this time the monetary value to society of greater academic achievement on the part of children participating in an early intervention project.

3.3 Step 2: Assessing the contribution of the Intervention to the observed outcomes

When identifying and describing costs, we are interested in additional resources expended and negative outcomes resulting from the overall Strategy and funded projects, both financial and non-financial. Similarly, we are interested in positive outcomes and resources leveraged over and above what would have happened if the Strategy or a particular project were not introduced.

Separating out the impacts of an intervention from those outcomes that would have occurred anyway (in the absence of the intervention) is rarely straightforward. This is particularly true for complex interventions such as the Strategy where interventions were adaptive rather than tightly prescribed and where context and other factors have a large influence on the outcomes achieved.

Furthermore, the limited number of relevant cost benefit analyses in the literature constrains our ability to generalise the results to the wide range of diverse projects funded under the Strategy. The projects cited in the literature tend to have a geographic and outcome focus that is far tighter than the projects funded under the Strategy. However, the literature does provide evidence of potential long-term benefits, both in terms of positive outcomes and costs avoided for the different project types.

3.4 Step 3: Summarising the relationships between benefits and costs

In the case of a quantitative cost benefit analysis, once both the costs and benefits are expressed in monetary terms a direct comparison can be made. The result is articulated in terms of either a *benefit/cost ratio*, or the *net economic benefit*, which is simply the sum of the value of benefits less the sum of costs.

In the case of a qualitative cost benefit analysis, such a direct comparison cannot be made. Rather than summarising the ratio of benefits to costs a qualitative cost benefit analysis considers relationships and trade-offs between different costs and benefits.

4 Methodology

4.1 Overview of methodology

This cost benefit study uses an adaptation of Ziller and Phibbs' (2003) integrative cost benefit matrix approach. Ziller and Phibbs' inclusive, participatory approach gives social impacts equal standing with other impact variables and unquantified data equal standing with quantified data allowing the evaluation to consider the vast range of costs and benefits associated with the Strategy's projects.

The approach has been used in an analogous context – a benefit cost analysis of funded projects of the New South Wales Area Assistance Scheme (2002). This scheme targets areas that are experiencing social and economic stress and change, funding not for profit organisations and local governments to run programs that deliver real change to vulnerable communities. The NSW Area Assistance Scheme has similarities with the Strategy as it focuses on connecting communities through partnerships, building community leadership and capacity and promoting safe communities.

Their approach has some important process benefits, including: providing a simple, non-technical participatory and inclusive process for collecting and reviewing information to which everyone can contribute; and providing stakeholders with an insight into the links between benefits and costs and the inevitable complex trade-offs that are at work in the Strategy.

This study differs from Ziller and Phibbs' examples in three major ways. Firstly, other information was used to initially develop and later refine the matrices, not only the input from stakeholders at a meeting. Secondly, that verbal input was gathered only from FaCS officers, not from a broad range of stakeholders (although other stakeholders' input came indirectly through incorporation of costs and benefits identified in project reports and questionnaires). Thirdly, several meetings were held by videoconference rather than a single face-to-face meeting. Therefore, the process did not focus on negotiating between different stakeholder perspectives.

The evaluation team began by developing draft cost benefit matrices for projects funded under the Strategy, showing potential costs and benefits, drawing on the information produced by the evaluation about resources expended and outcomes achieved, together with research literature on outcomes from similar interventions. These matrices showed different types of costs and benefits (financial and non-financial) and who received or incurred them (project participants, the broader community, the auspice organisation, other organisations, and government departments). These draft matrices were then distributed to FaCS Officers who had been involved in managing Strategy projects and feedback was gathered through written response and videoconferences. Using the draft matrices as a starting point, officers identified those costs and benefits that had actually been achieved, and gave illustrative examples of projects. They also added additional costs and benefits that had been incurred or achieved through the Strategy, and nominated the costs and benefits that they saw as particularly important to consider in the analysis.

The cost benefit analysis presented in this report brings together feedback from the different State and Territory Offices, and the more detailed evidence from projects that has been gathered in other components of the evaluation.

Although conceptually differentiated, in practice, the first two steps in undertaking this cost benefit analysis, description of costs and benefits and the attribution of outcomes to Strategy interventions, occurred simultaneously.

4.2 Data sources

The evaluation draws on a combination of information sources:

- Literature relating to the benefits and costs of four different types of activities funded through the Strategy: Early intervention, Volunteerism, Community strengthening, and Leadership and mentoring;

- Data about the implementation of the Strategy, including policy documents, interviews with stakeholders, and notes from meetings and conferences about the Strategy;

- Data about the activities and outcomes of completed projects gathered through project questionnaires and previously reported data; including final reports; and project evaluation reports (where available);

- Data gathered from not yet completed projects through project questionnaires and previously reported data; including progress reports;

- Additional data gathered during site visits to case study projects;

- Evaluation issue papers that have analysed available information from a cluster of funded projects.

- Evaluation case studies of individual projects and clusters of project, drawing from a range of data, including site visits to some projects;

- Group interviews with Officers from State and Territory Offices of the Department of Family and Community Services (FaCS).

All these data have been drawn on for this cost benefit analysis allowing triangulation of the judgements of State and Territory FaCS Officers involved in implementing the Strategy with data from the projects and evaluation case studies as listed above.

4.3 Limitations of the methodology

This analysis of the costs and benefits of the Strategy is limited by a number of factors.

Limitations in terms of describing Benefits and Costs

- Availability of project data describing the benefits and costs of interventions.

  The comprehensiveness and quality of evidence about project inputs, activities and impacts varied considerably. Some projects had extensive and systematic data while others had very little. Some projects were not completed at the time of conducting this analysis and therefore final outcome data were not available. Project performance indicators, while a consistent framework across the different projects, were open to interpretation by projects and FaCS Officers and were therefore not directly comparable.

  A systematic and comprehensive analysis of Early Intervention projects undertaken for the *Early Intervention and Early Childhood Initiatives Case Study* report produced as part of the evaluation assessed the quality of available data on outcomes. The analysis found that 70% of the total of 195 projects had either verifiable or plausible evidence of outcomes. A similar analysis of Leadership projects found that 93 of a total of 144 projects (65%) provided credible or verifiable evidence of outcomes.

  Therefore, this analysis combines the available information from the range of projects.

- Timeframe for the evaluation

  It is not possible to measure longer-term outcomes of interventions or the ongoing impact of increased capacity in the short-term. Therefore, the analysis uses additional information on the likely longer-term outcomes from particular types of interventions.

Limitations in terms of attributing outcomes to the Strategy

- Gaps in data to systematically investigate contribution of the Strategy to short-term outcomes

  For most of the projects funded under the Strategy, considerable data collection and analysis is required to systematically investigate the contribution of the Strategy to achieving outcomes, including understanding the contribution of other factors. Some projects did produce credible evidence of the contribution of the Strategy, but others only provided evidence of project activities and observed outcomes, with no evidence to support causal attribution. Case studies undertaken in the evaluation investigated causal contribution in more detail. The analysis presents outcomes that can be plausibly attributed to the Strategy and for which some supporting evidence of attribution is available.

- A lack of directly comparable research for the Strategy as a whole

  Because of the diverse range of projects funded by the Strategy, variations in how they have been implemented, and the diverse contexts under which they have been implemented, there are limitations on the causal connections that can be argued through use of previous research. This is particularly relevant to the attribution of potential longer-term outcomes to the Strategy. Therefore, the analysis differentiates between observed short-term outcomes and potential longer-term outcomes of Strategy projects, and has separately discussed research evidence for longer-term outcomes of different types of Strategy projects.

4.4 Summary

The steps in undertaking this analysis were:

1) Identification of potential benefits and costs, for a range of stakeholders, that can be attributed to the Strategy and potential risks to the analysis through reference to:

   a) Relevant literature, particularly longitudinal research on the outcomes of similar types of interventions;

   b) The range of data about Strategy projects and the Strategy as a whole gathered through the national evaluation.

2) Consultations with State and Territory FaCS offices to:

   a) identify any additional benefits and costs with examples from projects;

   b) identify which benefits and costs were important with examples from projects;

   c) identify whole of Strategy level costs and benefits.

3) Synthesis and analysis of data on the benefits and costs of the Strategy.

The next section discusses in detail the potential risks associated with conducting a qualitative cost benefit analysis, and steps taken to reduce these risks.

5 Potential risks in undertaking cost benefit analysis of the Strategy

There are a number of risks, related to both describing and attributing benefits and costs in undertaking cost benefit analyses of interventions such as the Strategy. In this section, we discuss these risks and how they have been addressed in this analysis.

The risks are:

Under-estimating costs

1. Under-estimating costs in terms of resources expended.
2. Under-estimating costs in terms of negative outcomes.
3. Under-estimating costs required to achieve long-term benefits.

Under-estimating benefits

4. Under-estimating benefits by not taking longer-term outcomes into account.
5. Under-estimating benefits by not taking costs avoided into account.

Over-estimating benefits

6. Over-estimating benefits by assuming long-term outcomes on the basis of process indicators.
7. Over-estimating benefits by over-estimating the contribution of the Strategy to achieving outcomes.

Over or Under-estimating benefits or costs

8. Over or under-estimating benefits due to choice of discount rate.
9. Over or under-estimating long-term benefits on the basis of inappropriate comparisons.
10. Over or under-estimating benefits or costs by ignoring differences in individuals or communities.
11. Over or under-estimating benefits or costs by not including Strategy level benefits and costs.

Other

12. Only assessing relative benefits and costs without considering their distribution.

5.1 Under-estimating costs in terms of resources expended

ACTUAL COSTS		ACTUAL BENEFITS
UNREPORTED RESOURCES EXPENDED ON PROJECT	REPORTED COSTS	REPORTED BENEFITS

Figure 2 Risk of understating costs in terms of resources expended

The use of the costs borne by the government (grant plus administration costs) as a proxy for project costs will often lead to an inaccurate estimate of the true value of the resources used, and hence the true costs of the projects. There are additional financial costs and more difficult to quantify non-financial costs that also need to be considered. These are:

- Other sources of Government funding;

- Other financial inputs;

- Other non-financial inputs.

There is a significant risk of under-estimating the true cost of Strategy projects, as many received joint funding either sequentially or concurrently, and information about the other resources expended (in addition to Strategy funding) was not systematically reported. Therefore, there is the real possibility of claiming that a project has achieved its outcomes through an expenditure that is only a fraction of its true cost.

For example, one of the case studies completed as part of this evaluation collected additional data about a particular project, the Gilles Plains Community Garden. The study found that Strategy funding had provided less than a quarter of the funding used to achieve the outcomes, together with building on existing capacity of various types. This finding does not diminish the achievements of the project, nor the value of Strategy funding which, because of its timing and flexibility of use, appears to have been particularly important. However, it does, mean that there is a risk in comparing projects' achievements and in expecting to replicate these outcomes with a similar level of Strategy funding.

To address this risk, this analysis has ensured that the broad range of financial and non-financial expenses is considered, regardless of who incurred the cost. Financial expenses such as the out of pocket costs (transportation, childcare, meals, internet access) for project participants and volunteers, as well as the costs associated with recruitment of non-local, staff for remote projects, including accommodation, rent and travel related expenses, faced by auspice agencies. The analysis needs to include financial expenses, such as those associated with project officers' time and reporting requirements for the auspice agency, (particularly when projects were jointly funded by State and Australian Governments), and costs associated with community group formation and management and coordination costs between the auspice agency and other service providers and partners, in terms of project development, management and consultation.

5.2 Under-estimating costs in terms of negative outcomes

ACTUAL COSTS		ACTUAL BENEFITS
UNREPORTED NEGATIVE OUTCOMES	REPORTED COSTS	REPORTED BENEFITS

Figure 3 Risk of understating costs in terms of negative outcomes

Some projects may lead to costly outcomes, such as stigmatising targeted parents or children (noted by participants in parent aide and nursery school projects). There are also costs associated with the damage done to recipients and participants as a result of cessation of funding if support is withdrawn while still needed. These costs can take the form of an erosion in trust, disappointment, and stress associated with attempting to secure other sources of funding. Non-financial costs borne by paid and volunteer staff, such as high levels of work related stress and pressure, may undermine the sustainability of any beneficial outcomes. At least one leadership training project funded under the Strategy was perceived as overburdening the volunteers with a prohibitively large number of activities, dampening their enthusiasm rather than fostering it. These non-financial costs may be reinforced by unrealistically high community expectations.

To address this risk, this analysis has drawn on information gathered through the evaluation on the unintended outcomes of the Strategy. For example, negative community perceptions of government (and FaCS in particular) and loss of goodwill due to community disappointment were reported, particularly when expectations that were raised during promotion, project development and application stages of the Strategy were not met.

5.3 Under-estimating costs needed to achieve long-term benefits

ACTUAL COSTS		ACTUAL BENEFITS	
UNREPORTED LONGER-TERM RESOURCES NEEDED	REPORTED SHORT-TERM COSTS	REPORTED SHORT-TERM BENEFITS	ASSUMED LONG-TERM BENEFITS

Figure 4 Risk of under-estimating costs through not taking into account longer-term resources needed to achieve long-term benefits

Early intervention projects are often justified in terms of their long-term benefits. Short-term outcomes may be taken as an indicator of progress toward those longer-term outcomes. However, individuals, families or communities may require resources in addition to those provided, or developed by the project, to achieve potential long-term benefits.

Projects that provided early interventions demonstrating short-term benefits, such as improved school attendance and educational achievements are expected to benefit participants in the longer-term. Further support may be needed, particularly at times of transition, to fully realise long-term benefits.

Benefits may also not be sustained if there is significant volunteer and mentor turnover, as skills are no longer retained in that community, and trust may be undermined. This is particularly common for projects based in rural and/or disadvantaged areas. Projects that built community capacity may need additional resources over time to maintain, renew, or fully capitalise on this enhanced capacity. This risk has not been comprehensively addressed in this analysis.

5.4 Under-estimating benefits by not taking longer-term outcomes into account

ACTUAL COSTS	ACTUAL BENEFITS	
REPORTED COSTS	REPORTED SHORT-TERM BENEFITS	UNRECOGNISED LONG-TERM BENEFITS

Figure 5 Risk of under-estimating benefits by not taking long-term outcomes into account

Early interventions with children and families pose particular problems for the measurement of impacts and outcomes since their main benefits are only expected to occur in the medium to long-term. The full benefits of such projects may not be visible for many years and the success of the intervention will need to be measured in the interim period.

Community capacity building also takes lead time required to building trust and a sense of community, especially in Indigenous communities. Basing assessments of benefits on reporting of project outcomes achieved during the life of the project may seriously under-estimate the actual benefits of projects.

To address this risk this analysis refers to available literature on longitudinal studies of the impact of relevant interventions and identifies potential long-term benefits that can be reasonably anticipated.

This risk needs to be considered along with the risk of not considering additional resources needed to realise long-term benefits as discussed in the previous section.

5.5 Under-estimating benefits by not taking costs avoided into account

ACTUAL COSTS	ACTUAL BENEFITS	
REPORTED COSTS	REPORTED SHORT-TERM BENEFITS	UNRECOGNISED COSTS AVOIDED

Figure 6 Risk of under-estimating benefits by not taking costs avoided into account

Negative outcomes avoided, both in the short and longer-term are an important component of a cost benefit analysis yet it is difficult to identify negative outcomes that have been avoided, (e.g. unemployment, family violence) and the financial costs of addressing these. Examples of costs avoided in the short-term are reductions in graffiti in public places, reductions in disruptive behaviour at school, reductions in conflict between parents and children.

In the longer-term interventions that increase social or economic participation or that develop a parent's skills, confidence and enjoyment of their parenting role can have significant benefits in terms of avoiding costs associated with under-employment, poorer physical and mental health or with delayed physical, cognitive and social development of children.

To address this risk this analysis refers to available literature on longitudinal studies of the impact of relevant interventions and identifies potential long-term cost savings that can be reasonably anticipated.

5.6 Over-estimating benefits by assuming long-term outcomes on the basis of process indicators

ACTUAL COSTS	ACTUAL BENEFITS
REPORTED COSTS	COMPLETED ACTIVITIES AS A PROXY FOR REPORTED BENEFITS

Figure 7 Risk of overstating benefits by using process indicators as a proxy measure for benefits achieved

It may be misleading to use process data such as the number of people participating in project activities as a measure of the benefits that flow from the Strategy.

For example, the literature suggests that *quality* is the key factor in determining whether there are developmental gains to children as a result of early childhood education and child chare programs (NSW Department of Community Services, 2004). Apparently cheaper approaches, with higher participation, may turn out to be less effective and therefore more expensive in terms of cost of subsequent services or impacts of family and community difficulties when evidence of long-term outcomes is available.

To address this risk this analysis does not use completed activities as indicators of benefits

5.7 Over- or under-estimating benefits due to choice of discount rate

ACTUAL COSTS	ACTUAL BENEFITS
CURRENT $ VALUE	ACCRUED BENEFITS CONVERTED TO CURRENT $ VALUE

Figure 8 Risk of under-estimating benefits due to choice of discount rate

This risk is related to the timeframe for the analysis of costs and benefits. In contrast to project costs, which accrue during the course of the program, some project benefits are not realised for years. For example, successfully building community capacity results in benefits that continue to accrue over time. Therefore, the longer the time period permitted for the payback, the greater the chance that the project benefits will outweigh the project's costs. For the same reasons, the estimated net present value of the benefits is very sensitive to the choice of discount rate (assumptions about the future value of long-term benefits). The choice of discount rate can either under or over estimate the value of benefits in the longer-term.

As discussed in section 4.3 benefits do not always accrue over time and additional resources may be required to maintain or build on short-term outcomes to achieve longer-term benefits. It is important to determine whether returns have diminished or increased over time as well as considering the choice of discount rate, and the period over which it is applied.

A qualitative cost benefit analysis is not at risk of inaccurate estimates of the benefits of the intervention due to the choice of discount rate, as benefits and costs are not converted to a monetary amount, nor reduced to a ratio in the analysis.

5.8 Over-estimating benefits by over-estimating the contribution of the Strategy to achieving outcomes
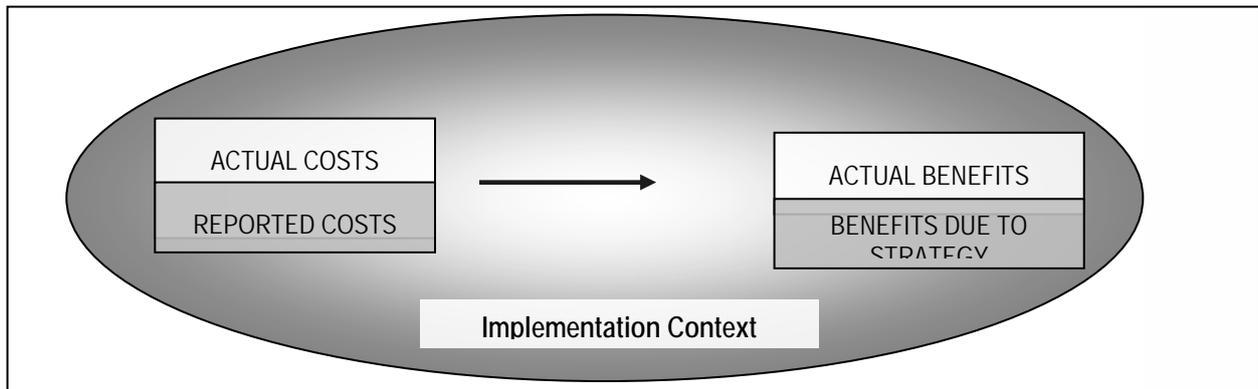
Figure 9 Risk of over-estimating benefits by over-estimating the contribution of the Strategy to achieving outcomes.

The context in which projects were implemented may have contributed to the achievement of project outcomes. One example in the Strategy was the introduction of an alcohol ban at the same time as the implementation of a community-strengthening project.

