



**Conflict Resolution Service**

THE CASE FOR  
ADDITIONAL INVESTMENT FOR  
COMMUNITY BASED ALTERNATIVE DISPUTE  
RESOLUTION AND RESTORATIVE SERVICES

**CONFLICT RESOLUTION SERVICE – THE NEXT 30 YEARS.**

## CONTENTS

EXECUTIVE SUMMARY .....	3
ENVIRONMENT IN WHICH CRS OPERATES .....	4
Immediate Impact of funding shortfall on service delivery .....	4
Case examples – Listening to the voices of CRS clients.....	5
Case Example 1) prevention of family vioence and building capacity for conflict resoluton.....	5
Case Example 2) Journeying towards co-parenting - Community Mediation Services .....	6
Case Example 3) From family crisis to family resilience, – Youth Crisis Mediation Service.....	6
WHY CONTINUE TO INVEST?.....	7
Alternative dispute resolution works: It can deliver better outcomes for individuals involved in these processes than traditional justice models.....	7
Alternative dispute resolution is a cost effective way to resolve disputes .....	7
The ACT model of community led alternative dispute resolution continues to be innovative and an example of best practice.....	7
The ACT Government has committed to becoming a restorative community.....	7
There is growing evidence regarding the usefulness of alternative dispute resolution processes and restorative practice in solving complex social issues.....	7
WHY SHOULD GOVERNMENT INCREASE FUNDING?.....	9
Demand is increasing and has outstripped any increase in funding levels .....	9
Complexity in cases is increasing and resolution requires more time and resources.....	10
Methodologies are evolving and engagement is less likely to result in formal mediation .....	12
The trends outlined above are adversely impacting on CRS’ operational capacity .....	14
CRS PROPOSAL FOR ADDITIONAL FUNDING .....	15
Restore staffing back to pre 2017/18 levels to meet demand (\$100,000).....	15
Upgrade of facilities at the grffin centre (\$15,000).....	15
Additional investment in administrative and organizational infrastructure and Technology (\$50,000) .....	15
Investing in development activities to develop a sustainable business model into the future (\$70,000).....	16
Leading the community response to restorative practice (\$75,000).....	16
CONCLUSION .....	17
END NOTES.....	18
ATTACHMENT A: THE ECONOMIC IMPACT OF A REDUCTION IN CRS SERVICES.....	20

## EXECUTIVE SUMMARY

For over thirty years, the Conflict Resolution Service (CRS) community has provided an invaluable service to the ACT community and economy, providing alternative methods for dispute resolution. CRS has operated in a dynamic environment, and in a sector that is experiencing unprecedented change and transformation.

Alternative dispute resolution approaches are a well-tested way of managing conflict and disputes. They are cost effective, and often deliver better outcomes for people who are being supported to resolve conflict. They are now being complemented by restorative approaches. The ACT Government has signalled its intention to declare Canberra a 'Restorative City', and restorative practice is increasingly being recognised as way to respond to conflict in challenging social areas including elder abuse, disability, domestic and family violence, and child protection and out-of-home care.

CRS is the sole provider in Canberra of community dispute resolution support services, with other Australian jurisdictions delivering these same services through Government departments.<sup>1</sup> As such CRS is the Government's response to a core community need which covers multiple portfolios related to Justice, Policing, Schools and Youth, Family Violence, Homelessness and Community Development. This multi-portfolio characteristic of CRS has been demonstrated through the funding history of CRS over the past twenty years, which has seen Government funding sources change from Justice & Community Safety, Health, Education, and Social Housing and Homelessness within the Community Services Directorate.

Currently all CRS contracts are administered through Social Housing and Homelessness within the CSD. CRS believes that consideration should be given to the nature of its specialised community dispute resolution services and its multi-portfolio relevance, and the need for a cabinet level consideration of this budget proposal.

In this context over the last ten years CRS has absorbed a significant increase of demand and complexity in cases which has significantly outstripped increased funding in the organisation. This budget submission seeks to address this imbalance which represents a significant threat to the ACT Government's commitment to meet the needs for alternative dispute resolution support services in the community.

Over this ten year period, there has been:

- a doubling of our client numbers;
- an almost fivefold increase in contact with clients; and
- a tenfold increase in the time spent with clients.

In response, CRS has had no option but to divert resources to front line services, which has eroded organisational infrastructure and capacity, and has seriously threatened the longer-term sustainability of the organisation.

In the 2017/18 financial year this situation then forced CRS to reduce its staffing and cut its service output by approximately 50%. As such, we know that now many vulnerable Canberrans are not able to access the dispute resolution support they need. This will have a negative impact upon individuals, families and upon the efficiency of other expensive and more adversarial dispute resolution systems in the ACT (i.e. Policing, Courts, ACAT, Youth Justice system, Legal Aid and Community Legal services). Cost Benefit Analysis strongly supports this claim (See Appendix A on the Economic Impact of a Reduction in CRS Services).

As such, CRS is approaching the ACT Government with a proposal for Government to increase the investment in CRS by modest \$300,000 for the 2018/19 financial year.

This will enable the organisation to:

- ✔ Restore CRS staffing back to pre-2017/18 levels to meet basic demand (\$100,000);
- ✔ Upgrade facilities at the Griffin Centre (\$15,000);
- ✔ Invest in additional administrative and technology resources (\$50,000);
- ✔ Invest resources in business development, to unlock the potential of fee-for-service activities (\$70,000); and
- ✔ Invest in CRS' work to develop community led restorative practice in areas of key need (\$75,000).

## ENVIRONMENT IN WHICH CRS OPERATES

There is recognition that alternative dispute resolution and restorative practices can contribute to a progressive and cohesive community. The ACT Government has consistently recognised the value of community based processes, most notably through its investment in CRS as the leading agency to support family, neighbourhood and community alternative dispute resolution services.