In this analysis this risk has been addressed by considering information from projects about the importance of non-Strategy activities

5.9 Over or under-estimating long-term benefits on the basis of inappropriate comparisons
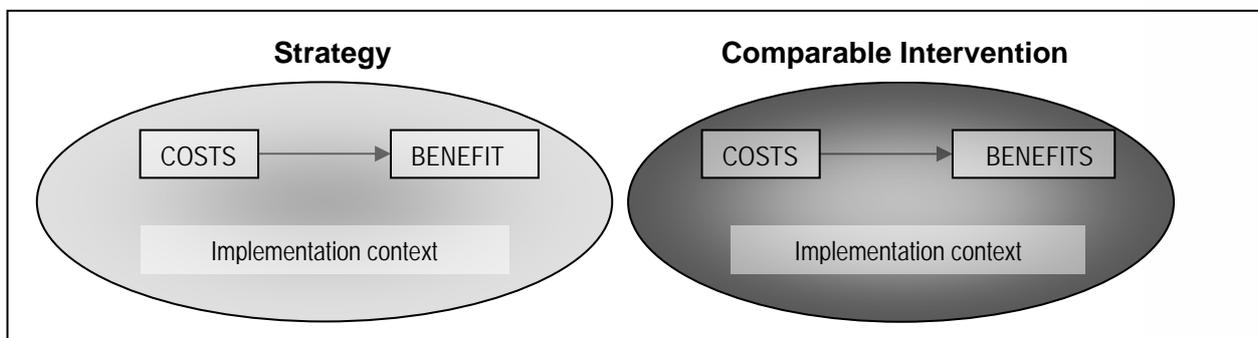
Figure 10 Risk of under or over-estimating benefits because of inappropriate comparisons with research literature

This risk is also related to the difficulties in measuring longer-term benefits. As discussed in the section on methodology, the timeframe for the evaluation of the Strategy does not allow actual long-term outcomes to be measured. Longitudinal studies in the literature are therefore useful in informing estimates of potential long-term benefits. However, if differences between the implementation context of Strategy projects and the implementation context of interventions reported in the literature are not considered there is a risk of over or under-estimating the potential long-term benefits of the Strategy.

Differences in the implementation context may include differences in pre-existing capacity, differences in the timeframe for implementation or differences in the informal networks, service system or broader economic and social environment or differences in the level of acceptance of the intervention or prior experience with similar interventions.

In this analysis this risk is not as relevant because costs and benefits are not quantified, an important exception is when differences in the implementation context mean that a 'critical mass' or minimum level of resources are needed to achieve any benefits. It is important to be aware that there is not necessarily a linear relationship between the level of resources and the magnitude of resulting benefits.

5.10 Over or under-estimating benefits or costs by ignoring differences in individuals or communities
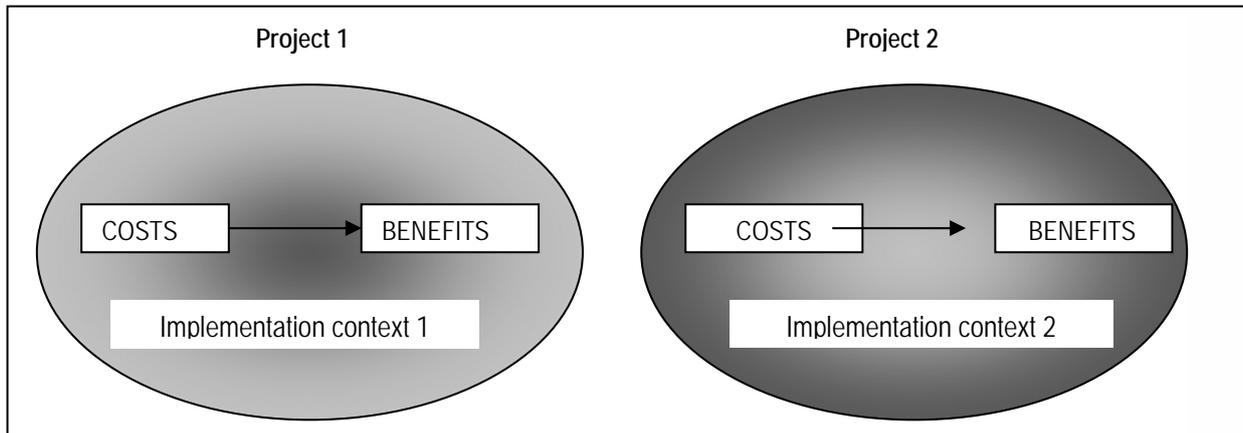
Figure 11 Risk of over or under-estimating benefits or costs by ignoring differences in context

Differences in the circumstances of individuals and communities mean that the impact of the project and resource levels will differ. Providing the same level of financial resources does not guarantee the same outcomes as is often assumed in quantitative cost benefit analyses. In the illustration above Project 2 is implemented in a context where there is less pre-existing capacity (this could be human, social, institutional or economic capital) and requires more resources to achieve the same outcomes as Project 1.

Resources provided at a transition point may yield greater results if the person or community is more open to change and development providing greater 'bang for your buck'. On the other hand, it may take more 'bucks to get a bang' when working with individuals or communities facing entrenched and/or extensive difficulties.

This does not in any way suggest that projects most likely to benefit from a relatively small investment should necessarily be favoured. If the aim is to bring all communities to a minimum level of capacity large investments that show relatively modest benefits may be highly valued. Distributing funds equally amongst communities, without taking different circumstances into account, runs the risk that results will be inequitable in terms of benefits realised. This issue is discussed further at section 4.12.

In this analysis this risk is addressed by not comparing the costs and benefits of individual projects in isolation from the contexts in which they were implemented.

5.11 Over or under-estimating benefits or costs by not including Strategy level benefits and costs

ACTUAL COSTS		ACTUAL BENEFITS	
STRATEGY LEVEL IMPLEMENTATION COSTS	PROJECT COSTS	PROJECT BENEFITS	STRATEGY LEVEL BENEFITS

Figure 12 Risks of not considering Strategy level benefits and costs.

There may be process benefits associated with projects that focus on community participation and decision-making as well as the skills that are developed during the process of application preparation and submission. For FaCS, there was also considerable community goodwill established from engaging the community during the project development stage of the Strategy.

Conversely, competition for limited funds sometimes created tensions between agencies expected to work in partnership where more than one proposal was generated but not all agencies succeeded in attracting funding. This analysis draws on a range of data sources, including specific questions to projects about what has helped or hindered in the achievement of outcomes and both positive and negative unexpected outcomes.

An important characteristic of the Strategy was the aim of further developing the evidence base about what interventions successfully strengthen families and communities and to ensure that projects utilised existing knowledge. This Strategy level benefit created additional costs for projects such as costs associated with the application of action research methods and with the professional development of project staff to ensure that knowledge and skills were up to date with the current evidence base.

In this analysis this risk has been addressed by including Strategy level costs and benefits in addition to costs incurred and benefits achieved by individual projects.

5.12 Not considering the distribution of benefits and costs

BENEFITS	COSTS

Who benefits?   Whose costs?

Figure 13 Risk of not considering the distribution of benefits and costs.

An analysis of costs and benefits that doesn't take into account the effects of the distribution of costs and benefits runs the risk of under or overestimating costs and benefits in relation to the stated intention of the Strategy.

There are higher costs associated with providing services in geographically isolated communities and higher costs and longer lead times associated with targeting socially isolated people within communities. In this analysis this risk has been addressed by considering the extent to which projects targeted socially and geographically isolated communities.

5.13 Summary of steps taken to reduce risks

To reduce these risks, this analysis of the benefits and costs of the Strategy:

1. Considers a broad range of benefits and costs from the perspectives of different stakeholders;

2. Refers to relevant literature to identify potential longer-term outcomes;

3. Considers 'whole of Strategy' benefits and costs in addition to the benefits and costs of projects funded under the different Strategy initiatives;

4. Considers the context in which projects were implemented and the policy intention of the Strategy.

The way in which each of these elements of the analysis has reduced risks of inaccurately describing, or inaccurately attributing, benefits and costs to the Strategy are discussed in more detail below.

1. Stakeholder perspectives

One person's cost can be another person's benefit. To avoid the danger of interpreting cost shifting as a cost saving when evaluating the Strategy in terms of its overall costs and benefits, it is important to consider the perspectives of different stakeholders. The perspectives of the following stakeholders have been considered in this assessment of costs and benefits:

- Project participants – children, young people, parents, families and communities. Communities may be geographically defined or communities of interest;

- Auspice agencies;

- Other agencies in the service system;

- The broader society and economy;

- Australian, state or territory and local governments.

2. Identifying potential long-term outcomes from relevant literature

The two distinguishing features of the Strategy as compared with other interventions are the diversity of the types of projects funded and the focus on early intervention and prevention to build individual and community capacity rather than the delivery of tertiary or crisis services. Consequently this analysis is not able to make direct comparisons of costs and benefits with similar programs. However, it does make reference to similar interventions when analysing the costs and benefits of particular types of projects.

In order to identify relevant literature that could inform assumptions about the potential long-term outcomes of the Strategy, projects have been grouped into four types:

- Early intervention – early in terms of the age of participants and in terms of life transition points, such as becoming a parent;

- Volunteering;

- Leadership and mentoring;

- Community strengthening.

When considering longitudinal research literature as a way of identifying potential long-term outcomes it is important to be mindful of the comparability of the research in terms of the people targeted, interventions applied and any other resources in addition to the interventions that may have contributed to the long-term outcomes.

3. Including whole of Strategy benefits and costs

There is a risk of under or over-estimating the benefits and costs of the Strategy if this analysis only considers the benefits and costs of funded projects and unfunded proposals. There were significant whole of Strategy level costs involved in the implementation of the Strategy above the funding provided to individual projects. There were also benefits and costs for a range of stakeholders flowing from the principles underlying the Strategy and choices made during implementation.

4. Recognising the different contexts in which the Strategy and Strategy projects were implemented and the policy intentions of the Strategy

Projects were implemented in diverse communities that had different starting points in terms of pre-existing capacity. Some communities were more diverse than others in terms of geographic spread, diversity of cultural backgrounds, and the age of participants.

Some projects were building on previous work. In some cases there were pre-existing feasibility studies that informed the development of proposals and in some cases projects continued existing work already being undertaken prior to Strategy funding. Some Strategy funded projects successfully attracted additional Strategy funding to continue their activities. Some projects were part of broader interventions occurring simultaneously in the same community.

Auspice agencies also differed in terms of pre-existing capacity, for example, skills and experience in strengths based approaches, participatory action research and relationships with communities. Some partnerships were already established prior to Strategy projects; others were developed in the course of the project.

The Strategy particularly targeted individuals, families and communities experiencing, or at risk of, social, economic or geographic isolation. Some initiatives, for example, Early Intervention projects were specifically focussed on regional and rural areas where there are higher costs involved in the delivery of programs.

Therefore, this assessment of the benefits and costs of the Strategy does not compare the relative cost effectiveness of individual projects in isolation.

6 Actual short-term benefits and costs of Strategy projects

Overview of types of benefits and costs of Strategy projects

The types of benefits and costs as they are presented in this section are summarised in Table 2 which shows the actual short-term benefits and costs. Benefits include positive outcomes, and negative outcomes avoided. Costs are the resources expended by various agencies and groups (financial and non-financial) as well as negative outcomes resulting from Strategy projects. Benefits and costs are discussed with reference to the stakeholders that reap the benefits or bear the costs.

'Short-term' refers to benefits and costs during the life of the projects. Short-term benefits and costs are discussed in this section and potential long-term benefits and costs are discussed in the following chapter. We don't have evidence from the Strategy evaluation about long-term benefits due to the timescale of the evaluation. However, it is possible to draw on research evidence to identify long-term benefits that could potentially accrue from short-term outcomes. This evidence is presented in the final section of the next chapter.

Many benefits and costs are common across the different types of Strategy project activities, for example, project participants benefit from increased social participation in early intervention, volunteering, leadership and mentoring and community strengthening projects. Benefits and costs that differ by project type are identified.

Table 2 Summary of the short-term benefits and costs of Strategy projects

ACTUAL BENEFITS	ACTUAL COSTS
1. Positive outcomes	*3. Resources expended*
Short-term positive outcomes realised during the life of the Strategy	Short-term financial and non-financial resources.
2. Negative outcomes avoided	*4. Negative outcomes*
Short-term negative outcomes avoided	Short-term – during the life of the Strategy

Short-term benefits include positive outcomes achieved and negative outcomes avoided during the life of the project, costs include resources expended and negative outcomes achieved.

Differentiating between financial and non-financial costs helped to ensure that the full range of costs was taken into account. In the case of benefits, differentiating between financial and non-financial outcomes was not as helpful, nor as straightforward. For example, as discussed in the *Issues Paper on Economic and Social Participation*, the benefits of enhanced social participation are both financial and non-financial. Benefits include improved health and wellbeing, greater capacity for training and employment and improved chances of finding employment through more extended community networks. Similarly gaining employment has financial as well as non-financial benefits such as improved self-esteem and greater choices as a result of improved financial circumstances.

6.1 Actual short-term benefits - positive outcomes achieved

Strategy projects achieved outcomes at all levels of the hierarchy of intended outcomes, from level one, enhanced participation and trust through to level seven, applying strengths developed through the project to improve wellbeing. As discussed in the section on potential risks, the timeframe for the evaluation influences the extent to which projects demonstrated how families and communities capitalised on the increases in individual and community capacity developed as a result of Strategy projects.

The positive outcomes for five stakeholder groups demonstrated by projects in the short-term are summarised in Table 3 and discussed in more detail, with examples from projects.

Detailed case study reports prepared as part of the evaluation provide further detail of outcomes from a range of Strategy projects and Strategy funding initiatives. These reports are listed in Appendix 2.

Positive outcomes for project participants

Projects reported diverse benefits during the life of the projects for individuals, families and communities. Positive outcomes for children included improved nutrition, improved relationships with parents, increased readiness for school, improved school attendance rates and greater participation in social and community activities. Young people benefited from youth leadership programs, specialised individual and group support, and increased opportunities to participate in the community. Across the projects parents were involved in a broad range of activities that included parent education, children's services, playgroups, school readiness programs, maternal and child health services.

There was evidence that participation in projects resulted in improved relationships; between parents and children; between different generations; and between different cultural groups. Projects resulted in increased social and economic participation and informal and formal community networks were developed or expanded. There were examples of people who participated as volunteers, undertook training and then found employment as a result of their involvement in projects. Social capital was developed and strengthened as a consequence of improved relationships and social structures that supported positive interactions. For example, parents who met through parent education courses continued meeting of their own accord.

Positive outcomes for auspice agencies

The focus on working in partnership, improving the coordination of services, developing local solutions and adopting an action research approach supported auspice agencies to establish or further develop formal and informal relationships, networks and collaborations with other agencies and government departments. Some auspice agencies benefited from developing an improved understanding of community strengths and needs and an increased capacity to support community participation.

Projects often worked in conjunction with other programs or initiatives allowing auspice agencies to provide access to a greater range of services. Auspice agencies were sometimes able to leverage additional government or private sector funds and volunteer time. Other benefits to auspice agencies included developing staff skills and improved organisational sophistication as a result of support from FaCS officers and other expertise made available to projects.

Many auspice agencies developed an enhanced reputation and generated goodwill in the community as a result of Strategy projects. A raised community profile and history of successful funding increases the organisation's ability to attract new resources, thereby improving organisation sustainability and increasing the overall budget.

Table 3 Positive outcomes achieved by projects in the short-term

Project participants	
Greater engagement in social activities.	Improved educational outcomes.
Education and training.	Improved physical and mental health and wellbeing.
Skills development (e.g. parenting skills).	Improved family coping.
Gaining employment.	Improved relationships, e.g. between parents and children, between different generations, between different cultural groups.
Greater awareness of available services.	
Increased referrals to a range of services.	Stronger informal community networks.
Increased capacity to seek support during transition period.	Heightened sense of civic responsibility, pride and place in community, enhanced citizen engagement and participation.
Improved physical and mental child health.	
Improved cognitive, social and emotional development resulting in improved self esteem, confidence and motivation in children.	Enhanced trust among members of the community.
Improved readiness for school and literacy and numeracy outcomes for children.	Enhanced collective action in the community, resulting from a shared strategic community agenda, enhanced trust among members of the community.

Auspice agencies	
Expanded range of partnerships, both formal and informal.	Improved understanding of community strengths and needs and increased capacity to support community participation.
Goodwill (enhanced reputation and raised profile in the community) from being involved in the initiative.	Able to offer a greater suite of services, and better reach therefore meeting service delivery gaps.
Improved organisational sophistication as a result of support from FaCS officers and other support and expertise made available to projects.	Leveraging other government or private sector funds and volunteer time thereby improving organisational sustainability and increasing the overall budget.
Skills developed in writing grant applications, and understanding regarding obtaining government funding.	Strengthening of existing projects, implementation of new projects, and expansion of existing services to new populations.

Other agencies	
Improved capacity for collaborative planning and service delivery.	Enhanced knowledge of evidence based policies and practice.
Broader network of referrals (eg mental health, childcare and child protection).	Improved information about community and service system trends as a result of networking.
Access to professional development through the project.	

Broader society and economy	
Contributing to changing social norms to be more supportive of families and communities.	New leaders emerging from within the community, particularly youth leaders.
Sponsoring businesses benefited from publicity and positive community perceptions.	Increased opportunities to volunteer.
Provision of employment from funding (both in terms of project worker(s) and flow on employment.	Heightened sense of civic responsibility, pride and place in community, enhanced citizen engagement and participation.
New or improved community infrastructure, e.g. playgrounds, renovated community centre.	Enhanced collective action in the community, resulting from a shared strategic community agenda.

Governments	
Increased knowledge about community strengths and needs, agreement on how to meet family and community needs.	Reduced health, education, child protection, justice system costs in the short-term.
Opportunities to link related services to each other, as a result of coordination between departments and levels of government.	Short-term decreases in welfare-outlays and greater tax revenue as a result of increased employment.
Increased effectiveness across programs due to better working relationships with local agencies.	Greater understanding of "place based approaches" applied to a variety of other (particularly Indigenous) programs.
Goodwill established due to community engagement (e.g. during project development stage).	Improved information on community skills and needs facilitating allocative and productive efficiency.
Learnings from the first phase of the Strategy applied to the second phase.	Capacity building, shared purpose between levels of government.

Positive outcomes for other agencies

A range of participating agencies benefited from the relationships developed through joint work to plan, oversee and implement projects. In many areas this resulted in an improved capacity for collaborative planning and service delivery, broader networks for referrals, improved information about community and service system trends and an enhanced knowledge of evidence based policies and practice.

Projects often provided other agencies with opportunities to work in new ways. For example, in some projects other agencies assisted project workers in developing and delivering early intervention and preventative services or education courses. Many projects that established groups for participants invited other agencies to address the groups to increase awareness around specific issues (eg mental health or child nutrition) and to make services more accessible to participants.

Some of the positive outcomes reported above for auspice agencies also flowed to other agencies working in partnership with the auspice agency. For example, other agencies benefited from training and skills development for staff, and improved access to a pool of volunteers.

Positive outcomes for the broader society and economy

In small communities the resources that come with a project can be important in terms of providing local employment opportunities, both directly through the employment of project workers and indirectly through the flow on employment generated by project activities. Examples of flow on employment generated by projects include tradespeople employed for building or renovation work and professionals such as psychologists employed as needed. Projects that resulted in new enterprises had further flow-on benefits for the broader economy.

Communities also benefited from new or improved physical infrastructure, for example, playgrounds and community centres.

The community education activities undertaken by projects resulted in a raised awareness of children and family issues and increased awareness of the range of services available. In many cases projects resulted in the provision of additional services to meet identified gaps.

Projects built the capacity of individuals and communities by identifying and supporting emerging community leaders and through the provision of training and opportunities for volunteers to contribute to the community. Enhanced civic participation, a sense of belonging in the community and a shared vision for the community are benefits from projects that have impacted on the broader society.

Sponsoring businesses benefited from publicity and positive community perceptions. Businesses that freed staff to provide volunteer services to projects are expected to benefit from the personal development of their staff. However, this evaluation does not have information from businesses about the impact of being involved with projects to enable this expectation to be verified or refuted.

Positive outcomes for Governments

All levels of Government benefit from improved knowledge about community strengths and needs generated by projects. Improved information on community skills and needs facilitates the allocation of community resources to cost effectively meet the needs of the community.