**The goal of Canberra becoming a Restorative City requires a whole of community response, and this endeavour has its best chance to succeed if there is investment into community infrastructure and community leadership linked to the broader work of alternative dispute resolution processes.**

This opportunity comes at a time of significant transformation for the ACT community sector.<sup>ii</sup>

**CRS has not been immune to the impact of increased demand and complexity in terms of clients and the operational environment.**

**OVER THE LAST TEN YEARS THERE HAS BEEN A SIGNIFICANT MISMATCH OF INVESTMENT AND DEMAND.**

As demonstrated below, over the last ten years there has been a significant mismatch of investment and demand. While funding has increased by a factor of 2.7, output has increased tenfold. To date this has been managed by sacrificing investment in areas such as office accommodation, systems and administration in order to prioritise service delivery. This is no longer a feasible approach and CRS urgently needs to invest in infrastructure, located to fit-for-purpose premises, develop a sustainable business model, diversify its funding sources and expand its service offerings in restorative practice.

## RESTORATIVE CITY?

On the 10 February 2016 the ACT Legislative Assembly called on the ACT Government to:

*Work towards the declaration of Canberra as a restorative city, which will confirm its commitment to exploring and implementing creative solutions to shared problems using restorative processes and continuing the ACT's vision for safety and more connected communities.*

## IMMEDIATE IMPACT OF FUNDING SHORTFALL ON SERVICE DELIVERY

The CRS was established after the community built the case for the importance of an independent and community based alternative dispute resolution service and since this time has existed with support from the ACT Government.

Currently the ACT Government provides funding of approximately \$630,000 annually to support core operations of the organisation. This includes providing alternative dispute resolution services to the community in areas including family breakdown and family stress, neighbour disagreement, community conflict and workplace issues.

ACT Government Service Funding Agreements for the CDP program sets out the target group for CRS service delivery as follows:

**RESIDENTS OF THE ACT WHO ARE EXPERIENCING CONFLICT WHO ARE EITHER:**

- 1) LOW INCOME;**
- 2) VULNERABLE;**
- 3) DISTRESSED**

CRS has eight office staff (6 FTE) and in any given year between 15-25 qualified mediators on our community panel who are engaged on a casual basis. Core alternative dispute resolution methodologies that CRS employs include pre-mediation support, mediation, youth crisis mediation, facilitation, conflict coaching and community education, training and accreditation.

The situation of CRS funding not matching the increased demand has been further compounded by the cumulative impact over ten years of community sector salaries increasing annually by about 5% per year, yet ACT Government funding only increases by 2% per year.

In response to this situation CRS has had no other choice but to reduce staff hours, and reduce its service delivery output by around 50%. Since August 2017 these reductions in staff hours have resulted in an inability for CRS to respond to incoming requests for from the public for services and for the first time in its history, the establishment of phone line diversions to answering machines, and the triaged waiting lists.

CRS is the only community based dispute resolution service in Canberra for low income, vulnerable and distressed people who are stuck in destructive conflict. We have always maintained a rigorous Intake assessment process, and refer out extensively to other service providers when cases do not meet our specific service mandate. We also regularly withdraw our services when disputes are not suitable for Mediation.

As such we know that the reductions in CRS service output have the consequence that vulnerable Canberrans will not have access to the specialized dispute resolution support they need, and that this will have significant negative impacts on them personally and an adverse impact on the broader Canberra community.

Put simply, we believe that Canberra has a critical need for community dispute resolution services operating at the levels provided by CRS over the past years and also at higher levels.

Further to this, the CRS Board is very concerned that the recent reductions will significantly restrict the capacity of CRS to progress with critical organisational and service development projects. This is especially impacted by the fact that now all staff, including the CEO and Practice Manger, are now operating on a part time basis. These projects are vital in unlocking existing constraints and allowing the organisation to innovate, manage immediate risks and achieve long term sustainability.

## CASE EXAMPLES – LISTENING TO THE VOICES OF CRS CLIENTS

The following three stories provide a powerful insight into value of community dispute resolution services in the Canberra community and highlight the related benefits to individuals, families and to the Government through ensuring the prevention of family violence and the resolution of conflict outside the adversarial context of the Courts and legal system. All identifying information in these case examples have been removed or changed.

### CASE EXAMPLE 1) PREVENTION OF FAMILY VIOENCE AND BUILDING CAPACITY FOR CONFLICT RESOLUTON

*In August 2015 I accessed the services of CRS for support with a conflict I was having in my life. I had left a toxic relationship while pregnant and had taken out a DVO on my ex-partner. In December when my daughter was a few months old, my ex-partner and I attended mediation. It had been a long time since I had seen my ex-partner and I was very scared and nervous about mediation. The wonderful staff at CRS made me feel very comfortable and the mediation process was very pleasant and successful.*

*In March 2016, ex-partner and I made an attempt at getting back together. Within a few months, we had broken up and were having serious troubles. We returned to mediation in October 2016 and had a successful outcome, and have since had a great co-parenting relationship.*

*Through the support of CRS I was able to feel confident with the co-parenting relationship I have with my ex-partner, and have learned how to approach and deal with conflict. My ex-partner and I have been able to change our parenting agreement when necessary, and have learned how to compromise because of what we learned during the mediation process at CRS.*

*I am grateful for the support I received from CRS as it prevented family violence, and has ensured my daughter will have a healthy and meaningful relationship with both parents.*

*As someone who has benefited from the availability of this support service in Canberra, I strongly encourage the ACT Government do whatever ever it can to ensure CRS is able to continue providing its services to more and more people.*

*I am grateful for the past investment into CRS, and I thank you in advance for your consideration of my letter to you, and the ongoing needs of this valuable Canberra community organisation.*