The Australian Government benefited from the goodwill established by FaCS through active engagement with communities during the project development stage. Better working relationships between FaCS and local agencies, and between FaCS and other levels of government were reported by projects and FaCS Officers. Improved relationships between stakeholders resulted in increased effectiveness across programs and some projects successfully combined funds from more than one government source to achieve shared aims. Some projects developed the capacity of local governments to be involved in community and family strengthening activities, sometimes for the first time.

Benefits to governments also included opportunities to apply the lessons learnt from the first phase of the Strategy to the second phase, and a greater understanding of "place based approaches" that can be applied to a variety of other (particularly Indigenous) programs.

6.2 Actual short-term benefits - avoided negative outcomes

Short-term benefits also include the avoidance of negative outcomes that would have occurred in the absence of the project. Negative outcomes that could have occurred without the intervention of Strategy projects are difficult to identify. For most of the positive outcomes listed in the preceding table there are negative outcomes that have been avoided, for example, if a project resulted in higher rates of school attendance then a negative outcome avoided is truancy from school. Similarly where a project resulted in reductions in vandalism it can be assumed that without the intervention vandalism would have continued. The following table identifies negative outcomes avoided in the short-term only if they are not the converse of positive outcomes achieved.

Table 4 Negative outcomes avoided (Short-term)

Project participants	
Only accessing services at times of crisis, or not accessing services at all	
Auspice agencies	
Increased work and staff stress involved with responding to clients who present only when problems are complex or having a large impact	Closure of a service
Other agencies	
Increased work and staff stress involved with responding to clients who present only when problems are complex or having a large impact	
Broader society and economy	
Continued deterioration of community infrastructure	Vandalism
Governments	
Reduced health, education, child protection , other service expenditure, and criminal justice system costs in the short-term	Short-term decreases in welfare outlays and greater tax revenue as a result of employment generated

Avoided negative outcomes for project participants, the broader society and economy

Projects increased the knowledge of participants and the broader society about the range of services available. As a consequence of a greater number people in the community having had positive interactions with agencies, some projects reported that they were being approached earlier, before a potential crisis situation escalated. This provided opportunities for earlier intervention with better outcomes for clients and less stress for staff.

In the absence of some projects, existing community infrastructure that was not being used and had fallen into disrepair would have either deteriorated further or have been lost to the community. Some projects reported a decrease in vandalism. This was attributed to a greater sense of pride and belonging in the community and the increase in opportunities for social participation, training and education and employment.

Avoided negative outcomes for auspice agencies and other agencies

Responding to crisis situations is stressful for staff and often consumes more resources than intervening before a crisis escalates. The preventative and early intervention focus of Strategy projects reduced the likelihood of crisis work.

Avoided negative outcomes for Governments

Short-term benefits to Government, as a result of avoiding negative occurrences, include decreases in welfare outlays and greater tax revenue as a result of employment generated. There was some evidence of reduced demand for some services, even in the short-term. For example, one project reported that clients were less involved with child protection services as a result of involvement in the project.

6.3 Actual short-term costs – resources expended

Summary of short-term resources expended

Short-term costs include both financial and non-financial resources expended, as well as any negative outcomes achieved during the life of the Strategy.

This section presents information provided by projects through the final evaluation questionnaire about the types and sources of financial and non-financial resources expended by projects in addition to Strategy funding. The number of projects receiving additional funds, the number and types of additional funding sources as well as the number of projects receiving non-financial support and the types of non-financial support are discussed.

Resources expended by each stakeholder group during projects are summarised and discussed.

The next section considers negative outcomes reported for each stakeholder group.

Additional funding that supported project activities

One of the questions asked of projects in the final evaluation questionnaire was whether they had received additional funding for the project from other sources and the number and type of additional funding sources. The following tables show how many projects received financial resources in addition to Strategy funding (Table 5), the number of additional sources of funding per project (Table 6) and the types of additional funding sources (Table 7).

Table 5 Proportion of projects with funding from sources other than the Strategy

Projects with other funding	Number of respondents	% of respondents
Yes	249	58%
No	182	42%
Total respondents	431	100%

A majority of projects responding to the questionnaire had received financial support in addition to the funding provided through the Strategy although the magnitude of the additional funding is unknown. While most projects received additional funding from one or two sources some identified up to eight additional funding sources as shown in the following table.

Table 6 Number of additional funding sources per project receiving additional funds

Number of additional funding sources	Number of projects	% of projects with other funding
1	85	34.1%
2	73	29.3%
3	37	14.9%
4	28	11.2%
5	17	6.8%
6	7	2.8%
7	1	0.4%
8	1	0.4%

Auspice agencies and other community groups or non-government organisations and Local Governments each provided financial resources to at least 30% of projects. State and Territory Governments and the Australian Government provided additional funding to at least a quarter of projects and over a fifth of projects had financial support from the private sector as shown in the following table.

Table 7 Sources of other funding

Funding sources for projects receiving additional funding	Number of respondents	% of respondents
Self funding	99	33%
Other non Government organisations or community groups	93	30%
Local Government or Shire Council	91	30%
State or Territory Government	83	27%
Other	76	27%
Australian Government	80	25%
Private sector (businesses, for profit organisations)	65	21%
Indigenous Lands Council or other Indigenous community organisation	9	3%

Non-financial support for project activities

The majority of projects that responded to the final evaluation questionnaire had received non-financial support from a variety of sources.

Table 8 Non-financial support from at least one other source

Projects with non-financial support	Number of respondents	% of respondents
Yes	341	79%
No	90	21%
TOTAL Projects that responded	**431**	100%

Support provided by existing networks, linkages and referrals as well as the support of the community were judged as important types of non-financial support in achieving success by the vast majority of projects responding to the questionnaire.

In kind supports (often provided by auspice agencies) and the support of volunteers were reported as important in achieving success by over 80% of projects.

The following table presents information from projects about the types of non-financial support received that were important for the success of the project.

Table 9 Types of other non-financial support

What other non-financial support received was important for the success of the project?	Number of respondents	% of respondents
Support of existing networks, linkages and referrals	300	90%
Support of community	292	87%
In kind (goods, materials, office space, etc.)	280	84%
Volunteer time	269	81%
Professional service (eg. auditing at reduced or no fee, constitutional advice, consultancy advice, unpaid supervisory roles)	185	58%
Indigenous community organisation or corporation	94	30%
Employment and training programs, for example, CDEP, Work For The Dole, traineeships.	83	26%
Other	46	17%

The financial and non-financial resources expended during the life of projects by governments, the broader society and economy, other agencies, auspice agencies and project participants are summarised in the next table. The resources expended by each stakeholder group are then discussed, and where data is available, financial resources expended are quantified.

Table 10 Short-term resources expended

Governments	
FaCS funding to the 635 Strategy projects.	Funding the Early Intervention Panel to provide expert advice.
FaCS administrative costs during the development and implementation of the Strategy.	Funding contributed by State or Territory and Local governments.
Funding provided to the Institute of Family Studies to provide expert advice and support for Action Research.	State and Territory government support to State and Territory Advisory Groups and Partnership.
Funding the national evaluation.	
Broader society and economy	
Sponsorship and in-kind support from businesses	Professional services provided free of charge
Other agencies	
Time to participate in networks and partnerships.	Resources required to respond to increased referrals generated by project activities.
Change management costs including professional development, development and implementation of new policies and procedures.	Time to develop project proposals that were not funded.
Auspice agencies	
Application preparation and submission	Overheads (office space, equipment, computer and network capacity)
Audit and Insurance (professional indemnity and public liability) costs	Accommodation for project workers in remote communities
Financial and contractual management including meeting performance reporting requirements	Screening including police and reference checks
Staff recruitment including the recruitment of new staff where short-term project funding led to staff turnover before project completion	Training (workshops, orientation packets, conferences)
	Supplies (printing, postage etc)
Time and expertise to manage project staff, volunteers and subcontractors	Updating websites and directories.
	Venue hire, food, transport and childcare
Affiliation costs and other costs of obtaining intellectual property and other products.	Networking and coordination costs between the auspice agency, other service providers and partners, in terms of project development, management and consultation.
Travel of staff (particularly for remote Indigenous projects) and reimbursement of volunteer expenses	
Project participants	
Time to participate and out of pocket costs associated with participation such as transport, childcare and telephone calls (includes costs to volunteers when not reimbursed).	Time taken to rebuild trust when successful projects, with an expectation of ongoing funding, did not secure additional funding.
Costs associated with forming and managing community groups.	Time spent searching for other sources of funding due to the short-term, non-recurrent nature of the Strategy.

Resources expended by governments

FaCS provided a total of $79,926,810 in grants made directly to projects. Strategy funding to projects is the most obvious and readily measurable source of financial resources included in Strategy costs.

Additional financial costs for the Australian Government include departmental costs of managing the Strategy such as administration costs and the cost of staff time. There were also additional financial costs associated with specific Strategy initiatives. The Australian Institute of Family Studies received funding to support projects funded through the Stronger Families Fund and Early Intervention projects were supported by an Early Intervention Panel.

FaCS Project Officers' time was involved in: preparing project related documentation for State and Territory Advisory Groups and the Minister; fielding enquiries about progress and delays with applications; promoting the Strategy; project development and time involved in managing, monitoring, mentoring and providing ongoing support to projects (including revising project plans, providing required tools and information). In addition time was required for coordination between departments and levels of government.

The following table shows the level of project funds approved under each of the Strategy initiatives.

Table 11 Funding of projects under each community-based initiative (and sub-initiative)

Primary Initiative	Number of projects	Funding allocated	Average $ per project
Can Do Communities	14	$960,737	$68,624
Early Childhood -	11	$1,226,789	$111,526
Early Intervention-Family Relationship Support	69	$11,308,430	$163,890
Early Intervention-Parenting	104	$14,613,741	$140,517
Early Intervention-Play Groups	11	$909,638	$82,694
Local Solutions to Local Problems	207	$8,689,580	$41,979
National Skills Development for Volunteers Program	26	$4,343,144	$167,044
Potential Leaders in Local Communities	144	$19,716,877	$136,923
Stronger Families Fund	49	$18,157,874	$370,569
Total	635	**$79,926,810**	$125,869

At least 80 projects also received additional non-Strategy funding from the Australian Government, State or Territory Governments financially supported at least 83 projects and Local Governments assisted 91 of the projects that responded to the final questionnaire.

Resources expended by the broader society and economy

At least 65 projects attracted financial contributions and sponsorship from the private sector. In addition to providing financial support, private businesses supported some projects by providing in-kind resources such as goods and the services of skilled volunteers.

Resources expended by other agencies

Many projects resulted in an increase in referrals to other agencies; this was as a result of:

- increased referrals of project participants by auspice agencies;
- greater awareness in the community of the need for services (for example, increased self-recognition of depression);
- increased awareness in the community of the availability of services;
- increased availability of services; and
- increased awareness amongst service providers of the range of available services as a result of networking and improved service coordination.

As well as time required to respond to the increased level of referrals, other agencies in the service system contributed time to activities other than service delivery such as: participating in consultations, project development and project management.

Projects that included a focus on improved service integration required other agencies to contribute resources. This sometimes involved providing staff training, or freeing staff to attend training provided by the project, introducing new protocols and practices (e.g. common screening tools) and other organisational costs associated with change management such as updating agency policy and procedure manuals.

Resources expended by auspice agencies

99 projects (33%) that responded to the final questionnaire received additional funding from the auspice agency. In addition many auspice agencies incurred varying costs of planning, implementing and completing projects **over and above grant funds** received. The substantial list of non-financial resources provided to projects by auspice agencies has implications for advice given to agencies preparing future submissions. It is not clear whether additional resources were required to achieve project plans – i.e. plans were under-budgeted – or whether they added value.

Resources expended by project participants

Some individuals, families and communities incurred out of pocket expenses as a result of participating in Strategy projects. These costs included; travel; childcare; and the cost of time that could otherwise have been spent in paid employment. Volunteers in some projects also incurred expenses for which they were not reimbursed such as telephone calls, transportation and childcare and the cost of time that could otherwise have been spent in paid employment, in some cases.

The time of project participants: children, young people, parents, volunteers and community member's time.

New organisations established by project participants incurred costs associated with community group formation and management that include the financial costs of establishing a legally constituted organisation (e.g. incorporated association).

6.4 Actual short-term costs - negative outcomes of projects

Summary of short-term negative outcomes

Negative project outcomes are a cost for stakeholders in addition to the resources expended. 'Short-term' refers to negative outcomes observed during the life of the Strategy – some short-term negative outcomes (such as an erosion of trust) may have long-lasting effects.

The following table summarises the short-term negative outcomes that occurred for different stakeholder groups as a result of some projects.

Table 12 Short-term negative outcomes

Governments	
Negative community perceptions and loss of goodwill when raised community expectations were not met because: projects proposals were unsuccessful; or successful projects were not continued and the need still existed.	
Broader society and economy	
Loss of access to resources previously available to the community because the resource was being used by the project. Discord in the community if one section of the community was perceived to be benefiting while others missed out	Loss of skills acquired when volunteers, mentors and leaders either left the project (to take up employment or training, or due to 'burn-out') or left the area (a particular issue in rural areas).
Other agencies	
Interagency tension as a result of multiple and competing project proposals.	Interagency discord as a result of inadequate consultation or competing priorities.
Auspice agencies	
Adverse effect of turnover of FaCS staff. Loss of capacity because of turnover of volunteers and mentors.	Increased physical and emotional stress of staff (paid and volunteer). Unsustainable workloads.
Project participants	
Negative consequences of delays in approving funding. Adverse effect on trust where there was a high turnover of project staff or loss of volunteers and mentors. Discord in the community if: services not well delivered; one section of the community was perceived to be benefiting while others missed out; and unresolved conflict over priorities and implementation.	Damage done to participants in terms of: erosion of trust; disappointment and sense of hopelessness. Stress and time associated with trying to secure alternative funding as a result of funding ending and services being withdrawn while still needed. Stigma associated with some targeted interventions.

Negative outcomes for governments

Negative outcomes occurred mainly for the Australian Government through the loss of goodwill.

Goodwill was lost where community expectations were not met because project proposals were not funded or when successful projects could not continue due to a lack of ongoing funding. Feedback from projects has shown the importance of clear communication messages about the short-term nature of Strategy funding, particularly in the case of family focused projects where project planning requires strategies for exiting or securing funding guarantees.

Loss of goodwill also occurred due to delays in the project approval process. This was particularly problematic when agencies were applying for funds from more than one source to implement complex, integrated projects and a delay in one source of funding had implications for the design and implementation of other elements of the project.

Negative outcomes for the broader society and economy

For the broader society and economy a reported negative outcome was the loss of a community resource, previously available to the community, because the resource was being used by the project. For example, using a community hall to house a project reduced access for other groups who had been using the hall.

The loss of skills from a particular community due to volunteer and mentor turnover (particularly common for projects based in rural and/or disadvantaged areas) was also identified as a negative outcome for the broader society. When volunteers or mentors moved away, the skills developed through participation in projects may be able to be utilised in new communities. In cases where volunteers or mentors left projects due to high levels of stress, or because they were under-utilised, their negative experiences of volunteering may have broad long-term as well as short-term negative outcomes if they are less likely to volunteer again in the future. Feedback from projects indicates that volunteering was in fact a positive experience for most people.

If one section of the community was perceived as benefiting while others in need missed out projects could result in community discord. There were some examples of discord within a community because of differences in perceived priorities reported by projects.

Negative outcomes for other agencies

Damaged relationships between agencies occurred when inter-agency tension developed as a result of competing project applications, a lack of consultative project development processes or competing priorities. In some cases inter-agency tensions were resolved during the life of projects but progress was slowed until relationships improved. In a few cases tensions were not resolved and agencies withdrew from partnerships.

Negative outcomes for the auspice agencies

While subsequent employment was a positive outcome for the volunteers concerned, auspice agencies incurred costs, and lost capacity (at least temporarily) as a result of the turnover of volunteers and mentors. There was also an adverse effect on the momentum of project implementation if there was a high turnover of project volunteers or staff.

Another negative outcome for some auspice agencies was an increased (unsustainable) workload and increases in the physical and emotional stress of paid or volunteer staff.

The turnover of FaCS staff had negative outcomes for some projects. In some cases FaCS officers provided a high level of support to projects, particularly during the development of proposals and the establishment of projects. As the implementation of the Strategy progressed FaCS Officers took on additional responsibilities and were often not able to maintain the previously high levels of support provided to individual projects.

When a FaCS Officer with detailed knowledge of a project's history, the context in which the project operated, and good working relationships with project staff and agencies moved on the new FaCS Officers did not always have time available to build such supportive relationships. Projects that had previously had high levels of support felt the gap when the level of support could no longer be sustained.

Negative outcomes for project participants

Negative outcomes for participants occurred as a result of delays in the funding approval process, for example, when people involved in planning the project were no longer able to participate. There were also some cases of discord in the community if services were not well delivered; one section of the community was perceived to be benefiting while others missed out; or if there was unresolved conflict over priorities and implementation. Many projects built in time early in the project to develop relationships and create a collaborative approach to avoid the risk of this outcome.

High turnover of project staff or loss of volunteers and mentors as well as the cessation of funding if support was withdrawn while still needed had negative outcomes that included disappointment, erosion of trust and stress associated with attempting to secure other sources of funding.

There was stigma associated with some targeted interventions although working from a strengths based approach reduced the likelihood of this occurring. In one case where participation was initially low, action research identified stigma as an issue and lead to a successful change of approach.

7   Potential long-term benefits and costs from projects

Overview of potential long-term benefits and costs of Strategy projects

The overall aim of the Strategy is to make a lasting difference to the health and wellbeing of families and communities. To achieve this aim the short-term Strategy projects need to generate benefits in the long-term. Identifying long-term outcomes from projects involves:

1.   Identifying long-term benefits expected on the basis of short-term benefits including:

    a.   those that are likely to occur without any additional resources, and

    b.   those that may need additional resources to be fully realised;

2.   Identifying negative outcomes that have been avoided as a consequence of the Strategy. Quantitative cost benefit analyses in the literature have identified large potential cost savings as a result of early intervention strategies that justify the initial outlays to governments.

3.   Identifying long-term negative outcomes that were not avoided.

Long-term benefits include potential long-term positive outcomes as well as potential negative outcomes that would have been expected in the absence of Strategy projects. Long-term costs include potential costs needed to sustain positive outcomes and potential longer-term negative outcomes.

Table 13 Summary of long-term benefits and costs of Strategy projects

POTENTIAL BENEFITS	POTENTIAL COSTS
1. Positive outcomes	*3. Resources expended*
Longer-term outcomes that will continue to accrue as a result of capacity building.	Resources required to sustain project outcomes
2. Negative outcomes avoided	*4. Negative outcomes*
Potential longer-term avoidance of negative outcomes	Long-term negative outcomes

As discussed in Section 1 of this report, families and communities have been strengthened by the Strategy via two pathways: a) directly as a result of outcomes achieved during the life of the Strategy, for example, when improved parenting skills has increased the confidence of parents to support their children's learning; and b) as a consequence of building capacity which will continue to reap benefits in the longer-term such as when children do well at school. Sustaining an increase in capacity, and fully capitalising on the potential benefits of the Strategy, may require additional resources beyond the life of the Strategy.

The potential long-term benefits and costs of projects have been identified by referring to relevant longitudinal studies on the impacts of early intervention, volunteering, leadership and community strengthening initiatives.

Long-term benefits include both anticipated longer-term positive outcomes and long-term negative outcomes that would have occurred without the Strategy that have been avoided (long-term savings).

7.1 Potential long-term benefits –positive outcomes

Summary of long-term positive outcomes

Long-term positive outcomes are benefits that can be expected for project participants: children, young people, parents and communities in the longer-term as a result of the early intervention, leadership and mentoring, volunteering and community strengthening activities of the Strategy projects.

There are also long-term positive outcomes expected for auspice agencies, other agencies, the broader society and economy and governments. The following table summarises the expected benefits for different stakeholders that have been drawn from the literature.

The literature on longitudinal studies of these types of interventions is discussed in the final section of this chapter.

Table 14 Potential long-term positive project outcomes

Project participants	
For high-risk children involved in early intervention projects: Improved child health outcomes resulting in fewer medical problems in adult life; Improved cognitive, social and emotional development; the literature suggests there appear to be strong and longer-lasting benefits in terms of educational outcomes, such as academic achievement and other aspects of school performance; greater income enjoyed by project participants than by comparable persons who did not participate.	Greater community participation in later life as a result of early experience in volunteering. Communities 'learning by doing' resulting in enhanced confidence and capacity to sustain and further expand activities. (Including volunteer based agencies, as formal services are reduced). Greater valuing of diversity and differences.
Auspice agencies	
Improved organisational governance and management capabilities (e.g., projecting what programs will cost, measuring program impact, determining organisational needs, financial management, strategic planning, etc.), Growth in the diversity and number of staff members.	Improved capacity to utilise volunteers and to identify and support the development of young community leaders. Improved capacity to work in partnership.
Other agencies	
Increased knowledge of the evidence base supporting, and capacity to adopt: early intervention; 'strengths based' approaches; action research; community development and collaborative planning and service delivery.	Improved capacity to work in partnership.
Broader society and economy	
For projects that worked to strengthen communities, the literature reports that the existence of trust between strangers may be beneficial for economic performance. Development of new projects, programs or organisations. Increased pride, sense of belonging and civic engagement.	Promoting leadership development of others. Consequences of increased social capital – higher level of trust, reciprocity, increased informal networks in the community. Greater valuing of diversity and differences.
Governments	
If a project results in higher earnings for a program participant, the government collects greater tax revenue. Increased civic engagement .	Improved government efficacy. Greater knowledge of what works in strengthening families and communities.

Potential long-term positive outcomes for project participants

The ultimate aim of the Strategy is to make a lasting difference in the lives of families and communities, particularly for people that are experiencing social, economic or geographic isolation.

On the basis of short-term project outcomes and the literature, the high risk children who participated in early intervention projects can be expected to benefit in the longer-term from: improved physical health and development; improved cognitive, social and emotional development; improved educational outcomes; and eventually earning a higher income. Improved outcomes are also expected in the long-term for children of parents who participated in parent education and family support activities.

Young people involved in leadership and mentoring projects funded by the Strategy reported improved self esteem, motivation and confidence in the short-term. Skills, knowledge and changes in attitudes and perspectives developed through leadership and mentoring projects, if sustained, suggest long-term benefits in terms of improved emotional health.

Some people who volunteered, either gained employment or moved on to formal education or training during the life of Strategy projects. In the longer-term a higher number of volunteers are likely to move on to employment or education and volunteers are expected to continue enjoying the health benefits of increased social participation. Research suggests that early experience in volunteering results in greater community participation in later life.

Creating and strengthening social capital can have a lasting impact on participating communities. Communities 'learning by doing' resulting in enhanced confidence and capacity to sustain and further expand activities. Communities with social capital support individuals to develop their potential; they are able to make the most of strengths and opportunities and to work collaboratively to address problems.

Healthy communities are characterised by formal and informal networks that support families and connections between diverse groups and members of the community. In the longer-term communities strong in social capital are better placed to develop volunteer-based responses to community needs rather than depending on formal services.

Potential long-term positive outcomes for auspice agencies

Skills developed by project staff and by auspice agencies through managing projects are expected to lead to improved organisational governance and management capabilities for some agencies (e.g., projecting what programs will cost, measuring program impact, determining organisational needs, financial management, strategic planning). This will enhance the capacity of the agency to attract project funding in the longer-term. Some agencies have improved their capacity to utilise volunteers and to identify and support the development of young community leaders.

Potential long-term positive outcomes for other agencies

Through the promotion of the Strategy, and involvement in projects funded within the Strategy, there was an increase in the knowledge of the evidence base supporting early intervention amongst agencies and the wider community. There was also an increased understanding of what a 'strength based approach' means in practice that is likely to have a flow on effect in the longer-term.

Potential long-term positive outcomes for the broader society and economy

As discussed under outcomes for participants, communities reap diverse long-term benefits from having a high level of social capital. For projects that worked to strengthen communities, the literature reports that the existence of trust between strangers may be beneficial for economic performance.

Potential long-term positive outcomes for governments

When a project results in higher earnings for a program participant, the government collects greater tax revenue.

7.2 Potential long-term benefits – avoided negative outcomes

Summary of avoided long-term negative outcomes

Avoiding long-term negative outcomes are particularly important because of the potential cost savings to Governments, the broader society, agencies and participants. The research literature demonstrates that cost savings as a result of avoiding negative outcomes can be substantial, for example when a high-risk young person is diverted from unemployment and anti-social behaviour.

However, identifying negative outcomes that would have occurred in the longer-term without the intervention of Strategy projects can be difficult. Published longitudinal studies that have considered long-term benefits achieved as a result of avoiding negative outcomes have been drawn on to identify potential negative outcomes that are expected to be avoided or reduced as a result of Strategy projects.

Table 15 Potential costs avoided in the long-term

Project participants	
Increased physical and mental health problems as a result of limited parenting skills, poor nutrition and social isolation.	Higher rate of unemployment as a consequence of leaving school early
Auspice agencies	
Costs of responding to individuals and communities in crisis reduced as the benefits of prevention and early intervention pay off over time reducing demand for crisis responses	
Other agencies	
Costs of responding to individuals and communities in crisis reduced as the benefits of prevention and early intervention pay off over time reducing demand for crisis responses	
Broader society and economy	
Increased crime	Increased discord in the community
Higher insurance premiums	Costs associated with reduced efficiency of programs and services not based on evidence
Less educated workforce	
Governments	
Increased burden on the health system	Costs of governments not working cooperatively, e.g. duplication of effort, loss of knowledge about community needs
Increased welfare payments	
Increased justice system costs	

Avoided negative outcomes for project participants

For project participants the severity and duration of problems are deceased due to early intervention as evident by:

- Reduced levels of family and parental stress;

- Reduction in Costs directly borne by couples as a result of family violence, marital breakdown and suicide;

- Reduced risk of harm to children;

- Reduced risk of developmental delays in children;

- Reduced absenteeism from school;

- Reduced vandalism;

- Reduced criminal activity. In the literature, in the cases where attempts have been made to measure crime and delinquency behaviour among youth when they were followed at older ages, the results are generally favourable, with lower incidence and seriousness associated with juvenile offences of those in treatment versus control groups.

While much of the evidence to support claims about negative outcomes avoided comes from research literature, there are also examples from Strategy projects. For example a young women's health project funded under the Strategy reported success in preventing clients from becoming homeless, the ability to intervene before the participants required long-term support, and a diminished role of the state Department of Community Services in the family's lives.

Avoided negative outcomes for auspice agencies and other agencies

Costs of responding to individuals and communities in crisis reduce as the benefits of prevention and early intervention pay-off over time reducing demand for crisis responses. (However, in the short-term there may be a higher level of demand on agencies in line with an increased awareness of available services).

Avoided negative outcomes for the broader society and economy

For the economy as a whole, the literature suggests that early intervention may lead to decreased property losses and reduced pain and suffering associated with criminal victimisation.

The broader society benefits from reduced property losses, reduced fear of criminal behaviour and reduced pain and suffering from criminal behaviour.

If a project reduces the incidence of unhealthy behaviours in later life, such as drinking in conjunction with driving, insurance premiums—in this case, for car and possibly health insurance — generally could go down.

Avoided negative outcomes for governments

If a project participant is less likely to use social security, early intervention programs may be a means of reducing welfare outlays. The savings to government include reduced payments to recipients and reduced administrative expenses. Lower criminal justice system costs, including arrest, adjudication, and incarceration expenses.

7.3   Potential long-term costs – resources needed to sustain positive outcomes

Summary of potential long-term costs for resources needed to sustain positive outcomes

Many of the short-term positive outcomes of Strategy projects can reasonably be expected to result in long-term positive outcomes without the need for a further investment of resources. This is discussed in more detail later in this chapter where findings from the literature relating to long-term benefits of early intervention are discussed. However, early intervention does not necessarily negate the need for additional resources in the future - children and families are not 'bullet proofed' and may require support during periods of transition.

Some positive outcomes are likely to either decay over time or not be fully capitalised unless there are further resources expended (not necessarily by government) beyond the life of the projects. For example, new skills need to be practiced to be remembered and reinforced – a time lag between training and the application of new skills may reduce the benefits of the training. An example of not fully capitalising on potential positive benefits has been where volunteers have been trained as mentors and are then not utilised in this role.

Some strategy projects developed successful pilot programs that could be maintained, expanded or implemented in other locations. However, additional resources are required to maintain or extend the implementation of new models beyond the initial piloting phase..

The long-term benefits of resources developed by projects for example, community education videos or policy manuals would be enhanced by a systematic process to inform other organisations about relevant resources and facilitate access to them.

To sustain the benefits of adding to the evidence base through lessons learnt and documented by projects, particularly through action research the evidence needs to be accessible to others. Maintaining accessibility has associated costs, for example, costs associated with maintaining a website or clearinghouse.

Table 16 Long-term costs needed to sustain positive outcomes past the life of the Strategy

Governments	
Ongoing funding needed to support some activities. Costs associated with responding to community needs and gaps in services identified as a result of Strategy projects.	Increased education costs if larger numbers of students progress through to higher education. Ongoing costs for local government to support new roles in community strengthening.
Broader society and economy	
Costs associated with volunteering.	Costs of maintaining improved physical infrastructure
Other agencies	
Ongoing costs associated with maintaining partnerships and continuous improvement of service coordination.	Costs, such as ongoing professional development associated with staying up to date with, and implementing evidence based practices.
Auspice agencies	
Cost of providing opportunities for, and supporting volunteers, mentors and leaders to utilise and continue to develop skills. Costs associated with continuing engagement with community and participatory action research.	Costs, such as ongoing professional development associated with staying up to date with, and implementing evidence based practices.
Project participants	
Time and out of pocket costs associated with continuing participation.	

Resources needed to sustain positive outcomes–governments

Some projects have resulted in the development of services that meet identified needs in communities. Ongoing funding is needed to fully realise the potential of these services, for example, projects that have set up volunteer programs may have developed policies and procedures, recruited, screened, trained and matched volunteers with families or individuals needing support or mentoring. However, ongoing resources will be required to enable organisations to continue to support volunteers and ensure quality of services, and also to recruit and train new volunteers when needed.

Other projects have resulted in the development of new programs or resources that have the potential to benefit other geographic areas or target groups and would require additional funding to expand their application.

Enhanced roles in social planning, community development and community building at local Government level will take resources to sustain.

To fully realise the benefits of improved access to education and enhanced educational achievements, there will be a need for opportunities for further education, particularly in regional and rural areas.

Resources needed to sustain positive outcomes – the broader society and economy

Some projects provided one-off funding to mainly rural communities to develop community infrastructure, for example a playground or rotunda. These facilities, which have become a focus for community activities in some areas, will require ongoing maintenance to prevent wear and tear and ensure continued safety.

Resources needed to sustain positive outcomes – auspice agencies and other agencies

Volunteer and mentoring programs need ongoing monitoring and support to maintain quality of support or leadership.

Auspice agencies and other agencies in the service system will need to continue to allocate resources to maintain partnerships and networks if they are to continue to improve the coordination of services.

Bedding down new practices, such as working from a strengths base, drawing on the evidence base in developing activities and using action research will require ongoing monitoring and resources.

Maintaining and further developing community participation in program planning and implementation, for example, through advisory committees or consultative processes requires resources.

Resources needed to sustain positive outcomes – project participants

Sometimes participants need to invest resources to maintain outcomes. For example, participants in a parent education course funded by the Strategy reported that although they had benefited from the training they sometimes found it difficult to follow through at home with information learned in the course. Follow-up support was needed to encourage their new parent skills. On the basis of this knowledge the project supported groups of parents to continue meeting after the course had ended. While this was a useful development in terms of supporting the sustainability of outcomes, the additional (time) costs incurred by participants also need to be recognised.

7.4 Potential long-term costs – long-term negative outcomes

Summary of potential long-term negative outcomes

The timeframe for the evaluation has not permitted the collection of evidence of actual long-term outcomes. The potential long-term negative outcomes identified are based on actual short-term negative outcomes reported and on the impact of the negative legacy of previous projects on some Strategy projects. The risk of long-term negative outcomes was mediated by the Strategy processes described in Chapter 6.

The potential long-term negative outcomes that could result from involvement in Strategy projects are mainly to do with damage done to trust, goodwill and relationships. Potential long-term negative outcomes are summarised in the following table and are then discussed in more detail.

Table 17 Potential long-term negative outcomes

Governments	
Time taken to rebuild trust where application process (particularly delays) and reduced project duration created difficulties for projects.	Time taken to rebuild trust when successful projects, with an expectation of ongoing funding, did not secure additional funding.
Broader society and economy	
Community members less likely to volunteer if capacity of volunteers developed through the Strategy is not utilised.	Turn over costs when volunteers, mentors and leaders leave the project, including skills no longer retained in the community.
Other agencies	
Poor working relationships with other agencies if discord re funding decisions not resolved.	Poor working relationships if the roles and priorities of other agencies not considered.
Auspice agencies	
Poor working relationships with other agencies if discord re funding decisions not resolved.	Reluctance to take on similar projects where reduced project duration limited positive outcomes and further funding not secured.
Project participants	
Erosion of trust if project not funded, successfully implemented, or if project ended while needs still existed resulting in participants less likely to commit to future projects.	Volunteers who experience high levels of stress or burn-out may have long-term health effects and may be reluctant to volunteer in the future.

Long-term negative outcomes for governments

Potential long-term negative outcomes for governments are concerned with a loss of trust that could occur if raised community expectations are not met, either because the project wasn't funded, because it was poorly implemented, or because there was an expectation that the project would be ongoing. A consequence could be that communities are less likely to submit for similar funds in the future.

Long-term negative outcomes for auspice agencies and other agencies

There were a few examples where the original auspice agency did not successfully complete the project and it was taken over by another agency. Not being able to successfully implement the project has negative outcomes for the auspice agency that could result in a damaged reputation and a loss of face with other agencies and with the community.

Long-term negative outcomes for project participants

Long-term negative outcomes for project participants are possible if participants had an overall negative experience of being involved in the project. Negative experiences could result from being actively involved in developing project proposals that were not funded, if projects were not successfully implemented or if projects ceased before achieving their aims.

Some projects reported that a few participants did not continue their involvement with projects. For example, not all parents completed parent education courses that they started attending. The reasons for people withdrawing from projects are not generally known, however, if it was because they didn't have a sense of belonging in the group or were not coping with the content, an experience of 'failing' may have a negative outcome in terms of confidence, feelings of competence and a reduced likelihood of involvement in similar types of activities in the future.

Volunteers who experienced either high levels of stress, or who were underutilised, may have long-term negative outcomes as a result of volunteering.

7.5   Evidence from relevant literature supporting potential long-term benefits and costs of Strategy projects

Early intervention benefits and costs

The Stronger Families and Communities Strategy has adopted early intervention as part of its approach to enhancing family and community wellbeing. Numerous longitudinal studies have documented a range of potential benefits of early intervention for children and their families (Karoly *et al*, 1998; Grunewald and Rolnick, 2003; Xiang and Schweinhart 2002; Loeb *et al*, 2004; Schweinhart, 2004; Olds *et al*, 1997; Reynolds, 1997; Campbell and Ramey, 1995, McCain and Mustard 2002) and the broader society (Van der Gaag 2002), both in the short-term and the long-term. There is evidence in the literature that good nutrition, nurturing and responsive care in the first years of life improve outcomes for children's learning, behaviour, and physical and mental health throughout life. Significant findings are associated with programs that provide only home visits in the first few years of life, with those that offer only preschool programs for one or two years before school entry, as well as with a range of programs in between. Results of a number of US interventions also indicate that early intervention projects may generate benefits beyond their initial objectives. In his review of the literature, Van der Gaag (2002) identifies how early childhood intervention contributes to individual and societal development via four critical pathways: education, health, social capital and equality.

Such projects affect more than just cognitive development, even when that is the main motivation behind an intervention's design. For example, the Perry Preschool program was a small experimental program designed to examine whether high quality early childhood education would help improve the lives of low-income children and their families. Children participated in an active approach to learning, facilitated by well-trained teachers. There was also a home visiting component to enable parents to reinforce the curriculum in the home. Schweinhart (2004) found that the program not only fulfilled the objectives many people might associate with preschool—developmental and short-term educational benefits—it also yielded long-term educational, economic, crime prevention, and health-related benefits. Program evaluations, however, do not always account for these extended benefits.

Since the government is the main source of funds for these early intervention programs, it is worthwhile investigating whether public expenditures for such programs could be justified, at least in part, by the savings to government they generate. If the savings generated by such programs are greater than their costs, government fiscal support for such programs may be considered a worthwhile investment of public funds, regardless of other broader benefits to society. While the cost-saving approach considers costs from the perspective of the government, the cost benefit approach takes a societal perspective when considering costs. Therefore, while increases in tax revenues and reductions in welfare payments are a cost saving to the government, they are simply a transfer from taxpayers to the government and former recipients to the government, respectively, and do not provide additional social benefits or cost savings in and of themselves. While there may be a change in net social costs due to resulting changes in the administration of the tax-transfer system, and changes in the disincentive effects of that system, these will fall far short of the value of the transfers themselves.

The literature suggests that antisocial behaviour in childhood imposes considerable costs in childhood and social exclusion and high public expenditure by adulthood. The impact on public spending is substantial. One British longitudinal study (Scott *et al* 2001b) calculated that the costs of antisocial behaviour by individuals from childhood to adulthood were 10 times greater for those who were seriously antisocial in childhood than for those who were not. This study applied costs to data from the inner London longitudinal study, an epidemiological study of psychiatric problems and attainment in people from a disadvantaged inner London borough. The study began in 1970 when the children were 10 years old and tracked their progress to their late 20s. Costs were calculated for each individual across six domains: foster and residential care in childhood, special educational provision, state benefits received in adulthood, breakdown of relationship (domestic violence and divorce), health, and crime. No costs were allocated for use of social services, voluntary organisations, primary health care, lost employment, divorce (other than public legal costs), undetected crime, the costs to victims of crime parents' or partners' use of services arising from the participant's behaviour, indirect costs to families, or psychological impact, such as the distress and lack of friends of individuals with antisocial behaviour or the unhappiness of their siblings. These costs fell on a wide range of agencies.

In the United States the cost for crimes committed by a typical juvenile delinquent (under 18) was estimated at $80,000-$325,000 (Cohen, 1998). Between the ages of 19 and 24 a typical adult criminal costs a further $1.2m. Victim costs were by the far the greatest part of this total. Dropping out early from school added $243,000-$388,000 to age 24, heavy drug use a further $150,000-$360,000. Rescuing a high-risk youth from this typical life path was estimated to save $1.7m-$2.3m.

The literature provides evidence for a range of therapeutically effective interventions for antisocial behaviour in children (for example, Scott *et al* 2001a), suggesting that a reduction of antisocial behaviour in childhood could result in large net benefits and cost savings. For example, taking a range of benefits and cost savings into account, analyses conducted on the following projects in the United States found returns that range from $3 to almost $9 for every dollar invested by the government (Grunewald and Rolnick, 2003).

The projects considered in this analysis were:

- The Perry Preschool Project referred to earlier;

- The Abecedarian Project where the goal of the intervention was to prevent mild mental retardation and improve academic and social competence at school entry for economically disadvantaged children. (Campbell and Ramey 1995);

- The Chicago Child-Parent Centres project that was designed to serve economically disadvantaged children age 3 to 5 years. The preschool program initially provided a structured half-day program during the nine-month school year for 3 to 4-year-olds, and was designed as an early education program to prepare children for school through promotion of reading and language skills. The program provided comprehensive services including health and social services and parent involvement. With additional state funding, the program was expanded to continue services for children through third grade. See Reynolds (1997); and

- The Elmira Prenatal/Early Infancy Project that aimed to prevent ill-health and child abuse through a program of home visitation by professionally trained nurses provided to expectant mothers and their families. (Olds *et al* 1997)

Expressed as an internal rate of return, the estimated real (adjusted for inflation) internal rates of return on these programs range from about 7 percent to above 16 percent annually. It is important to note that savings for most programs will be understated because many potential benefits—especially those that can be readily monetised—were not, or have yet to be, measured. Indeed, a summary report (Schweinhart, 2004) at the 27-year mark of the Perry Preschool Study indicates that the long-term benefits continued into adulthood. The total benefit-cost saving cost-ratio was estimated at $17 for every dollar invested. While the magnitude of cost savings may overstate the true value of early intervention programs to society as a whole, net benefits from these programs remain positive and significant. For example, at the 27-year mark of the Perry Preschool Study, the benefit-cost ratio in respect to purely economic benefits was $13- to-$1.10 (compared to $17 for every dollar invested when using a benefit-cost saving cost-ratio, as mentioned above).