#### CASE EXAMPLE 2) JOURNEYING TOWARDS CO-PARENTING - COMMUNITY MEDIATION SERVICES

*Sean and Myer had lived together for 3 years and had become parents of a little boy, Michael, who was 18 months old when they separated. Myer was from a large close-knit family so she moved into the street where her parents and her sister and her family all lived. Sean worked shift-work and his roster was always changing so it was very difficult to have a routine of Michael's time with his father. Sean contacted CRS to request mediation with Tina in the hope that they could find a civil way of communicating regarding his time with his son.*

*Myer found Sean to be very aggressive when he approached her requesting to see Michael. This in turn had the result of avoiding his calls and face-to-face contact. This avoidance had then resulted in Sean becoming more frustrated and he was finding it increasingly difficult to manage his emotional responses. Sean called the Intake team on several occasions seeking coaching on how to respond to a particular situation with Myer.*

*Following their Intake interviews, Sean and Myer came together for their mediation. They were able to agree that they would work together in the best interests of Michael and that they would each support the relationship of the other parent with him. They made a commitment to communicate respectfully and the details of how it would occur were agreed upon and written up. They also agreed to both see a child psychologist regarding appropriate care of such a young child.*

#### CASE EXAMPLE 3) FROM FAMILY CRISIS TO FAMILY RESILIENCE, – YOUTH CRISIS MEDIATION SERVICE

*15 year old Jane was from a culturally and linguistically diverse family and was representative of a number of Family Tree House (FTH) CALD clients who became participants in this program over the last year. Jane's mother contacted the FTH in the first instance as Jane had run away twice in the previous two weeks. Even though Jane had returned home, her anger was upsetting the whole household. Jane had become violent in the household and had destroyed property. In response, the parents had confiscated all electronic devices and they had refused permission for her to participate in the out-of-school activities that she obviously enjoyed. The parents believed that if Jane did not get what she wanted, she would throw a temper tantrum. They were worried that Jane might have a mental illness.*

*Both the parents and Jane attended their initial Intake interviews and proceeded to receive conflict coaching over 6 sessions each during the next couple of months. During this time, Jane revealed that her parents were extremely authoritarian and had very high expectations of her personal behaviour and her school results. She was a very bright girl and expressed deep interest in history, literature and dance. She was prepared to live out of home if necessary to escape what she saw as her parents suffocating authority.*

*The parents, through coaching, were able to modify some of their communication with Jane to the extent that Jane recognised that they were making huge efforts. The three family members participated in a family meeting and were able to make some agreements about expectations. They continue to be contacted by the FTH for ongoing support.*

## WHY CONTINUE TO INVEST?

### ALTERNATIVE DISPUTE RESOLUTION WORKS: IT CAN DELIVER BETTER OUTCOMES FOR INDIVIDUALS INVOLVED IN THESE PROCESSES THAN TRADITIONAL JUSTICE MODELS

Alternative dispute resolution is now a standard practice across Australia and is recognised as an effective and useful methodology for resolving disputes.<sup>iii iv</sup> These methods are now being employed outside criminal justice settings, in areas including child protection,<sup>v</sup> family and domestic violence<sup>vi</sup> and elder abuse<sup>vii</sup> with very promising results in relation to resolving conflict and addressing harms.

### ALTERNATIVE DISPUTE RESOLUTION IS A COST EFFECTIVE WAY TO RESOLVE DISPUTES

There is global recognition of the effectiveness of alternative dispute resolution as a cost effective alternative to litigation. These savings can range from 3 to 50 percent of the costs incurred by firms that go through a court litigation process.<sup>viii</sup> A Victorian Parliamentary Review in 2007 identified a key benefit to alternative dispute resolution is cost and time savings.<sup>ix</sup>

For further Cost Benefit Analysis evidence see Attachment A: *“Economic research relevant to the economic value of the Canberra Conflict Resolution Service Inc’s dispute resolution and the economic impact of a reduction in service”* (prepared by Professor Anne Daly, University of Canberra).

### THE ACT MODEL OF COMMUNITY LED ALTERNATIVE DISPUTE RESOLUTION CONTINUES TO BE INNOVATIVE AND AN EXAMPLE OF BEST PRACTICE

Since the late 1980’s, the ACT has led Australia in its support of community based alternative dispute resolution. While other jurisdictions have generally funded services that have been embedded in Government departments or attached to the legal profession (for example community legal centres or LegalAid), the ACT has funded an independent organisation to lead this work. There are specific strengths in this model, particularly in reducing the opportunity for conflict between alternative processes and litigation.<sup>x</sup> The national mediation conference ([www.mediationconference.com.au](http://www.mediationconference.com.au)) to be held in Canberra in 2019 provides an opportunity to showcase the unique approach the ACT takes to alternative dispute resolution and how the ACT continues to be innovative in the way it delivers community centred and owned services.

### THE ACT GOVERNMENT HAS COMMITTED TO BECOMING A RESTORATIVE COMMUNITY

In early 2016, the ACT Legislative Assembly committed to work towards the declaration as a restorative city.<sup>xi</sup> Work has commenced around this, including an inquiry by the Law Reform Advisory Committee.<sup>xii</sup> There is also a need to support community led practice in this area. CRS is proud of its long history as a community based leader in restoring relationships following conflict and the experience of harm. CRS believes that a key component of Canberra as a Restorative City is ensuring the population has access to community dispute resolution services. Appropriate levels of Government investment to ensure that demand for community dispute resolution services can be met is a critical aspect of the vision for Canberra as a Restorative City.

### THERE IS GROWING EVIDENCE REGARDING THE USEFULNESS OF ALTERNATIVE DISPUTE RESOLUTION PROCESSES AND RESTORATIVE PRACTICE IN SOLVING COMPLEX SOCIAL ISSUES

Evidence suggests a number of significant opportunities around restorative practices that sit outside the justice system, including:

- ✓ **ELDER ABUSE:** With an ageing population the risks for exploitation of older people is becoming an increasing problem. The Queensland Government is training the use of mediation and restorative practice in this area, with promising results.<sup>xiii</sup> Victorian agencies have developed mediation models that are able to prevent elder abuse.<sup>xiv</sup> With the roll-out of significant reforms in aged care, particularly focused on client centred care and individual funding models,<sup>xv</sup> there will be an increase in family based disputes and a heightened risk of elder abuse. There is a significant opportunity to develop and implement models to support the ACT community and complement the good work that has occurred to date to address and reduce elder abuse.
- ✓ **DISABILITY:** consumers, advocates and the community have welcomed the roll-out of the National Disability Insurance Scheme. Even as this is the case, there have been challenges with its implementation. While data is difficult to obtain, there have been many experiences shared regarding the conflict and disputes that have arisen in regard to assessments and the development of plans, relationships between parties involved in plans, and within families who are navigating this complex arrangement. In the context of developing a disability justice strategy, there are opportunities to explore how restorative practice and alternative dispute resolution processes can be a core part of the strategy and plan.
- ✓ **FAMILY AND DOMESTIC VIOLENCE:** while good work is occurring around the use of restorative justice for those engaged in the justice system, there is promising practice emerging around the use of mediation and restorative practice to support victims of family and domestic violence who are unable or unwilling to engage in the criminal justice system. Building on work in New Zealand around its value in the area of sexual assault,<sup>xvi</sup> Australian research has suggested that carefully designed alternative resolution processes may deliver more satisfactory outcomes for some victims of domestic and family violence.<sup>xvii</sup> Models such as the Round Table Dispute Management process used at Legal Aid Victoria, and the Telephone Dispute Resolution Service operated by Relationships Australia have been identified as good practice. In addition, approaches such as introducing a specialist model of mediation for family violence matters which delivers a more integrated and co-ordinated approach using professionals from a range of discipline backgrounds.<sup>xviii</sup> This promising practice suggests that this is an important issue to explore as the ACT Government develops and implements its strategy to reduce domestic and family violence in our community.
- ✓ **OUT-OF-HOME CARE:** Given the work that has occurred in NSW with regard to the use of mediation and restorative practice in the area of child protection is delivering promising results, it would be useful to explore its potential as the ACT Government continues to implement the new approach to out-of-home care services, as outlined in *A Step Up for Our Kids: the out-of-home care strategy 2015-2020*.<sup>xix</sup>
- ✓ **SCHOOLS:** With the release of *Schools for All* by the Expert Panel on students with complex needs and challenging behaviour, it was noted that there is the need to support school wide positive behaviour. Restorative practices have been identified as a key way that this may occur.<sup>xx</sup>

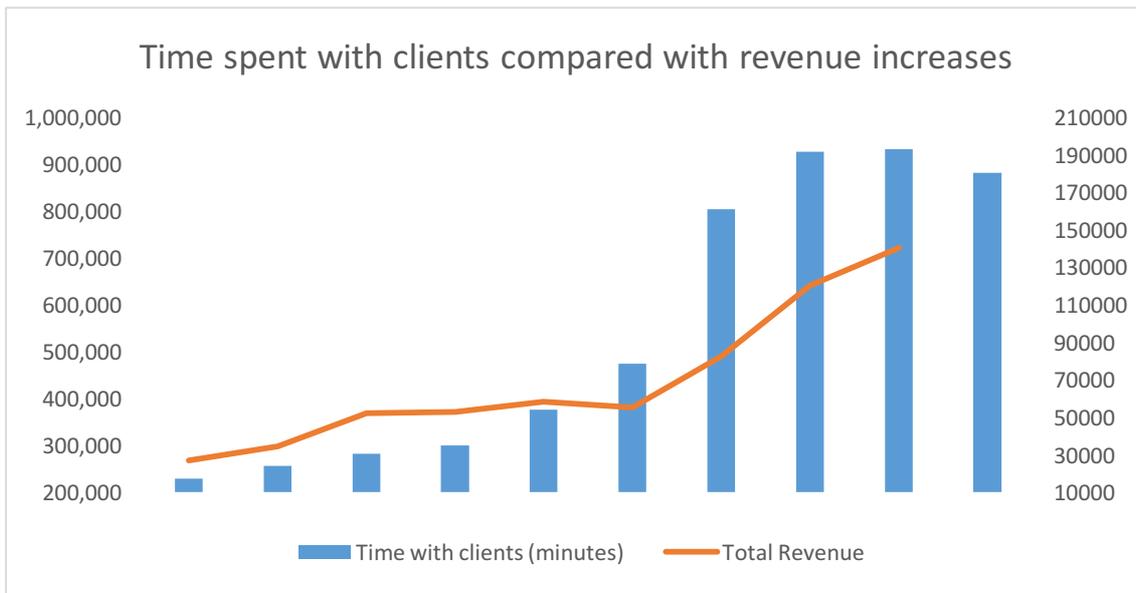
## WHY SHOULD GOVERNMENT INCREASE FUNDING?

### DEMAND IS INCREASING AND HAS OUTSTRIPPED ANY INCREASE IN FUNDING LEVELS

CRS has kept very detailed data in relation to its service delivery for the past fifteen years. An analysis of this data demonstrates clearly that there has been a significant increase in workload over a ten-year period to 2015, client numbers have almost doubled over the period, from 1320 clients to 2552 clients.

CRS has analysed the occasions of service provided to the community over a ten-year period to identify trends and issues against the increases to funding. It reveals that occasions of service has increased by a factor of 4.6. This is against an increased funding that stands at only a factor of 2.7.