Leadership and mentor training - benefits and costs

The Strategy funded a number of projects that identified current or potential community leaders and developed their skills and networks. Effective community leadership and mentoring is increasingly recognised as an important contributor to local social development. The leadership approach is based on a premise that individual development enhances community capacity (Andersen *et al*, 2002).

The W. K. Kellogg Foundation (2002) evaluated 55 leadership development programs utilising the following three levels or categories of outcomes: individual, organisational and community. They are discussed with reference to benefits of Strategy leadership projects.

1. Individual outcomes

Individuals are the primary focus of change for nearly every leadership training project. The development of skills and knowledge; changes in attitudes, perspectives and behaviour; and clarification of values and beliefs are all possible outcomes for individuals who participate in leadership projects. For the recipients of mentoring services funded under the Strategy, improved self-esteem, motivation and confidence are commonly reported outcomes

2. Organisational outcomes

These programs may offer an opportunity for assisting in building and sustaining organisations. Some measurable outcomes may include: enhancing organisational governance and leadership capacity and program innovation, expansion and visibility. However, these benefits are unlikely to emerge over the life of the project. Indeed, for a number of leadership projects funded under the Strategy, participants were often not able to be placed in a formal, structured leadership role. For many projects, a greater focus was placed on community engagement.

3. Community outcomes

The benefits to the community from greater community engagement may include: enhanced collaboration, partnerships and networks; improved sustainability of activities; heightened sense of community consciousness; and tangible improvements in community functioning and quality of life. However, community outcomes, are among the most difficult to evaluate. There are several reasons for this. Projects do not benchmark the community's leadership capacity at the outset so it is difficult to determine what impact the program has had. Community leadership projects also have tended to focus on bringing together diverse individuals, not on addressing particular issues of concern. Shared action agendas often emerge but they take time to implement and evaluate, often well beyond the completion of the projects. Community leadership projects often do not have well-articulated theories of change so it is difficult to know what outcomes to look for in the short-term.

Regardless of these measurement difficulties, the literature certainly emphasises the importance of leadership for sustaining community capacity. David Chrislip and Carl Larson (1994), in their study of more than 50 successful collaborative communities, identified the presence off a particular kind of leadership necessary for success. They found that there must be one or more (preferably several) members of the stakeholder group who take on the demanding role of "strong process leadership." The primary purpose of these leaders is not to advocate for particular positions, but to promote and safeguard the collaborative process.

Volunteer training benefits and costs

Benefits accrue from program volunteer programs to the auspice agency, the volunteers, recipients of services, and to the community at large. In addition, volunteer labour, although provided without remuneration, is not without cost to either the volunteer or the auspice agency.

Benefits to volunteers

To the extent that volunteers are motivated by benefits stemming from volunteering, such as socialising or gaining work experience, there occurs what economists term *joint production*. Again, the benefits to volunteers of the experiences produced jointly with recipient-oriented services needs to be counted in measures of the benefits of volunteering. In paid employment, when a job is unusually pleasant or noxious, economists measure the value of the special job characteristics through their effect on the wage. To an economist, then, a job that one will perform at a wage of zero must offer significant levels of intrinsic benefit. People may care about the value to the employing agency and/or its clients of the time they contribute. People may value the skills they develop while volunteering. Volunteering in programs gives young people and new immigrants opportunities to learn new skills and obtain experience to make them more productive members of the community. Social networking among volunteers and with staff members also increases the social capital of volunteers. They may enjoy the social atmosphere in which volunteering takes place. They may care about participating, preferring to give time even if the money they might have earned in an equivalent number of hours spent working might have been more valuable to the agency. And they may prefer volunteering to donating money because volunteering lets them keep an eye on how an agency is run.

Costs to volunteers

Whatever the motives, the cost of volunteering is time that could have been spent in other ways. For some this includes earning money that could, after taxes, be spent on desired goods and services, or consuming leisure. In other cases, volunteering was actually a pathway to employment as discussed in the Evaluation Issues Paper on Economic and Social Participation. Much of the literature on the valuation of volunteer time has debated how to accurately estimate the value of volunteer hours. From the volunteer donor perspective, valuation is complicated. There are a number of possible approaches, including the opportunity cost approach, reasonable compensation and replacement cost methods.

Opportunity cost approach - an evaluator can ask those volunteers who were working full-time and part-time to report their actual wage rate and what wage rate they would view to be reasonable compensation for their volunteering. This self-reporting of wages, earned and expected, can provide an estimate of the marginal opportunity cost of volunteering.

Reasonable compensation - Handy *et al* (2000) argues that volunteering is an activity that comes from an individual's leisure time and not at the expense of work time. This makes the opportunity cost method not a very accurate way to appraise the costs and benefits of volunteering. For those not currently employed, one can therefore ask what they would consider a reasonable compensation for their volunteering time.

Replacement cost methods - as the tasks undertaken by volunteers do not mirror the distribution of jobs people are otherwise employed in, one may want to look at market wages in industries most like those in which most volunteers work.

Benefits to recipients

When volunteer labour is used to produce a good or service that is provided free of charge or at highly subsidised prices, the wage rate is not the only missing price. Volunteer labour and non-profit auspice organisations are generally dedicated to filling gaps in service provision that markets do not reach.

Benefits to auspice agencies

On the other hand, while volunteers may have lower levels of task specific training than do paid employees, volunteers may have higher levels of general training and knowledge than the average member of the workforce. One demographic characteristic that is associated with high values of time is educational attainment. The volunteer workforce is more educated on average than is the employed civilian workforce. Similarly, volunteers have an advantage in performing some tasks. There are occasions on which a trust relationship between volunteer and client is especially valuable. For example, good relationships between volunteers and parent and child clients were reported for a number of parent aide projects funded under the Strategy. A children's sport project also reported strong mentor relationships developing between volunteers and disadvantaged children, and evidence of ongoing commitment to the mentor relationship. Similarly, Indigenous diabetes management and early intervention projects reported that community volunteers were accepted and trusted by the community. This contrasts to the reported distrust of a state Department of Community Services amongst participants in a young parenting program, which resulted in low workshop attendance.

There are also broader, longer-term benefits to auspice agencies. For example, the UKPIU (2002) reports that early experiences in volunteering and associational activity appear to be highly predictive of community engagement in later life.

Costs to auspice agencies

There are reasons to believe that volunteers are generally less productive in generating client-oriented services than paid employees. Because the wage represents a powerful motivator for workers to perform well on the job, employers would rationally reserve for paid employees those jobs that involved extensive training and for which absenteeism and turnover would be costly.

Community strengthening benefits and costs

The Strategy funded a diverse range of projects that were intended to increase community capacity (skills, social capital and/or physical infrastructure). Community capacity depends on several components: human capital; social capital; economic capital; and institutional capital. While the financial benefits of, and great output of goods and services associated with human capital and economic capital are well recognised, research suggests that social capital[1] — adherence to social norms, well-developed networks and associated levels of trust — can also generate benefits in several ways[2]. Several studies in the literature have found positive associations between indicators of social capital and a range of outcomes, suggesting that social capital may benefit individuals, society and the economy as a whole.

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[1] However, not all benefits are equally quantifiable. For an example of access to economic resources as a determinant of mental health and wellbeing, see (VicHealth 2005b).
[2] See Productivity Commission (2003) for an extensive review

However, community capacity building, clearly takes time, with a substantial lead time often required in building trust and a sense of community. A large number of community strengthening projects funded under the Strategy report a variety of short-term benefits, including: a heightened sense of civic responsibility, pride and place in community; enhanced citizen engagement and participation and; enhanced collective action in the community, resulting from a shared strategic community agenda. However, strategy reporting requirements, do not permit longer-term benefits to be captured. This section will therefore make substantial reference to the broader research literature.

Benefits in terms of lower crime rates

A number of projects funded under the Strategy reported a reduction in vandalism. This is consistent with several studies in the literature that have suggested that reduced levels of social capital are associated with higher rates of crime and violent behaviour. Sampson and Raudenbush (1997) studied 343 neighbourhoods in Chicago and found that measures of social cohesion combined with individuals' willingness to intervene on behalf of the common good, was a strong predictor of lower rates of violence. The OECD (2001) reported other US studies as showing that communities characterised by: anonymity and limited acquaintance among residents; unsupervised teenaged peer groups; and low level of civic participation, face an increased risk of crime and violence.

Benefits in terms of improved health

A number of studies have linked social inclusion and social capital to a range of health and wellbeing outcomes, such as mortality rates, reported happiness, and rates of depression and heart disease.

Evidence of significant and persistent correlations has been found between poor social networks and mortality from almost every cause of death (Seeman 2000; Berkman and Glass, 2000; Eng *et al* 2002). In Australia, a study of social inclusion and health in Adelaide found that individual's 'social participation' had a strong link with their health status (Baum *et al* 2000). The literature suggests a number of pathways through which such links may emerge:

- Social networks furnish tangible assistance and care which reduce psychic and physical stress;
- Social capital might trigger a physiological mechanism stimulating individual's immune systems to fight disease and buffer stress (OECD 2001);
- Supportive relationships may also encourage healthier behaviour patterns (Seeman, 2000);
- There is also some evidence of correlations between various dimensions of social capital (such as interpersonal trust and norms of reciprocity) and aspects of mental health (VicHealth, 2000).

Benefits in terms of improved educational attainment and child welfare

Putnam (2000) found his composite indicator of social capital in the United States to be positively correlated to an index of the educational performance of children across US states. Certain school characteristics have also been linked to social capital and educational outcomes. For example, Teachman, Paasch and Carver (1997) used 'attendance at catholic schools' as an indicator of social capital, together with measures of family structure and the number of times a student changed schools. All these indicators of social capital had a negative and significant effect on school dropout rates in the United States.

Studies have generally found positive links between indicators of social capital and measures of other aspects of children's welfare. For example, Putnam (2000) found his composite indicator of social capital to be highly positively correlated to a composite index of child welfare in the United States, which includes items such as infant mortality and juvenile death rates, family structures and poverty rates, and data on teen births, high school drop-outs, youth unemployment and crime. Indeed, there is also evidence of intergenerational spillovers. Some studies have found that rates of child abuse tend to be higher in communities where social cohesion is lower, and that the social connectedness of mothers is a key factor in avoiding behavioural and emotional problems of children later in life (e.g. Runyan *et al*, 1998).

Governmental efficacy

A number of studies provide empirical support for the view that trust is associated with government performance. La Porta *et al* (1997) and Knack (2000) examined the relationship between social capital and governmental performance using cross-country analysis and the trust index from the World Values Survey as a proxy for social capital. Rice (2001) conducted a survey-based study of communities in the US state of Iowa. These studies found several elements of social capital (such as interpersonal trust) to be positively and significantly correlated with a number of measures of government performance, including responsiveness, effectiveness, judicial efficiency, bureaucratic quality and tax compliance.

Improved labour market outcomes

There is also evidence that social capital can enhance individual's labour market outcomes. The OECD (2001) reports research showing that, in a number of European countries, social capital is a valuable resource for finding employment, with job search a function of the range of people with whom the individual is connected and can rely on. Within Australia, Stone, Gray and Hughes (2003) found that individuals who possess low levels of social capital are less likely to be in employment (particularly full-time employment) and are more reliant on friends, family and responding to advertisements for finding work than people with greater levels of social capital.

Economic performance.

Several researchers have investigated whether there are links between indicators of social capital and a range of economic variables, including personal income, investment, productivity and GDP. A number of these studies (Knack and Keefer, 1997; La Porta et. A 1997; Knack 2000; and Helliwell, 1996) have involved cross-country comparisons using trust and civic cooperation indexes from the World Values Survey, while some (e.g. Helliwell and Putnam, 1995) have focused on the individual country level by focusing on inter-regional differences in social capital.

Costs

Social capital can create costs and problems in some instances. For example:

- strong group bonds can reduce tolerance of outsiders and create an undue focus on the group's needs to the detriment of the broader society (Portes, 1998; Ostrom ,2000);

- some social norms can stifle individual expression, initiative, and entrepreneurship (Woolcock ,1998; Portes 1998);

- community collective action resulting from increased social capital may impose costs on government, such as dealing with increased lobbying for service maintenance or extension. At least one community empowerment project funded under the Strategy evidenced these lobbying costs.

8 Strategy Level benefits and costs

Overview of Whole of Strategy benefits and costs

There are several Strategy level issues to consider when analysing whether the costs and benefits of the Strategy, with its specific features, has provided added value, or additional net benefits, relative to other investments. This section considers whole of Strategy level costs and benefits associated with the implementation of the principles underlying the Strategy. The eight principles underpinning the Strategy provided reference points for translating the Strategy into practice.

The Strategy principles were:

1. Working together in partnerships.
2. Encouraging a preventative and early intervention approach.
3. Supporting people through life transitions.
4. Developing better integrated and coordinated services.
5. Developing local solutions to local problems.
6. Building capacity.
7. Using the evidence and looking to the future.
8. Making the investment count.

The ways in which the principles have been enacted in the implementation of the Strategy, and the benefits and costs associated with the Strategy implementation processes and the application of the principles are discussed in the following section.

8.1 Principle 1: Working together in partnerships.

The Strategy aimed to encourage partnerships within and between governments, organisations and communities. Some of the partnerships developed or strengthened through implementing the Strategy were between:

- Auspice agencies and other agencies in the service system;

- Auspice agencies and communities;

- Different groups in the community;

- Communities and businesses.

- FaCS and other levels of government;

- FaCS and auspice agencies;

The extent to which the auspice agency had collaborated with the community, other agencies, other levels of government and businesses were considered in the project approval process. FaCS sometimes played an active role in encouraging partnerships between agencies in an area if they were developing similar project proposals.

The majority of projects developed informal working relationships with partners, many projects also developed written agreements amongst partners and in some cases partners entered into formal, legally binding written agreements. Some projects developed partnerships with businesses that provided goods, financial support or expertise to projects.

Almost all projects (over 85%) engaged in networking with partners, undertaking project activities together, and jointly analysing community needs and strengths. Most projects referred participants for services or activities or received referrals from their partner organisations, and most engaged in participatory decision making. Over half the projects prepared funding submissions with their partner organisations.

Most projects reported an increase in the number of partnerships as a result of the project. About half of the projects reported that, while they had some partners before the project, they had formed additional partnerships. Sixteen percent of projects had not had any of the partnerships in place before the development of the project began. Partnerships were likely to be a continuing legacy of the Strategy as almost all projects (92%) expected at least some of them to continue, and two-thirds of projects expected all or most to continue.

In the analysis of 146 projects conducted for the Early Intervention Case Study there was a strong relationship between the helpfulness of local networks and partnerships; the importance of partnerships and the overall success of the projects – that is, projects with greater overall success (as rated by the evaluation team based on available evidence) were more likely to have assessed local networks and partnerships as having been both important and very helpful. These findings reinforce the Strategy principle of working in partnership.

Table 18 Benefits and costs of working in partnership

How the principle of working together in partnership was enacted in the Strategy	Benefits	Costs
Agencies worked in partnership to develop and implement projects. FaCS worked in partnership with agencies in targeted communities to develop proposals and demonstrated flexibility during implementation. Coordination between different levels of government. Local businesses approached to form partnerships.	Better developed proposals and better planned projects. Closer relationship between FaCS, and agencies. Flexibility during implementation - able to implement changes to projects on the basis of action research findings. Greater coordination, collaboration and capacity building between levels of government and governments have a more detailed understanding of issues in targeted communities. Agencies, businesses and community organisations have improved formal and informal relationships and developed an increased capacity for collaboration. Services more responsive to community trends, needs and aspirations. Resources levered from other agencies and the business sector. Reduced financial burden for government.	Coordination costs associated with partnerships (e.g. contributing to project development; participating in consultations; participation in project management, e.g. steering committee / reference group, staff training and introducing new protocols and practices). Time to promote projects to businesses, seek sponsorship and maintain relationships. Because of the lead time taken to develop partnerships and co-funding arrangements there was an under allocation of project funds in the first year of the Strategy and reduced funding allocations to the Strategy in subsequent years.

Summary of the benefits and costs of working in partnership

Benefits

Agencies working closely in partnership benefited from developing a more detailed understanding of the practices, pressures and strengths of other agencies in the service system. The involvement of partners during the development of proposals resulted in better informed project proposals and reduced the potential for duplication of effort by agencies in the same location working in isolation.

Working in partnership supported efforts to improve the integration and coordination of services (another principle underpinning the Strategy) and encouraged further collaborative work around shared interests or issues.

FaCS officers reported that they developed an improved understanding of relevant work undertaken by State, Territory and Local governments through their involvement in developing proposals.

The partnerships that developed between FaCS Officers and projects had benefits for projects in terms of the advice and support provided by FaCS Officers.

Resources provided by business partners supported projects to implement activities that may otherwise have been beyond their capacity, thus extending the benefit of funds received from government.

Costs

Costs associated with working in partnership were the resources required to build and maintain partnerships. The types of costs differ for different areas, for example travel and telecommunication costs were a particular issue in rural areas covering large distances. In urban areas partnerships may need to include a larger number of services.

The lead time required to develop new partnerships and to involve partners in developing proposals extended the time taken to submit project proposals. A result of spending less than the amount allocated in the first year of the strategy was that the level of funding available in subsequent years was reduced.

A cost of working in partnership with FaCS has been disappointment generated in some cases when proposals which organisations were encouraged to develop were not approved for funding or when the initially high-level of support provided by FaCS during project development was not sustained over the life of the project.

8.2 Principle 2: Encouraging a preventative and early intervention approach and
8.3 Principle 3: Supporting people through life transitions.

Table 19 Benefits and costs of early intervention

How the principle of early intervention was enacted in the Strategy	Benefits	Costs
Funding projects that targeted communities and groups with identified needs. Funding projects that target times when people are most likely to benefit from prevention and early intervention, such as pregnancy, new parents, young children, the transition to school, transition from school to work.	Projects extended the reach of services to people in need who were previously only using services at times of crisis. Healthier and happier children, families and communities and a reduced need for crisis services in the future. Participants have an enhanced capacity to seek timely support when needed to prevent problems developing. Early intervention for 'high risk' families has the potential to generate ongoing savings to health, welfare and criminal justice systems. Increase in staff morale and job satisfaction.	Potential to stigmatise targeted participants. Time and other costs associated with engaging 'hard to reach' families and communities.

These two principles (early intervention and transitions) are discussed together because they are so closely related. Supporting people through life's transitions is one type of early intervention. The term 'early intervention', while always referring to catching actual or potential problems early, is used in different ways and can refer to prevention, early remediation, intervening at critical transition points (including times of crisis), and intervening in early childhood.

Encouraging a preventative and early intervention approach applies to families and individuals and also at the community level. Prevention and early intervention services can be universal, (for example seeking to engage all school aged children in the community) or targeted (for example, seeking to engage only children who are not attending school).

The Strategy encouraged a preventative and early intervention approach by:

- funding projects in all Strategy funding initiatives that targeted communities and groups with identified needs.

- funding projects that targeted people and families at times of transition when preventative and early intervention approaches are most likely to be of benefit (for example, young people at risk), people at times of transition (for example, during pregnancy) and families with young children (for example, parent education and support).

Targeting – focusing on supporting families and communities with identified needs

"At-risk" targeting played a role in the allocation of grant funding under the Strategy. While targeting remains an imprecise concept, and knowledge regarding the merits of alternative definitions of risk is scant, one of the unifying concepts of studies of early intervention programs is that programs that target children and families who will benefit most from the services offered have the highest chance of repaying their costs. In most cases, more disadvantaged children, or children "at risk", are likely to realise the greatest benefits. Children are considered to be at risk if they are subjected to one or more stressors in the form of cognitive, emotional, or resource deficiencies, and who are at lower levels of socio-economic or developmental status.