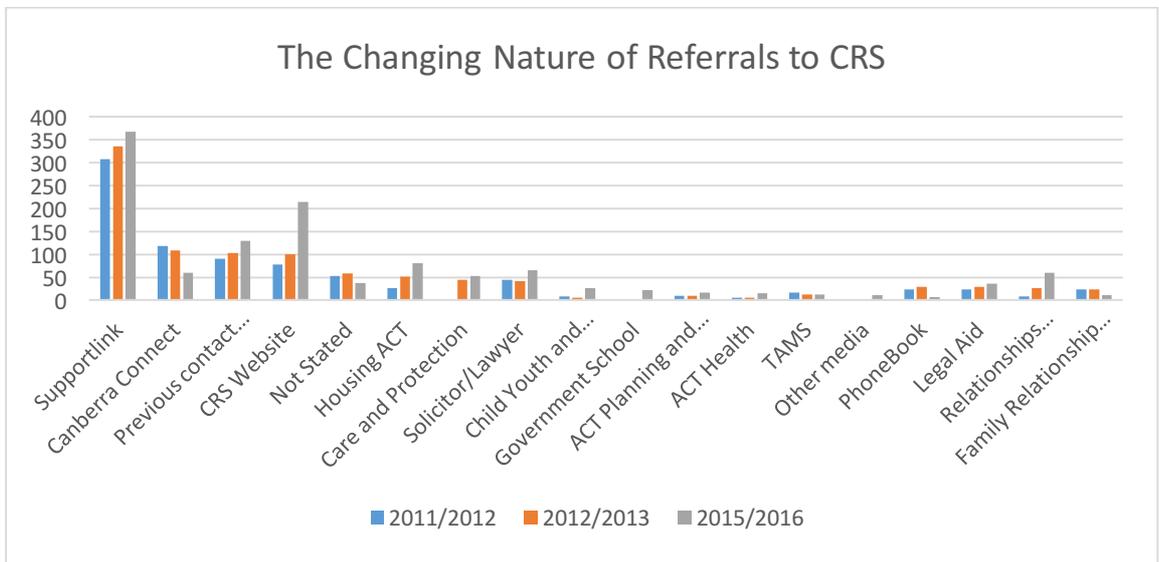
CRS also records the amount of time spent with clients, to gain a picture of the needs of clients and where staff are focusing their effort. **Contact and output from CRS has continued to grow, and is now almost ten times the level it was ten years ago. This is against an increase of revenue for the organisation of only 2.7 times over the same period.** This demonstrates that the output of the organisation has significantly outstripped any funding increases. The level of time required also points to an increase in complexity which is explored in greater below.



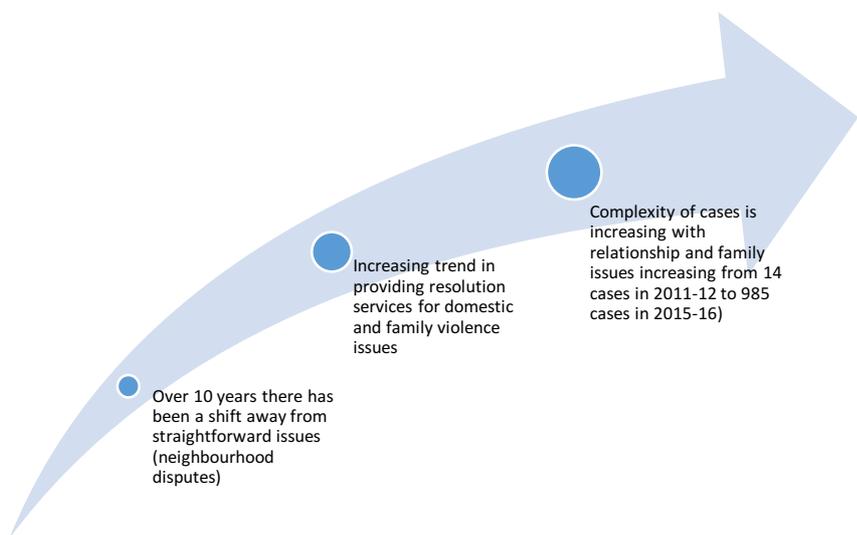
COMPLEXITY IN CASES IS INCREASING AND RESOLUTION REQUIRES MORE TIME AND RESOURCES

It is unsurprising that the nature of conflicts and disputes will change over time. Like the rest of the community services sector, there is evidence emerging around increasing complexity in issues and cases. While CRS is not a therapeutic service, it is important that we work closely with other agencies to put in place supports that enable parties to work to resolve disputes. **CRS endeavours to establish links with other agencies to achieve lasting outcomes for clients. This joined-up approach while critical is part of the complexity we experience as referred to above.**