Hence, at-risk targeting may result in projects that yield relatively large net benefits. There are a number of examples of Strategy projects that suggest that, through intensive supported targeting, projects were able to reach families not being reached by similar programs, reducing disparities between communities of interest.

However, in some cases, children, families and communities that face the greatest number of risks may require even more specialised services, so they may benefit less from a particular program than those that face only a few risks. This may potentially offset the additional benefits that flow from targeted projects. For example, an early intervention school based project reported that due to a prolonged lapse in school attendance, children often felt uncomfortable when returning and therefore the project did not result in a consistent increase in attendance rates amongst the targeted participants. The same outcomes are reported for community based projects.

An additional cost associated with targeted approaches was the potential to stigmatise targeted participants. For example, parents involved in a nursery school project funded under the Strategy expressed a preference for their children to be integrated with mainstream schools, and a parent aide project reported the stigma attached to attending parenting groups.

Summary of benefits and costs of early intervention

Benefits

Potential for substantial and diverse long-term benefits for both for participants and governments as a result of strengthening families and communities in a way that reduced risk factors and/or enhanced protective factors.

Agency staff benefited from witnessing the growth and development of individuals and families participating in projects as they develop new strengths and greater resilience. This satisfying experience was sometimes new for staff that had previously only had contact with families at times of crisis.

Risk factors (or potential risk factors) were reduced and protective factors enhanced reducing the likelihood of experiencing crises in future.

Project participants have a greater awareness of the range of available services and supports and have already had positive contact with an agency.

Costs

Targeted programs had the potential to stigmatise participants. For example, one Strategy project identified that the way in which the service being offered had been promoted had the effect of labeling potential participants as 'failing' – as a consequence the project initially had difficulties attracting participants. The project changed the name of the service to focus on aspirations rather than 'problems' which resulted in more families engaging with the project.

There were additional costs associated with developing and implementing specific strategies to reach and engage families and individuals who might benefit most from preventative and early intervention services, for example, providing transport and on-site child care.

8.4 Principle 4: Developing better integrated and coordinated services.

The Strategy supported the development of better integrated and coordinated services by requiring all agencies to work in partnership to develop proposals and requiring funded agencies to report on the partnerships developed during the implementation of projects.

Some projects funded under the Strategy had a particular focus on improving the integration and coordination of services. For example, one project introduced a common screening tool to identify health or developmental issues by early childhood by service providers in a range of agencies within a particular location.

Many projects also included strategies that aimed to improve the coordination and integration of services. For example, projects developed service directories, new networks.

As part of this principle, the Strategy funded some projects that specifically focused on improved coordination and integration of services. Other projects developed better integrated and coordinated services as a consequence of working in partnership; improved communication and an increased awareness of each other's roles developed between agencies.

As discussed in a separate paper on *Service Integration and Co-ordination* (Leigh, 2005), prepared as part of this evaluation, better integration of services incurs costs before it pays:

> *Improving service system efficiency is often a stated goal for connectivity initiatives. Potential benefits are perceived as including reductions in duplication, improved targeting and timeliness of service provision that may prevent later needs for services, and opportunities for services to provide new, expanded or more intensive support for their clientele through any savings generated.*

> *However, these initiatives also incur costs, which can have implications for the initiative and its success.*

Table 20 Benefits and costs of developing better integrated and coordinated services

How the principle of developing better integrated and coordinated services was enacted in the Strategy	Benefits	Costs
Funding projects that specifically focused on improved coordination. Agencies were required to work in partnership in developing project proposals. Projects required to report on numbers of partnerships with other services.	More holistic response to the needs of individuals and communities. Fewer people 'falling between the gaps' when their first contact with the service system does not meet needs. More effective utilisation of resources. Reduced duplication of services. Increased capacity of one service is shared among other services.	Ongoing costs associated with service coordination including professional development, networking and costs associated with establishing and maintaining partnerships. Costs associated with developing and maintaining information systems.

Summary of the benefits and costs of developing better integrated and coordinated services.

Benefits

Better integrated services benefited people who need to use services when more streamlined referral pathways made it easier for people to get to the service(s) they needed, when they needed them.

Improved coordination benefited agencies by reducing duplication and the level of inappropriate referrals – which generates additional work for agencies.

Costs

Costs involved in developing more integrated and better coordinated services included time and resources required to develop and implement common (or complementary) processes and procedures across a number of agencies.

Ongoing costs of improved coordination include the maintenance of networks and collaborative work.

8.5 Principle 5: Developing local solutions to local problems.

This principle was enacted in three ways. Firstly, interventions were developed 'from the ground up' taking into account the unique circumstances of individuals and communities. Secondly, all projects were required to consult the community and the level of community support was considered in the project approval process. Finally, local needs assessments were an important component of the evidence-base used to develop projects.

Research on implementation (Azfar *et al*, 1999, Feiock 2003) seems to suggest that in net terms, the "bottom-up" ethos of the Strategy and associated flexibility of funding may have generated additional benefits, and hence higher benefit/cost ratios, compared to a more top-down approach to early interventional programs.

Examples of benefits are:

- Citizen participation in service delivery facilitates information flows between the government and local population and thereby reduces asymmetric information. It provides means for demand revelation and helps the government to match the allocation of resources to user preferences.

- It reduces the need for communities to undertake costly "tailoring" of applications to the type of funding being offered.

The literature also suggests that large-scale early childhood programs administered by public agencies in a diverse array of communities will not replicate the results of model programs where the links between interventions and outcomes have been researched and found to be robust and other contributing factors are controlled as much as possible so that there is consistency in how the interventions are applied.

The expansion or replication of a given early intervention model may dilute some project benefits. There are several reasons for this:

- it is unclear whether public agencies would have resources to adequately duplicate the model programs;

- public programs would be unlikely to attract staff with the same training and stake in the outcomes as the staff who implemented the research programs;

- programs administered by government on a large scale would have to deal with issues that the model programs did not face, such as how to ensure consistency across many program sites and how to screen large numbers of children.

Local implementation may not be without costs which may have adverse implications for the net benefits from the Strategy relative to other comparable interventions. For example, when compared to a top-down approach, local implementation may involve unnecessary duplication of activities or preparation of materials, which may have multi-site applications. This might be compounded by a lack of information flows amongst co-located projects. It has been suggested that there has been some overall Strategy "information loss" from unreported data on outcomes from volunteer training projects, particularly those that were run by agencies located outside the community.

Another potential cost of local implementation, raised both in the context of particular projects funded under the Strategy and the intervention literature more broadly, is that it may also encourage approaches that are not informed by a broad range of evidence.

Table 21 Benefits and costs of developing local solutions to local problems

How the principle of developing local solutions to local problems was enacted in the Strategy	Benefits	Costs
Interventions developed 'from the ground up' taking into account the unique circumstances of individuals and communities. Participatory project planning, implementation and monitoring processes. Level of community support considered in the project approval process. Many projects informed by a local assessment of needs and strengths.	Communities develop a 'can-do' approach. Participatory processes generate goodwill and projects are locally 'owned' and supported. Citizen participation in service delivery facilitates information flows between the government and local population, providing means for demand revelation and helps the government to match the allocation of resources to user preferences. Reduces the need for communities to undertake costly "tailoring" of applications to the type of funding being offered. Large-scale programs administered by public agencies in a diverse array of communities may not replicate the results of model programs (due to resourcing and administration problems). Encourages innovation and approaches based on "common sense" as opposed to those based on academically proved models – a benefit if this results in new evidence about what does or doesn't work.	Costs associated with participatory planning and implementation: eg steering groups. Local implementation may involve unnecessary duplication of activities or preparation of materials, which may have multi-site applications. Lack of information flows among co-located projects. Encourages innovation and approaches based on "common sense" as opposed to those are based on academically proved models – a cost if projects are implementing interventions that have been shown to be problematic (eg if they focus on deficits rather than strengths), or if funding provides legitimacy for untested models, or if projects do not incorporate research.

Summary of the benefits and costs of developing local solutions to local problems

Benefits

The processes of developing local solutions to local problems builds local capacity for problem solving and making the most of opportunities.

This approach acknowledges that communities and groups that were the target of projects have different strengths and issues to address. Members of the community, agencies, governments and businesses involved in the process of developing local solutions develop a shared understanding of community issues from a variety of perspectives.

A benefit of developing local solutions to local problems is that communities participate in the processes of identifying problems and developing solutions that are locally owned and supported.

Projects are more likely to succeed when they are based on a clear understanding of community strengths and weaknesses. This approach doesn't assume a level of pre-existing 'upstream' capacity which if not there could result in projects failing.

Costs

The costs of developing local solutions to local problems are that solutions may 'reinvent the wheel' in terms of programs, activities and resources. Locally developed solutions may not be informed by current evidence and unless well documented and evaluated, local solutions may not add to the body of knowledge about what works, when and for whom.

A potential cost associated with developing local solutions is that some parts of the community may be dissatisfied with the solutions that are generated. Processes for facilitating the development of local solutions need to be well managed and inclusive.

8.6 Principle 6: Building capacity.

Targeting communities with limited pre-existing capacity, funding short-term projects that aimed to build the capacity of communities to support themselves, building in expectations of sustainability and also the use of strengths based approaches were features of the Strategy that supported capacity building.

Projects in communities that have existing capacity may have higher benefit/cost ratios than those without. A family violence project that utilised the volunteered time of skilled Indigenous musicians in the community was seen as returning considerable benefits for a very small initial outlay. Similarly, a community centre renovations project reported that its successes were largely the result of enthusiastic volunteer tradespeople, who provided the skills needed for the more difficult renovation activities. An Indigenous family support project that recruited volunteers who were known and trusted in the community also reported that this had significant benefits, encouraging participants to openly discuss community issues.

This capacity effect could be a benefit or a cost depending on the degree of utilisation of existing capacity. If capital is already fully utilised, a range of costs flowing from overuse (physical and emotion stress of auspice staff, for example) may offset the lower costs associated with pre-existing capacity. However, if capital is under-utilised, then, all other things being equal, communities with existing capacity may record higher benefit/cost ratios per funded project compared to those communities that do not have such existing capacity. The type of capital required will also determine the degree of under-utilisation. For example, social capital (including trust and shared social norms) has greater public good characteristics than other types of capital, and therefore projects that call on such capital are particularly likely to fall into the second category.

However, limiting Strategy funding to those communities that already have sufficient capacity to develop and implement funding proposals may increase disparities between communities of interest. By targeting regions with relatively high levels of disadvantage for funding the Strategy may have reduced the potential for such an outcome.

Certain populations may be relatively costly to service. Rural, remote and disadvantaged communities may lack the required economic and physical infrastructure, thereby increasing the relative cost of delivering a particular service at a particular level of quality. For example, a project that aimed to provide a broad and integrated array of supports to families and children in a highly disadvantaged community identified the lack of affordable childcare and transportation services as a major barrier to participation.

A lack of institutional capital, in terms of an absence of potential auspice organisations in a region, may also lead to the use of inappropriate organisations as auspices, due to the lack of other potential auspice organisations in the region. For example, in some instances Aboriginal Land Councils have been given the responsibility for managing some Indigenous family related projects. A lack of social capital can have similar implications.

A lack of social capital in a racially divided community undermined the benefits from a skills management project, as there was longstanding disagreement (amongst community members, local providers and key government departments) as to how to use the major community resource - an existing community hall.

Short-term, non-recurrent project funding

While the short-term, non-recurrent project funding associated with the Strategy may have had financial benefits for government, and may have been designed to ensure that applications came from high value projects that could establish partnerships with other levels of government and the business sector, there were also costs associated with this model of funding.

One cost of short-term funding is the cost of recruiting new staff where the short-term nature of projects leads to staff turnover before project completion. Another cost is that it encourages a focus on securing other sources of funding, which may be costly for the community and agency, particularly if such funding is not forthcoming.

Such a lack of long-term sustainability can generate disappointment from unmet expectations. Therefore, community capacity may be reduced through involvement in the Strategy. This has particularly been the case for some projects directed at remote Indigenous populations, where the level of disadvantage is significant.

Building in an expectation of sustainable outcomes at project development and approval phase

Strategy documentation was clear that funding was available for short-term, one-off projects and that there was an expectation that funded projects would achieve sustainable outcomes.

However, feedback from projects and FaCS State and Territory Officers indicates that early in the promotion of the strategy there were mixed messages about the likelihood of ongoing funding for family focused projects in particular.

There were significant costs associated with the lack of clarity regarding ongoing funding for family focussed projects in terms of a loss of community trust and goodwill in the Australian Government. There were also costs for project staff who felt that they had failed communities when ongoing funds were not secured for successful projects addressing high levels of unmet need.

Some of the projects that were funded to provide direct services to families and communities did not expect these services to be able to be sustained without ongoing funding from some source. Similarly, projects that developed and or piloted new models for working with particular groups needed additional funding to continue development or to extend the implementation of models with demonstrated successes.

A benefit associated with building in an expectation of sustainable outcomes was that projects were encouraged to plan ahead to either embed new practices within existing structures or to secure additional funding to continue to deliver needed services. As already discussed seeking alternative funding could be a time consuming process.

Adopting a strengths based approach

The concept of building capacity is inherent in strengths based approaches that focus on identifying and building on existing strengths. This does not imply that needs are ignored; rather they are approached from a different perspective. A benefit of adopting a strengths based approach was that projects successfully engaged and maintained the involvement of members of the community who were previously isolated or not using services. Also, adopting strengths based approach helped to ensure that participation in project activities was a positive experience which supported continued participation.

Table 22: Benefits and costs of building capacity

How the principle of building capacity was enacted in the Strategy	Benefits	Costs
Funding projects aim to build the capacity of communities to support themselves rather than only provide a direct service. Funding time-limited projects that aim to build the capacity of communities. Short-term non recurrent project funding. Building in an expectation of sustainable outcomes at project development and approval phase. Adopting a strengths based approach.	Projects designed to establish or increase capacity may yield larger and more sustainable benefits than other projects (e.g. service delivery projects), particularly social capital, which has a number of public good characteristics. Benefits from projects have potential to keep accruing over the long-term. Reduced demand on crisis response services. Communities develop a 'can-do' approach. Strengths based approaches more successful in engaging high risk families in preventative and early intervention approaches. Enhanced human, social, economic, physical and institutional capital. Drawing on underutilised existing capacity results in higher ratio of benefits to costs. Enhances high value, sustainable projects that can establish partnerships with other levels of government and the business sector.	Cost of recruiting new staff where short-term nature of projects leads to staff turnover before project completion. Encourages a focus on securing other sources of funding, which may be costly for the community and agency, particularly if such funding is not forthcoming.* Disappointment from unmet expectations.* Damage associated with cessation of funding if support withdrawn while still needed. Training in using strengths based approaches. Project overburdens existing capacity that is already fully utilised and activities are not able to be implemented as planned. Ongoing costs needed to sustain capacity developed during projects.

* These costs are related to the non-recurrent nature of the funding, rather than being intrinsically a feature of a capacity building approach

Summary of the benefits and costs of building capacity

Benefits

Building capacity has the benefit of generating benefits that can increase over time, particularly when social capital is enhanced.

Building capacity can yield higher benefits than projects that seek only to address a specific issue for families or communities.

Increasing the capacity of families and communities to identify and address longstanding issues addresses hopelessness and creates a 'can-do' attitude.

Increased capacity to identify and address future issues as they emerge supports preventative and early intervention actions.

Enhancing different types of capacity (human, social, economic and institutional) increases the benefit/cost ratio of future investments – provided that capital is not over-stretched.

Developing bridging social capital links families and communities with potential resources through partnerships with other agencies, businesses and levels of government.

Strengths based approaches helped to successfully engage participants who otherwise tend to only use services at times of crisis.

Costs

Drawing on already fully utilised capacity could over-stretch existing resources limiting the implementation of projects.

Costs associated with adopting strengths based approaches included time and financial resources required for the professional development for some project staff as well as costs associated with introducing changes in practice in partner agencies when relevant.

Costs associated with short-term funding included a loss of goodwill and disappointment when expectations could not be met. Time and resources devoted to securing alternative funding to continue services once the Strategy funding period ended were another cost of short-term funding for several projects. The disruption to projects caused by project staff leaving and costs associated with recruiting and inducting new staff were also a cost of short-term funding.

Some project staff bore costs at a personal level when projects ending before communities had developed sufficient capacity to sustain services or increased capacity developed during the project.

When increases in capacity were not utilised, or were unable to be maintained without additional resources, the benefits accrued from developing increased capacity could be negated over time.

8.7 Principle 7: Using the evidence and looking to the future

The Strategy supported evidence-based policy and practice by drawing on research evidence in the development of the Strategy and disseminating this information in accessible formats as part of promotion of the Strategy, and during the implementation of projects through workshops, conferences and websites.

The Strategy supported individual projects to draw on relevant evidence and to use action research through the SFLEx. This also had the benefit of developing institutional capacity in using and generating relevant evidence. Projects benefited from being able to access learnings from other projects during the Strategy through the Bulletin published by SFLEx and through the support provided to individual projects by SFLEx.

Project level evaluations and the national evaluation have added to the Australian evidence base about what works in strengthening Australian families and communities.

Table 23 Benefits and costs of using the evidence and looking to the future

How the principle of using the evidence and looking to the future was enacted in the Strategy	Benefits	Costs
Drawing on existing evidence Action research Dissemination of project learnings. Project level evaluations. National evaluation.	Improved knowledge of and application of evidence base in policy and practice, capacity to contribute to the evidence base. Learnings add to the evidence base about which interventions work, in what circumstances with which people. Governments, agencies and communities learn from the experience of projects and the Strategy as a whole.	Ongoing professional development, ongoing review of practice. Time to develop skills and implement action research and participatory planning and reflection. Costs of the evaluation.

Summary of costs and benefits of using the evidence and looking to the future

Benefits

The benefit of using evidence and looking to the future was that the knowledge of governments, practitioners and researchers was both utilised and further developed. Increased knowledge about what works, for whom and in what circumstances supports the effective use of public resources while minimising wasteful spending on programs that do not make a difference. Increased knowledge also minimises the potential to damage already vulnerable families and communities.

Specific benefits of Action Research were that:

- projects drew on existing evidence (publicly available research, local evidence based on experience and current evidence about local needs and performance).

- development of local solutions to local problems and participatory planning and review processes were supported.

- ongoing monitoring provided opportunities to identify and address challenges as they arose, to identify what was working, and how projects could be improved during the life of the projects.

- capacity of communities and organisations to do their own problem solving (a 'can do' attitude) has enhanced.

- reflective practice that supported learning by identifying unanticipated outcomes, both positive and negative were encouraged.

- evidence that could be used by other projects and communities was generated.

Costs

Accessing, synthesising, generating and using evidence effectively required time, skills and other resources such as effective information and knowledge management systems and financial resources.

Specific costs of action research were:

- time and resources to develop capacity where this did not previously exist (training, promoting an action research ethos and skills in organisations).

- time and resources to implement participatory action research (consultative processes, analysis of outcomes, time for reflection and further planning).

8.8 Principle 8: Making the investment count

'Making the investment count', in terms of making a lasting difference, can be considered in terms of a range of critical issues and competing imperatives:

- Informing management of projects and of the Strategy through benchmarks and performance indicators.

- Investing in projects that are most likely to achieve long-term outcomes (which involves issues such as pre-existing capacity, likely sustainability).

- Investing where family and community strengthening is most needed (which involves issues such as targeting, critical mass, multiple strategies, staged approaches, long-term commitment).

- Investing in order to learn about innovative approaches or how to adapt existing approaches to new environments, including learning from both success and failure.

Informing the management of projects and of the Strategy

The performance of short-term Strategy projects that were seeking to make a difference to communities in the long-term, needed to be assessed in the short-term. The development of the outcomes hierarchy for the Strategy, that drew on diverse data sources, and was informed by the existing evidence base on early intervention and community capacity building, enabled intermediate or process outcomes (that can be reasonably expected to lead to long-term change) to be identified and specified for different types of projects.

However, there are inherent difficulties in attempting to develop benchmarks and performance indicators that can be meaningfully and consistently applied across the diverse range of Strategy projects that were implemented in such differing communities. The type of results that constitute a 'lasting difference' will vary for each community and depend on the pre-existing capacities (human, social, institutional, economic and environmental) of communities and the issues that Strategy projects are seeking to address.

In communities grappling with entrenched disadvantage and low levels of capacity, projects that aim for outcomes at lower levels of the outcomes hierarchy may do more to make the investment count than projects that have ambitious aims. Small successes along the way provide encouragement and motivate continued participation. Conversely, overly ambitious projects that have a higher likelihood of failing risk demoralising already fragile communities. Therefore in some cases, engaging a small number of participants and focussing resources on building their capacity, as a first step in strengthening families and communities, may do more to achieve lasting results than initially aiming for high levels of participation.

Investing where there is most likelihood of long-term outcomes

The likely sustainability of project activities, or the maintenance and usage of capacity built during the project, was an important consideration when proposals were being assessed. Some projects had pre-existing commitments from partners to follow through on project outcomes; others garnered this commitment during the life of the project. Given the short-term nature of Strategy funding, one of the ways to make the investment count was to invest where a project was building on existing capacity in a way that was likely to make a lasting difference. Some projects capitalised on existing community resources, in some cases acting on the findings or building on the outcomes of previous work.

Appropriate roles for Strategy projects, particularly in situations where there were ongoing service needs included: research and policy development; capacity development of existing services; short intervention projects to engage families and then link them to ongoing services; demonstration or replication projects that will then be supported by other agencies, including universal services; and seed funding for a service that will then become self-sufficient.

Investing where there is most need

A contradictory component of making the investment count is investing in the areas of greatest need, where there is most scope to make a significant difference to the lives of families and communities. Targeting areas with high levels of need and providing support to develop partnerships and proposals resulted in projects in communities that in some cases would not otherwise have applied for funds or been able to successfully implement projects.

As different types of capacity interact to amplify positive or negative consequences it was not surprising that targeted communities with little pre-existing capacity needed to develop human, social and institutional capacity to achieve their aims. For example, one project made a significant investment in training local project staff as a strategy for increasing the human and institutional capital in remote communities, before undertaking work with communities. The paper *Community Capacity Building*, produced as part of this evaluation discussed these 'upstream' and 'downstream' approaches to capacity building in more detail.

Sometimes the imperative to target funds was at odds with the imperative to invest in areas where short-term funding was most likely to have long-term outcomes, as there was more need for subsequent funding and activity.

Investing in order to learn more about innovative approaches

Finally, making the investment count also includes investing in the documentation of innovation so that it can add to the evidence-base, as discussed in the previous section. This can require significant investment to document the details of implementation and to identify the elements that are critical to its success.

Table 24 Benefits and costs of making the investment count

How the principle of making the investment count was enacted in the Strategy	Benefits	Costs
Use of benchmarks and performance indicators to inform the management of the Strategy. Investing in projects most likely to achieve outcomes that are sustainable longer-term. Learning from investments in innovation. Investing where family and community strengthening is most needed by targeting the Strategy to geographic areas, or communities of interest, with identified needs and encouraging applications through administrative support for proposal development.	Learnings from innovative projects trying new approaches add to the evidence base about which interventions work, in what circumstances, with which people. Strategy funding not limited to those communities that already have sufficient capacity to develop and implement funding proposals. Disadvantaged communities more likely to be funded and "at risk" children, families and communities benefit most from projects. Reduced disparities between individuals and communities. Avoiding crowding out or displacing existing services, or utilising resources with relatively high opportunity costs.	Time and costs associated with monitoring and reporting processes. Long-term costs required to sustain Strategy outcomes. Communities in need that were not targeted more likely to miss out on project funding. Greater investment (of time and financial resources) needed to achieve results where there are high needs and little pre-existing capacity. Community disappointment with unsuccessful grant applications, particularly when expectations were raised. Community members may be less likely to volunteer time or goodwill in the future due to lack of success with applications. Time involved in promoting the Strategy; project development; managing, monitoring, mentoring and providing ongoing support. Children, families and communities that face the greatest number of risks and lack a range of capacities may require even more specialised services.

Summary of costs and benefits of making the investment count

Benefits

The Strategy outcomes hierarchy enabled intermediate and process outcomes, expected on the basis of existing evidence to lead to stronger communities and families in the longer-term, to be identified and measured during the life of the project. Measures of success also took into account the different starting points of communities and whether projects needed to first develop 'upstream' capacity before implementing project activities that aimed to produce outcomes for families and the community.

Communities with under-utilised, pre-existing capacity had opportunities to make a lasting difference through Strategy projects that built on existing social or organisational capacity or extended the work of previous projects.

As discussed under Principles 2 and 3 '*encouraging a preventative and early intervention approach and supporting people through life transitions'*, targeting communities with identified needs was likely to generate a high ratio of benefits to costs, provided that specialised services were available if required and that participants were not stigmatised.

The benefit of investing where community strengthening was most needed, through supporting the development of proposals and funding projects in disadvantaged areas, was that the Strategy reduced risks of increasing disparities between communities. Section 7.4 in the following chapter discusses in more detail the benefits and potential costs of encouraging applications through administrative support for proposal development.

Funding projects that developed or trialled new approaches had potential to make a lasting difference by generating evidence about what worked to strengthen families and communities.

Costs

There are difficulties in gathering data of sufficient quality about intermediate outcomes of strengthening families and communities without the data collection process intruding on the process of engagement and trust building.

Longer-term investment of resources may be required to make the investment count in terms of sustaining the benefits of the outcomes of Strategy projects.

While targeting communities with high levels of need can help to reduce the likelihood of increasing disparities, communities with high levels of need that are not targeted can potentially miss out.

Disappointment and loss of goodwill were costs for communities that were supported to develop proposals which were subsequently not funded. This cost also applied when projects ended while needs remained unmet.

A higher level of funding (and longer time) is needed for projects required to first build up-stream capacity before implementing projects.

As discussed under Principles 2 and 3 '*encouraging a preventative and early intervention approach and supporting people through life transitions'*, some at-risk families and communities may need highly specialised services.

9 Benefits and costs of Strategy processes

9.1 Implementation Timelines

The benefits and costs associated with the open application process and the proposal approval processes of the Strategy are presented in the following table and are then discussed in more detail.

Table 25 Benefits and costs of implementation timelines

Feature	Potential Benefits - Positive outcomes , additional resources leveraged and avoidance of negative outcomes	Potential Costs – Financial and non-financial expenses incurred and negative outcomes
Open application process	Better developed proposals and better planned projects that take longer to develop are considered. More co-ordination between simultaneous proposals in the one area.	Raised expectations of ongoing availability of funds. Later proposals less likely to be funded if funds already allocated. Increased workload for FaCS officers.
Proposal approval process	Facilitates the distribution of funds to areas with relatively high benefits. Unsuccessful proposals supported to explore alternative funding sources.	Costs associated with the renegotiation and revision of projects, re-engage partners, and the need to deliver outcomes within a shortened timeframe as a result of delays in funding approval. Shorter project duration reduces likelihood of achieving outcomes in areas without preexisting capacity where a longer lead time is required Reduced capacity to employ staff when offering shorter contracts. Cost of examination may have exceeded the net economic benefit of the project itself.

9.2 Open Application Process

The Strategy had an open application process in terms of: an absence of closing dates; flexibility in terms of types of projects being funded; and the ability to rewrite applications with the assistance of FaCS. While this open application process may have generated some benefits (including reducing artificial definitional barriers to funding, and increasing take up), there were also significant costs involved. A number of workload issues were raised by FaCS, including the time involved in managing, monitoring, mentoring and providing ongoing support (including revising project plans, providing required tools and information). As funding was wide ranging and flexible, it also encouraged lobbying for continued funding of academically untested and potentially inappropriate delivery models. Finally, as a result of the absence of end dates for applications, some funding allocations may have been undertaken on a "first come, first served" basis, with the potential for unfunded, relatively high value projects that had a longer developmental process.

9.3 Proposal Approval Process

The Strategy's uniform approval process involved an initial assessment of proposals by an internal reference group, consideration by State or Territory Advisory Groups and Ministerial approval. The requirement for proposals to go through the same processes regardless of the level of funding or duration of proposed projects sometimes had implications for the timeliness and cost of project implementation.

For example, two projects that applied for three years of funding received only 6 and 18 months of funding respectively as a consequence of the long proposal approval process. As a result of the delays in funding approval, there were costs associated with the renegotiation and revision of projects and the need to deliver outcomes within a shortened timeframe, for both the auspice agency (in terms of time needed to re-engage project partners, loss of in kind support over the approval process, a loss of momentum particularly if project model has changed in the interim, and physical and emotional stress) and FaCS staff (both in terms of the time involved in fielding enquiries about progress and delays with application, and physical and emotional stress).

There are a number of examples of the costs associated with the delay between community project development and funding received. A project intending to focus on developing the leadership skills of youth in one community saw a movement of such potential leaders out of the community in the interim. While the participants were intended to be only young people, by the time the project was approved for funding there were fewer young people in the community requiring the training and some older participants were included. The concern was that many of these participants may not have had the same commitment to participate in youth oriented projects.

Of course, if applications are unsuccessful, the associated delays may result in further costs. If raised expectations were disappointed, community members may be less likely to volunteer time or goodwill in the future, and the community perception of FaCS and auspice agencies may have suffered.

Beyond this, given the large number of small dollar amount grants, it is possible that the cost of examination may have exceeded the net economic benefit of the project itself. There is little indication that the lengthy approval process facilitated the distribution of funds to areas with relatively high benefits, so as to offset these higher costs.

9.4 Encouraging applications through administrative support for proposal development

A low number of applications for Strategy funding, and a low level of participation in funded projects, can be a considerable policy problem, for a number of reasons. First, whatever the aim of the Strategy, the fact that grants only reach a fraction of those that are supposed to benefit reduces the chances that it will reach its goals, reducing the net benefits of the Strategy. The second reason for addressing the issue of low take-up relates to equity. When the decision not to apply for a grant or participate in a project is partly involuntary (i.e. when individuals or communities are simply unaware of being entitled, or lack the capacity to develop funding proposals, or lack the trust to participate in an established project) this will generate disparities of treatment between individuals and communities who should be treated equally by the grant system. For example, if only the better informed clients apply and gain access to the grants or participate in the project, this may lead to marginalisation of those groups that would benefit the most from participation. Therefore additional administrative support available under the Strategy for proposal development and project implementation assistance may have brought forward more high value applications, in terms of reducing the disparities between communities, increasing the net benefits of projects funded under the Strategy.

Hernanz, Malherbet and Pellizari, (2004) identified factors that determined whether grant opportunities were taken-up, the determinants were:

- Pecuniary considerations that included both the level of benefits and their expected duration;

- Information costs, this referred to the difficulty or complexity of the steps required to participate in a grant scheme;

- Costs associated with the delays in the administrative process and with the uncertainty about the outcome of the application;

- Cultural attitudes also played a role.

However, high levels of take-up – both at the grant application and project participation stages – carries costs. There has been community disappointment with unsuccessful grant applications, particularly when expectations were raised during promotion, project development and application stages of the Strategy. Furthermore, a number of projects, including a mental illness support group, a young mothers support group, and a holistic support service to Aboriginal communities, reported demand for services exceeding staff resources, resulting in the early establishment of waiting lists and heightened levels of stress on the part of auspice agency staff. Conversely, a community youth project that initially experienced low levels of participation, reported that intensive project support (in the form of group management) was necessary for enhanced participation rates.

10 Analysis of the relationships between benefits and costs

The purpose of this section is to identify what helped or hindered projects to optimise returns from the investments made by the Strategy in order to inform future investments in building stronger families and communities. Communities implementing projects had very different starting points in terms of the capacity of individuals, auspice agencies, local service systems and government departments. The diversity of funding levels, types of project activities, project duration and a wide range of differences in communities make it difficult to compare the relative value of projects.

The analysis is based on feedback from FaCS Officers from the National and State and Territory offices and does not identify individual projects judged as having either a high or low ratio of benefits to costs.

10.1 Characteristics of projects nominated as having a high level of benefits compared to costs

In group interviews State and Territory FaCS Officers identified the following characteristics of projects considered to have a high level of benefits compared to costs:

Success in engaging with local communities

- Reached a wide range of the target group.
- Projects that successfully engaged 'hard to reach' participants.
- Projects that brought together diverse groups of people creating bridging and linking social capital.
- Small, often "one off" projects in rural communities such as capital works to build playgrounds provided a focus for community action.
- Projects that were clear about what they wanted to achieve from the start, based on knowledge of the local community.

Trying new ways of working

- Responded to changing and emerging community needs and aspirations as they progressed.
- Developed new ways of working with communities – demonstration projects.

Levering additional resources

- Success in attracting additional funding added value to projects.
- Similarly some projects attracted in kind support and expertise that added substantially to the value of the project.

Achieving sustainable outcomes

- Small scale projects that had an ongoing impact by raising the profile of specific issues.
- Projects that resulted in sustainable community enterprises had a high level of benefits for project participants and also inspired other communities.
- Projects that achieved sustainable changes in disadvantaged communities.
- Early intervention projects were identified as having relatively low costs and a high level of potential benefits.

Example 1: Examples from projects judged as having a high level of benefits compared to costs.

Success in engaging communities and New ways of working

These two features often went together as projects tried out new ways of engaging 'at risk' members of the community. For example, one project targeted families living in caravan parks.

Another project resulted in 100 women a week, mainly from culturally diverse backgrounds, attending a mothers' group that meets at a primary school. The group provides a friendly introduction to the school and opportunities to meet local service providers who are invited to speak at group meetings.

Smaller one-off projects that provided a community focus and supported greater social participation were often considered good value for money. As mentioned, some of these projects constructed playgrounds; another example was a project that set up market gardens.

A project that was granted $5,000 per year to run an annual sports camp was considered to have sound benefits compared to costs as it impacted on 90 to 100 kids and their families.

Leveraging additional resources

One project drew on the expertise and networks of skilled musicians who volunteered to support young people to produce and distribute a video about family violence. This project received a small grant and was able to demonstrate that the organisation had the capacity to successfully develop and manage the Strategy project. The organisation successfully applied for additional funding from a different source.

Another project cited as an example of high value outcomes was able to attract additional funding from a variety of sources and produced outcomes that far outweighed the value of the initial Strategy funding.

Sustainable outcomes

A project to support the development of community enterprises resulted in small community based businesses generating employment that is likely to be sustainable.

One project described as 'an outstanding success' has developed a new model for improving relationships between the community and Centrelink. The project has been credited with changing the way that agencies work with the community and has attracted international interest.

A youth mentoring project was considered to be of high value because the model developed by the project was expected to be transferable to other communities.

Another project was judged as having a high ratio of benefits to costs because the project has succeeded in becoming influential in the community and in influencing other levels of government.

Some leadership projects were given as examples of high value projects that provided a forum for skills development and mutual support that inspired participants to take on new challenges. (Some leadership projects were also given as examples of not good value for money projects.)

10.2 Characteristics of projects nominated as having a high level of costs compared to benefits

State and Territory FaCS Officers identified the following characteristics of projects considered to have a high level of costs compared to benefits:

Difficulties attracting or retaining skilled staff

- Projects that were heavily dependent on the skills, drive or connections of an individual worker were at risk if there was a change of staff.
- Projects that had difficulties recruiting or maintaining skilled staff.

Difficulties engaging local communities

- Didn't engage with as many, or as broad a range of project participants as anticipated.
- Projects developed without adequate community involvement – early projects announced when the Strategy was launched were given as specific examples of less successful due to inadequate planning and community consultation.
- Not able to coordinate activities with other programs or projects in the area.

Auspice agencies had difficulties effectively managing the project

- Auspice agency had limited or no experience of implementing community based projects.
- Auspice agency new to working in the area.
- Not able to meet reporting requirements – in one case FaCS staff believe that the cost of time spent chasing up reports was higher than the level of funds provided. This project may or may not have been successful – no one knows what was achieved.
- Governance issues in communities limited the achievements of some projects.

Project outcomes not sustained

- Some leadership projects were not sustained beyond the life of the project.
- Some projects were implemented as one step in a staged implementation process. However, later stages planned to build on the outcomes of the first project, were not funded.

Example 2: Examples from projects judged as having a high ratio of costs to benefits

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Difficulties attracting or retaining skilled staff

One project was on track to achieve a sustainable outcome. However, when the project worker left, the project lost ground and took time to catch up.

One project that had relatively high funding did not result in a lot of benefits. The original plan didn't work, as the project couldn't employ staff. The auspice agency changed and the project started to get rolling in the last year.

Difficulties engaging local communities.

In one disadvantaged community independent projects were funded by three levels of government without coordination.

Early projects that were announced when the strategy was launched were developed very quickly, with minimal community involvement (if any). The rationale for early announcement of projects was to build momentum; however, some early projects were problematic because of a lack of planning and community involvement.

One project that wasn't successful at reaching the anticipated target group needed a higher level of coordination with the State government and had premises that weren't large enough.

Auspice agencies had difficulties effectively managing the project

In one state FaCS contacted the auspice agency for a final project report for 8 months without success. The time and energy that went into chasing up the final report was estimated as costing more than the project funding and the outcomes of the project are unknown.

Project outcomes not sustained

Some leadership projects did not achieve sustainable outcomes before funding ended.

One State implemented a staged approach; funding mapping and then community development projects in disadvantaged areas to develop informed, community based project proposals. However, most of the projects developed through this process were not funded because available funds had been allocated by the time the detailed proposals were developed.

10.3 Relationships between whole of Strategy benefits and costs

The potential whole of Strategy level costs and benefits discussed independently in the previous section (6.3) are interrelated. Some features of the Strategy processes and principles are complementary while others are contradictory.

Complementary features of the Strategy

Working in partnership and building community capacity

These principles were often complementary. Working in partnership helped in developing a shared understanding of community strengths and needs. Involvement in a capacity building project also built the capacity of many partnering agencies, as well as auspice agencies, to adopt preventative, strengths based approaches.

Working in partnership and improving the coordination and integration of services

Working in partnership supported the aim of improved coordination and integration of services. Other agencies were involved in developing new referral pathways, improving access to services and developing new models for strengthening families and communities. Close working relationships between partnering agencies also assisted in monitoring, and addressing, the impact of project activities on demand for a range of services.

Action research and developing local solutions to local problems.

Action research complemented and supported the development of local responses to local needs. Action research assisted some projects to identify what was or wasn't working and why and then to develop strategies to continually improve successful interventions or to re-think those that proved to be less successful. It also supported projects to implement practice locally that drew on the evidence-base about effective practice.

Contradictory features of the Strategy

Targeting communities with high levels of need and short-term, non-recurrent funding

Communities in targeted areas that had high levels of need and limited existing capacity frequently reported the need for a long-term approach to building the strengths of families and communities.

Targeting, Partnerships and Open funding rounds

Agencies working in communities with high levels of need are often focussed on providing responses to crisis situations, staff are stretched and time needed to develop and maintain partnerships is hard to quarantine. If agencies do not have experience of working in partnership they will need longer to develop these relationships. Open funding rounds run the risk that high-need communities taking longer to develop proposals through partnerships may miss out on funding.

Partnerships and Timelines for project approval

The project development process required the active involvement of partners and generated momentum and energy for the project. However, the prolonged project approval process undermined partnerships, particularly where partnerships were new and had formed solely for the purpose of the Strategy project.

10.4 Trade-offs at project level – maximising benefits and minimising costs

Employing local staff *vs* employing skilled staff from outside the community

Potential advantages of employing local people are that they may have existing good relationships and credibility with community members and community groups, and they may be more likely to stay in the community after the project has been completed, retaining knowledge gained over the course of the project. A downside to employing local people that was reported by one project was related to difficulties in maintaining boundaries - the project worker was virtually on call 24/7. If the required level of expertise is not available locally employing local people may delay project implementation while they receive specific training and / or develop skills under supervision.