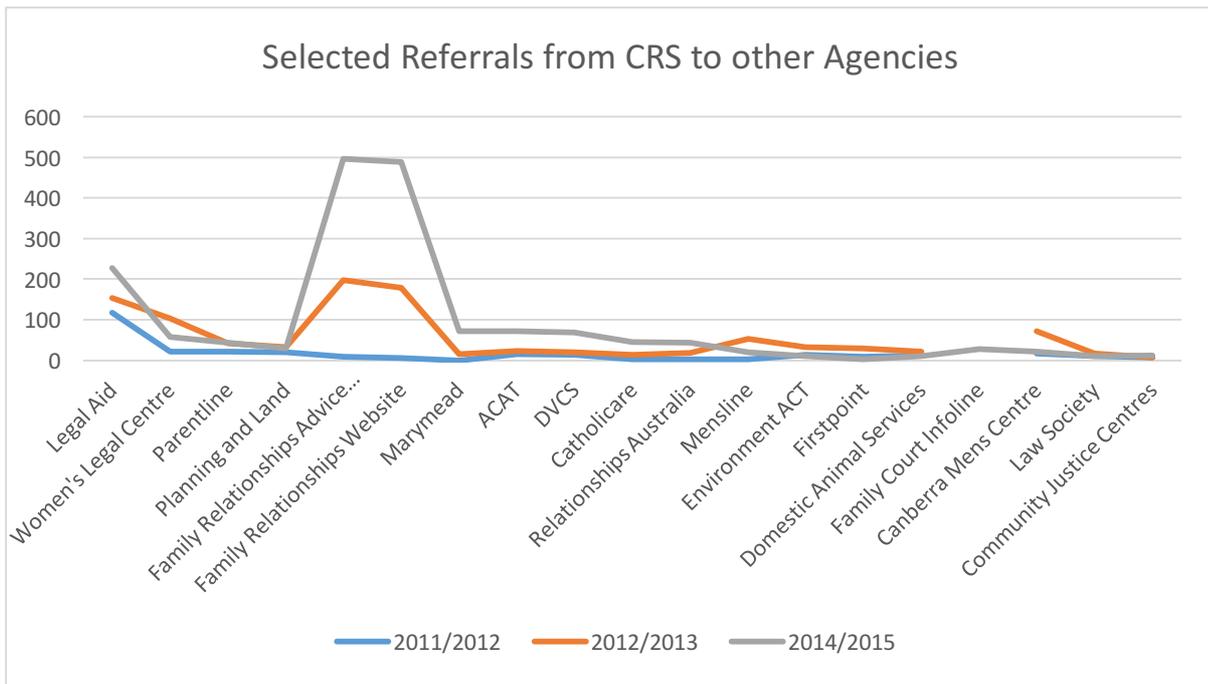
The chart below provides information regarding where the majority of referrals come from, over the selected periods 2011/2012, 2012/2013 and 2015/2016. While referrals from Supportlink (ACT Policing) continues to provide the most referrals, other referral pathways have shifted quite significantly. Electronic referrals through the website are now a primary channel for initial engagement with the service. In addition, while some government agencies such as Canberra Connect (Access Canberra), Housing ACT, Care and Protection and the Children, Youth and Family Gateway are emerging as key referral agencies, there is a reduction in other agencies such as ACT Planning and Land Authority and municipal services areas.



**This suggests complexity in that there is a shift away from more straightforward issues such as neighbourhood disputes to more complex relationship and family issues.**



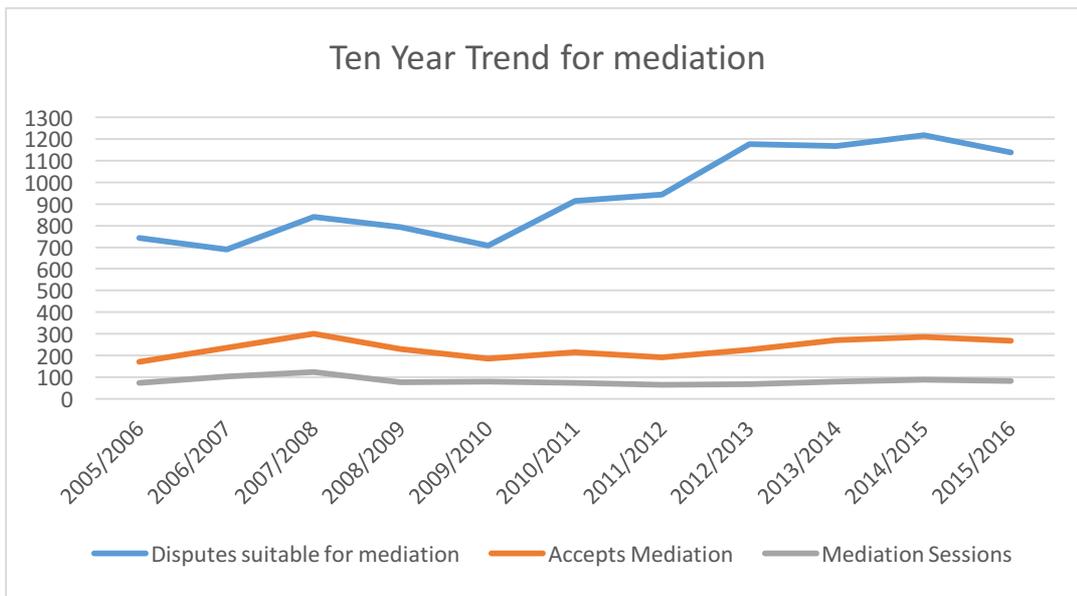
More striking is an analysis of the agencies who engage with CRS to support their work with clients, which also demonstrates the increasing complexity of cases. As outlined below, there has been a significant shift over a five-year period to issues relating to relationship and family issues. For example, referrals to the Family Relationship advice line and website has jumped from 14 in 2011/2012 to an astonishing 985 in 2015/2016. There is an increasing trend around issues such as domestic and family violence exemplified by a comparison of referrals to the Domestic Violence Crisis Service which has risen from 13 in 2011/12 to 69 in 2015/16. There are clearly strong links to the work of CRS and the broader ACT Government commitment to reduce domestic and family violence. This is an area that requires further investigation and resourcing.