Responding to crisis situations *vs* a focus on capacity building

Many agencies implementing projects did so in disadvantaged areas and had a history of providing crisis services. One project made a deliberate decision to focus on capacity building rather than crisis response, this resulted (at least initially) in fewer participants however those who did participate learnt new skills. Another project commented that it was pointless trying to build capacity until the immediate crisis had been resolved. In another case providing a limited crisis response was viewed as a successful way to build trust and engage with community members.

Targeting people who are 'hard to reach' and most in need *vs* aiming for highest participation rates

Projects that specifically targeted people who would not usually access preventative or early intervention services, invested time and resources in engaging participants. There was often a longer lead time involved as new strategies were trialled. Adopting a strengths based approach was new for some agencies requiring an initial investment in the professional development of staff.

Meeting FaCS performance indicator reporting requirement *vs* collecting data to inform action research

This trade-off was reported by some projects funded through the Stronger Families Fund that had developed performance indicators with the support of SFLEx researchers that were relevant to their action research objectives. When FaCS introduced additional performance indicators, and in some cases sought retrospective data, some projects felt that they had to make a choice between spending time setting up new data collection processes to meet FaCS expectations or implementing the data collection frameworks that were specific to their projects in order to inform ongoing improvements.

10.5 Trade-offs at whole of Strategy level – maximising benefits and minimising costs

Trade-offs between competing benefits and costs

There were trade-offs made in the implementation of the Strategy in order to optimise benefits while minimising costs, however, as with any significant change to a new way of working there are inherent risks. The following table summarises some of the choices made in the implementation of the Strategy.

Table 26 Potential trade-offs in the implementation of the Strategy

	Advantages and Risks of Implementation Options	
	A greater number of smaller projects	**Larger amounts of funding to fewer communities**
Advantages	Increased number of projects. More communities benefit. Greater profile for the strategy.	Sufficient investment to make a difference in disadvantaged communities where a longer lead-time and integrated strategies are needed.
Risks	Not being a big enough investment to get sustainable change in disadvantaged communities. Increased transaction costs for FaCS.	Dissatisfaction with perceived inequity in funding.
	Open funding round	**Set funding rounds**
Advantages	Allows time for collaborative proposal development and to develop projects in disadvantaged communities.	Gives greater certainty to organisations seeking funding, particularly if it includes set timelines for decisions.
Risks	Later proposals (longer planning phase) missing out because funds have been spent.	Depending on frequency of funding rounds may exclude potential projects with a longer developmental timeframe and those that emerge in response to particular needs and opportunities. Reduced participation in planning resulting in less success in building capacity.
	Targeted funding and a hands on role for FaCS supporting the development of proposals	**Open tendering**
Advantages	Communities without pre-existing capacity supported to develop proposals. Meets policy objectives – reaching isolated communities.	Agencies and communities not in targeted areas have a greater chance of accessing funds.
Risks	Disappointment if funding not approved. Disappointment from communities not in targeted areas that are ineligible. High level of FaCS support not sustainable.	Disadvantaging communities that lack capacity and are most in need less likely to develop proposals. Lack of coordination at a local level between different levels of government and agencies.
	Funding larger agencies with project management capacity	**Funding smaller local groups/agencies with less experience in managing large projects**
Advantages	Reduced transaction costs for FaCS.	Smaller groups and agencies may be more connected to the local community. May be in a position to benefit from capacity building.
Risks	May not be as connected to the local community (this can sometimes be an advantage if community discord means that local agencies are associated with one sub-group of the community).	May have inadequate financial and reporting systems.
	Central expertise and support	**Regional / Local expertise**
Advantages	Consistent evidence based expertise available to projects. Projects contribute to a growing evidence base.	Encourages relationships with regional research institutions.
Risks	Less accessible to projects. Relationship not sustainable beyond the life of the project.	Less coordinated collection of evidence. Varied quality of support to projects.

10.6 Combinations of both approaches

It is important to note that these options are not necessarily either/or decisions and a combination of both approaches is possible and may be preferable.

For example, expert advice could be provided more locally with a level of national coordination to ensure that the evidence base is utilised and further developed on the basis of learnings from projects.

There could be a combination of large and small funding allocations to projects to ensure that communities in need of a significant investment are not damaged by short-term funding that is inadequate in making a lasting difference, while providing smaller levels of funding to a greater number of communities with pre-existing capacity that are more able to achieve benefits with less funding, or to lever additional resources.

Similarly, a proportion of funds could be allocated for targeted communities and a longer period allowed for project development to overcome the problem associated with not meeting raised community expectations in addition to a proportion of funds allocated through open competitive tendering processes to open up opportunities for communities that have not been specifically targeted.

10.7 Considering short-term and long-term cost-benefit relationships

Communities that are geographically isolated, or have little pre-existing capacity, (infrastructure, human capital, and social capital such as trust) are likely to require more resources and support to achieve outcomes than communities with considerable existing capacity – particularly compared to communities where existing capacity can be leveraged and under-utilised capacity can be used.

The research literature suggests that community building takes years before the significant results are evident. Disadvantaged communities in particular need longer than 2 or 3 years to develop and implement ground-up approaches to strengthening families and communities.

Thus targeting highly disadvantaged communities may have greater benefits in the longer-term (compared to communities with considerable existing capacity) because they have the most potential to improve but may have less evidence of benefits in the short-term because of the need to build capacity first. In addition there is likely to be a greater risk of negative outcomes than in communities with existing capacity and infrastructure. However, the potential longer-term benefits from highly disadvantaged communities are greater.

10.8 Using a diverse investment strategy to manage risk

Davies (2002), discussing international development funding, has suggested that, in policy areas where there is considerable uncertainty on how best to achieve the intended outcomes, a diverse investment strategy is the best way to manage risk, as in other forms of investment, such as the stock market. This observation may well be relevant for funding initiatives such as the Strategy. This would suggest investing in a range of types of projects.

Taking this analogy further, and following on the findings of the previous paper *on Community Capacity Building*, developed as part of this evaluation, it might be useful to fund some projects that are likely to produce visible short-term positive outcomes through relatively low levels of resourcing, and some projects that will require higher levels of support and resourcing, and where outcomes are likely to be longer-term. The success of the shorter-term projects can encourage further participation by the community and support for longer-term projects.

11 Conclusion

The Strategy provided opportunities for new ways of working together for FaCS and funded agencies; for agencies and the communities they serve; for agencies, businesses and communities; and for funded agencies and other agencies in the service system.

The principles underlying the Strategy have been reflected at project and at a whole of Strategy level. Short-term benefits and costs of Strategy projects and the Strategy have been identified and potential long-term benefits and costs described for a range of stakeholder groups.

There have been complex trade-offs involved at project and whole of Strategy levels in implementing the Strategy in accordance with its underlying principles. The interactive processes and involvement of FaCS in developing projects, along with the degree of flexibility demonstrated by FaCS in its management of projects have been particularly important in realising the vision of working in new ways to strengthen families and communities.

On the other hand, some communities where expectations had been raised through encouragement and support to invest in developing proposals, were disappointed when they were not approved for funding. The delay in approving funding and consequent reductions in the duration of many projects resulted in additional costs for FaCS, the auspice agencies and communities.

As discussed throughout this report, there has been a broad range of benefits for families and communities as a result of participating in Strategy projects. The increased capacity developed by individuals, families, communities and the agencies that work with them has the potential to achieve broad and far-reaching benefits in the long-term.

Governments have benefited through learnings generated by the Strategy about the needs of diverse communities and how to effectively meet these needs to support individuals and families to more fully develop their potential.

Taking a far-sighted perspective on the development of stronger families and communities by focusing on building capacity, rather than simply on meeting immediate needs, has not been without risks, and the evidence from projects demonstrates that taking this risk has largely paid off.

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Appendix 1 – Cost-benefit matrices developed for workshops and revised in light of feedback

Generic Costs and Benefits of Strategy Projects – Non-financial Benefits

Project participants	
Families	**Community**
Greater engagement in social and economic activities (including education and training) and reduction in isolation	Increased level of community responsibility
Skill development (e.g. parenting skills)	Greater direct and indirect consumption of goods and services (including recreation, housing transportation, meals, playgroups, sporting activities, counselling, employment and cultural services), and new resources or greater resources being brought into the community
Increased take up of other government services (e.g. counselling) and increased capacity to seek support during transition period, and development of informal networks for families with young children, providing informal access to information.	Volunteers benefit from increased skills and social ties, by gaining work experience, improved self-esteem and personal development and improved physical and mental health
Reduction in violence, family breakdown and suicide, improved parental health, emotional wellbeing and intimate relationships, improved family coping, and reduced levels of family stress, reduced risk of harm to children	Heightened sense of civic responsibility, pride and place in community, enhanced citizen engagement and participation, enhanced collective action in the community, resulting from a shared strategic community agenda, enhanced trust among members of the community and establishment of intergenerational, intercultural and other intracommunity links.
Improved physical and mental child health and improved cognitive, social and emotional development resulting in improved self esteem, confidence and motivation in children, improved educational outcomes and improved literacy and numeracy outcomes for those under 5 years of age.	Community learning by doing, enhancing confidence to sustain and further expand activities (including volunteer based agencies, as formal services are reduced).
Improved interagency links resulting in more integrated and holistic response to needs.	
Auspice agencies	
Formal and informal relationships, networks and collaboration with government agency/agencies – e.g. FaCS, and other agencies.	Improved organisational sophistication (due to reporting requirements and broader accountability issues) and skills developed in writing grant applications, and understanding regarding obtaining government funding.
Goodwill (i.e. enhanced reputation in the community) from being involved in the initiative	Improved understanding of community strengths and needs and increased capacity to support community participation
Increased visibility of the agency, e.g. international recognition	
Able to offer greater suite of services, and better reach therefore meeting service delivery gaps	
Other agencies	
Improved capacity for collaborative planning and service delivery	Improved information about community and service system trends as a result of networking
Broader network of referrals (e.g. mental health, childcare and child protection)	
Broader society and economy	
Contributing to changing social norms to be more supportive of families and communities	New resources coming into the community
Improved links between young people and the business community	Linking new resources with existing community capacity
Greater community pride	Reduce property losses and pain and suffering from criminal behaviour, and reduced fear of crime.
Increased civic engagement	Improved productivity and lower absenteeism
Governments	
Increased knowledge about community strengths and needs (resulting from working with communities at early stages of project development), and agreement on how to meet family and community needs, and opportunities to link related services to each other, as a result of coordination between departments and levels of government	Goodwill established due to FaCS community engagement (e.g. during project development stage).
Increased effectiveness across programs and programs due to development of better working relationships (FaCS) with local agencies.	Learnings from the first phase of the Strategy applied to the second phase, and greater understanding of "place based approaches" applied to a variety of other (particularly Indigenous) programs

Qualitative Cost Benefit Analysis

Generic Costs and Benefits of Strategy Projects –Financial Benefits

Project participants	
Families	Community
Increased employment and greater income from improved educational outcomes, skill development and reduced criminal behaviour.	Provision of employment from funding (both in terms of project worker(s) and flow on employment from increase supply of, and demand for, services).
	Increased income of volunteers due to developing new or existing skills

Auspice agencies	
Leveraging other government or private sector funds and volunteer time (raised community profile and history of successful funding increases the organisation's ability to attract new resources), thereby improving organisation sustainability and increasing the overall budget.	Strengthening of existing projects, implementation of new project, and expansion of existing services to new populations.

Other agencies	

Broader society and economy	
Sponsoring businesses benefit from publicity and community perceptions	

Governments	
Improved information on community skills and needs facilitating allocative and productive efficiency (allocation of community resources to cost effectively meet the needs of the community).	Reduced health, education, child protection and other service expenditure, lower criminal justice system costs, decrease in welfare outlays as a result of successful interventions and greater tax revenue as a result of employment generated

Generic Costs and Benefits of Strategy Projects - Non-financial Costs

Project participants

Families	Community cont.
Cost of parental time	Time spent on searching for other sources to funding due to the short-term, non-recurrent nature of Strategy funding.
Stigma associated with targeted intervention	Greater discord if: services not well delivered; one section of the community perceived to be benefiting while others miss out; unresolved conflict over priorities and implementation and; free riding off the involvement of a few participants
Damage associated with cessation of funding if support withdrawn while still needed and disappointment when raised expectations not met	
Adverse effect on trust if high turnover of project staff	Cost of volunteer and community members time.
Community	Adverse effect on momentum if high turnover of FaCS staff
Disappointment when raised community expectations not met (particularly due to delays between project development and receipt of funding).	Reduced project duration limited potential outcomes for communities
Increased physical and emotional stress of volunteers	

Auspice agencies

Time needed to re-engage project partners and to revise projects if funding approval was delayed or if funding was not as expected	Time to recruit new staff, both paid and unpaid
	Managing subcontractors
	Time needed for interagency networking
Reduced length of projects limited potential benefits, particularly when a lead time was required to build trust and capacity within the community	Damaged reputation if project approval not granted (by STAG or minister).
Increased physical and emotional stress of staff (particularly those based in the community, who are used as unpaid contact points for a range of services), and time to deal with, and process, referrals.	Adverse effect on momentum if high turnover of FaCS staff

Other agencies

Time involved in activities other than service delivery such as: contributing to project development; participating in consultations; participation in project management, e.g. steering committee / reference group, staff training and introducing new protocols and practices (e.g. common screening)	Loss of knowledge about community needs and aspirations if auspice agencies are from outside the area and project findings are not effectively shared.
	Lost opportunities to improve coordination within the service system if service usage data is not shared
Increased time to deal with, and process, referrals	

Broader society and economy

Wasteful competition for limited funding where a lack of collaboration amongst competing organisations and as a result of the targeting plan and open application process	Foregone benefits if activities no longer undertaken because of project (e.g. community venue no longer available for other uses

Governments

Time, delays and reduced flexibility due to need for coordination between departments and levels of government.	Negative community perceptions of government (and FaCS in particular) and loss of goodwill due to: delays in signing off applications; community disappointment when expectations raised during promotion, project development and application stages of the Strategy were not met and difficulty in achieving sustainability by sourcing other funding once FaCS funding has ceased.
Time involved in: preparing project related documentation for STAGs and minister; fielding enquiries about progress and delays with application; promoting the Strategy; project development; writing up grant applications; managing, monitoring, mentoring and providing ongoing support (including revising project plans, providing required tools and information); coordination and stakeholder management; ensuring that projects submit all required reports (particularly financial reports); dealing with community lobbying for continued or increased service delivery; training in community engagement practices.	Damage to relationship and loss of goodwill between FaCS and auspice agencies and/or other partners/funders due to delays and uncertainties
	Lost opportunity to improve the service system when service usage data isn't shared between different levels of government

Qualitative Cost Benefit Analysis

Generic Costs and Benefits of Strategy Projects - Financial Costs

Project participants	
Families	**Community**
Out of pocket costs, such as transportation, childcare. Cost of parental time (e.g. time off from casual work).	Out of pocket costs, such as transportation, meals and childcare, resulting from volunteer involvement with organisations and communities. Volunteers have less time in paid employment
Auspice agencies	
Variable and fixed costs of planning, implementing and completing project over and above grant funds received, which may include • Financial and contractual management (including reporting requirements) • Recruitment (particularly for non-local, non-Indigenous staff for remote Indigenous projects) • Cost of recruiting new project staff and volunteers as a result of 'burn out' • Managing volunteers (providing training, support and de-briefing, continued professional development, tracking time, reporting successes, developing forms, writing grants, evaluating programs) • Affiliation costs and other costs of obtaining intellectual property and other products. • Travel of staff (particularly for remote Indigenous projects) and reimbursement of volunteer expenses • Training (workshops, orientation packets, conferences)	• Overheads (office space, equipment, computer and network capacity) • Insurance (professional indemnity and public liability) • Food and childcare as part of engagement strategies • Screening including police and reference checks • Supplies (printing, postage etc) • Updating websites and directories. • Venue hire • Accommodation for project workers in remote communities • Application preparation and submission • Cost of recruiting new staff where short-term project funding leads to staff turnover before project completion • Delays in project reporting resulting in delays in the payment of funding instalments • Audit requirements
Other agencies	
Under-utilised capacity established in expectation of receiving funding.	When agency has infrastructure and capacity but not successful in getting funds because another agency has already been funded in the area
Broader society and economy	
Contributions / sponsorship from businesses	
Governments	
Grant and administration costs (including cost of staff time as listed above)	Expenditure on other services (e.g. childcare, family relationships, Reconnect) due to increased referrals and levels of take-up.

Costs and Benefits of Particular Types of Strategy Projects - Non -financial Benefits

Project participants	
Early Intervention	*Leadership and Mentoring*
Decreased severity and duration of problem	Increased involvement in community activities.
Community Strengthening	Development of new projects, programs or organisations
Heightened sense of civic responsibility, pride and place in community, enhanced citizen engagement and participation, enhanced collective action in the community, resulting from a shared strategic community agenda, enhanced trust among members of the community and establishment of intergenerational, intercultural and other intracommunity links.	Promoting leadership development of others
	Improved confidence and self image, and skill development
	Deeper knowledge of broad issue areas such as government, economics, environmental issues etc, greater self awareness and reflective abilities, and valuing diversity and differences.

Auspice agencies	
Early Intervention	Leadership and Mentoring
Increased referrals	New or enhanced collaboration, partnerships and networks
Volunteering	Increased visibility of organisation (Regional/National/International) in the media and elsewhere.
Human capital of volunteers may increase quality of program, via new ideas or skills, high levels of intrinsic motivation, or by facilitating increased trust in provider-recipient relationships	Organisation having a social impact directly or indirectly (e.g. mobilising people in communities to support a change agenda).
	Improved organisational governance and management capabilities (e.g., projecting what programs will cost, measuring program impact, determining organisational needs, financial management, strategic planning, etc.), growth in diversity and number of staff, and opportunities for young leadership.

Other agencies
Volunteering
Human capital of volunteers may increase quality of program, via new ideas or skills, high levels of intrinsic motivation, or by facilitating increased trust in provider-recipient relationships

Broader society and economy
Leadership and Mentoring
New leaders emerging from within the community, particularly youth leaders.

Governments
Community Strengthening
Improved government efficacy both through increased civic engagement and proving increased opportunities for parliamentarians to promote their identity.

Costs and Benefits of Particular Types of Strategy Projects - Financial Benefits

Project participants	
Early Intervention	*Community Strengthening*
Greater income as adults as a result of early intervention in childhood	Greater income, from employment in community enterprise projects.
Auspice agencies	
Volunteering	
Reduction in cost of programs (more work done for less money) Exposure effect: Enhanced profile by expanded services and through word of mouth from volunteers, may increase funding and enhance sustainability of activities	

Costs and Benefits of Particular Types of Strategy Projects - Non-financial Costs

Project participants	
Volunteering	
Lost opportunities associated with information loss from unreported data on outcomes, particularly where projects run by agencies outside the community.	
Broader society and economy	
Volunteering	*Community Strengthening*
Turnover costs, including skills no longer retained in the community, and adverse impact on trust. .	Strategies required to reduce broader community free riding off the involvement of a few participants, and maintain broader participation and enthusiasm Intercommunity tension where multiple project applications exist
Governments	
Volunteering	
Lost opportunities associated with information loss from unreported data on outcomes, particularly where projects run by agencies outside the community.	

Appendix 2 - Reports and issues papers produced as part of the evaluation of the Stronger Families and Communities Strategy 2000-2004

Issues papers

Partnerships and Networks

Community Capacity Building

Early Intervention – particularly in Early Childhood

Sustainability and Legacy

Economic and Social Participation

Service Integration and Coordination

Evidence Based Policy and Practice

Case Studies

Mandurah Targeted Region

Gillies Plains Community Garden

Early Intervention and Early Childhood Initiatives

Stronger Families Fund Initiative

Sustainability of projects

Lessons Learnt about Strengthening Indigenous Families and Communities: What's Working and What's Not?

Potential Leaders in Local Communities initiative

Qualitative Cost Benefit Analysis

Final Report

Evaluation of the SFCS 2000-2004 Final Report

Available at http://www.facs.gov.au/internet/facsinternet.nsf/aboutfacs/programs/sfsc-evaluation_reports.htm

Qualitative Cost Benefit Analysis