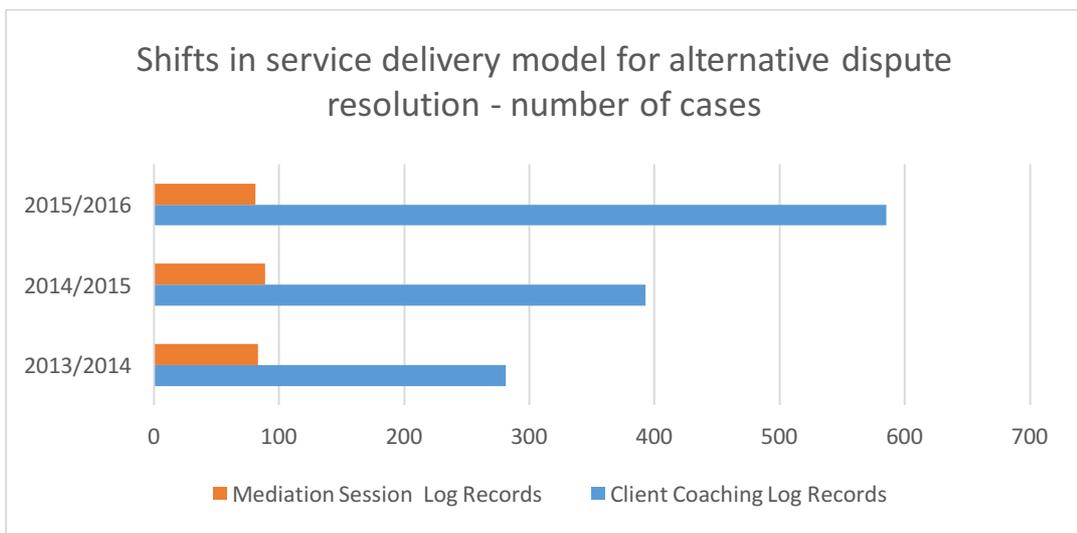
**METHODOLOGIES ARE EVOLVING AND ENGAGEMENT IS LESS LIKELY TO RESULT IN FORMAL MEDIATION**

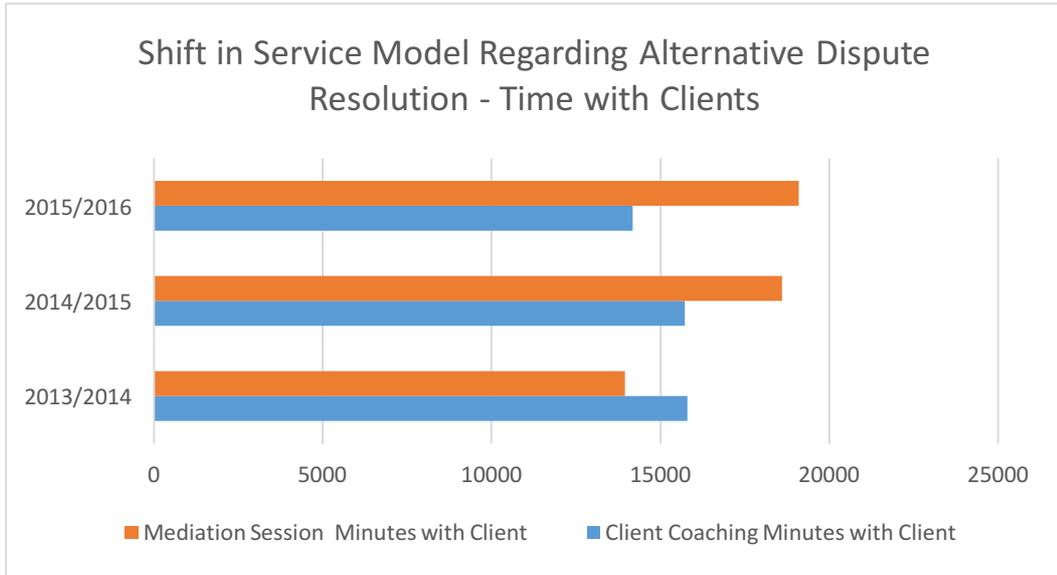
CRS is a service that is evolving, in line with community need and client expectations. Mediation continues to be an important element of the service offering, but the organisation is introducing other methods that focus particularly on early intervention and informal resolution of disputes and conflicts.

As such there is a small reduction in matters that are proceeding to formal mediation. Given that mediation is one of the services where there is a client fee for service, if this trend continues (as it is expected to), it will impact on the financial performance of the organisation. The chart below maps the increases in the number of mediations that actually occurred – which has remained consistent whole enquiries have increased significantly. It should be noted that success in mediation outcomes has remained high, and in fact has increased in recent years, sitting at over 90%.



While the actual number of mediations conducted annually have reduced slightly over time (as distinct from the proportion), the engagement of clients in conflict coaching has doubled over the last three years. There has also been a shift in time spent on mediation and client coaching over time, demonstrating that conflict coaching is growing in significance.

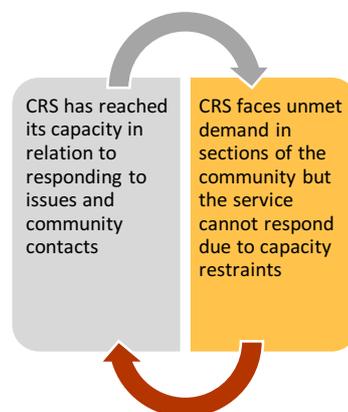




THE TRENDS OUTLINED ABOVE ARE ADVERSELY IMPACTING ON CRS' OPERATIONAL CAPACITY

The analysis outlined above demonstrates a significant increase in demand for services, and output by the organisation to respond to this need. This has had a number of impacts to the operations of the organisation. They include the following:

- **CRS IS AT CAPACITY IN RELATION TO RESPONDING TO REQUESTS:** The information provided above demonstrates the significant increase in service provision over the last ten years which has not been aligned with funding. As CRS has struggled to meet demand, it has shifted resources from infrastructure and administration into front line service provision. This is a strategy that can only be maintained in place for a short period and the operational infrastructure of the organisation now requires significant investment. It has also meant that CRS has reached its capacity in relation to responding to issues and community contacts. The service is at the point where minimal marketing or promotion occurs as the organisation would not be able to respond to any increase in demand. At this time, CRS is keenly aware that there is unmet demand in sections of the community but the service cannot respond due to capacity restraints. This situation has been further impacted by necessary reductions in staffing implemented in August 2017, which have resulted in the need to significantly reduce service delivery outputs.
- **CRS IS UNABLE TO AFFORD TO BE LOCATED IN PREMISES THAT ARE FIT FOR PURPOSE:** Physical constraints such as limited private space means that CRS is unable to hold shuttle mediation sessions (a standard method of mediation) or more than a single mediation session at one time. As well as being able to respond to community need, this results in an under-utilisation of trained and accredited mediators and means CRS is unable to develop one of the areas of the business that could be complemented by user fees. In addition, the current programs are located over two floors of the premises and create significant inefficiencies and risks for the management of staff of the organisation. Over the past seven years CRS has exhausted all avenues to secure more appropriate tenancy arrangements at the Griffin Centre. With the above issues in mind, and also the need for dedicated training space, CRS needs to transition to fit for purpose tenancy arrangements.
- **CRS HAS HAD LIMITED OPPORTUNITY TO UNDERTAKE ESSENTIAL WORK SUCH AS EXPLORING NEW OPPORTUNITIES, DIVERSIFYING SERVICE MODELS AND DEVELOPING DIVERSE REVENUE SOURCES:** The emphasis that CRS has placed on responding to community need has resulted in limited opportunity to invest in business development activities. This is now an urgent task for the organisation, with the need to unlock the potential to build on the success of the organisation to date to build ongoing sustainable business models. CRS has many avenues to develop business partnerships with industry associations, businesses, tertiary institutions, and government departments, however the current significant constraints make such business development impossible. CRS also is ideally placed to be the community hub for Restorative Practices and related professional training and community education.



## CRS PROPOSAL FOR ADDITIONAL FUNDING

CRS is seeking additional funding of \$300,000 in the 2018/19 financial year to invest in four key initiatives that will help to ensure it can meet demand, and achieve ongoing viability and sustainability.

### RESTORE STAFFING BACK TO PRE 2017/18 LEVELS TO MEET DEMAND (\$100,000)

As already outlined above CRS has had no other option but to reduce staffing and this has had the effect of reducing service delivery output. These reductions will provide a balanced budget in the 2017/18 financial year, however they also mean CRS cannot meet the basic demand for its services. CRS has also invested significantly over the past 12 months on improving its administrative and governance practices. This has included renewing its internal financial and administrative systems, re-writing its Constitution, recruiting new Board members and gaining ACNC registration as a Charitable Public Benevolent Institution with DGR status.

It is evident already to the CRS Board and Staff that the staffing and related service delivery reductions are not an acceptable course of action due to the negative impact on vulnerable clients, and the restrictions it places on future organisational development by having all staff, including management, operating on a part time basis. \$100,000 will address the increased cost of delivering services that have impacted CRS in an incremental way over the past ten years, and enable the organisation to restore its staffing back to the minimum required to meet basic demand.

### UPGRADE OF FACILITIES AT THE GRIFFIN CENTRE (\$15,000)

The current premises are inadequate for the current and future needs of the service and have a number of limitations which are not possible to maintain in the medium term. A key issue is the distribution of staff and programs over two floors of the Griffin Centre which creates disjointed service provision, hampers adequate supervision and staff support and creates additional risk for the organisation in the need to manage multiple work environments. In addition, there is a lack of access to private spaces and environments needed to deliver alternative dispute resolution services. This funding will assist with office relocation costs to improve office arrangements across the current tenancy at levels 2 and 3 at the Griffin Centre. This is a viable temporary solution for the short term while other tenancy locations are investigated for the future.

### ADDITIONAL INVESTMENT IN ADMINISTRATIVE AND ORGANIZATIONAL INFRASTRUCTURE AND TECHNOLOGY (\$50,000)

Like many organisations CRS has diverted funding from administration and infrastructure into front line service delivery as demand has increased. While the organisation has been able to do this for a short period, it is not a sustainable model moving into the future and is emerging as a significant risk around the organisation's viability.

Given the significant changes in the local community sector, it is imperative that CRS invests in appropriate administrative and operational resources to ensure that it continues to be a professional and best practice organisation.

This additional funding would enable:

- ✓ Investing in new operational systems that can support the substantial increase in enquires, intake and assessment processes (including the migration and development of a new data-base system);
- ✓ Increasing investment to ensure adequate administrative functions are in place to manage an organisation with a high volume of client contact; and
- ✓ Strengthening governance, risk and compliance activities for the organisation.

INVESTING IN DEVELOPMENT ACTIVITIES TO DEVELOP A SUSTAINABLE BUSINESS MODEL INTO THE FUTURE (\$70,000)

As outlined above, the need to the focus on front line services has seen CRS unable to adequately focus on business development activities. CRS is well aware of the many avenues to develop business partnerships with industry associations, businesses, tertiary institutions, and government departments, but have been unable to invest the appropriate resources to enable business planning to occur. Without investment in the immediate future, the ongoing viability of the organisation will be at significant risk. The recent work that CRS has undertaken to enable it to develop corporate business relationships, establish PBI Charitable status and attract donations requires ongoing focus and investment to pursue opportunities and develop relationships and partnerships.

As such, the organisation will invest additional funds to:

- ✓ Develop a comprehensive business plan, which sets targets and milestones to support the development of CRS as a sustainable and viable organisation in the medium term;
- ✓ Pursue a range of agreements and relationships with industry bodies and institutions in areas such as the construction and building industry, and tertiary and vocational education sectors;
- ✓ Develop its capacity in fund raising and attracting philanthropic support; and
- ✓ Pursue opportunities to develop CRS as a professional training and community education hub in relation to alternative dispute resolution processes and restorative practices.

LEADING THE COMMUNITY RESPONSE TO RESTORATIVE PRACTICE (\$75,000)

There is a real opportunity for the ACT Government to support the community as it works towards the declaration of Canberra as a restorative city. While there has been significant progress in developing a community of practice around restorative justice and practice in the ACT, there are still significant opportunities to embed restorative practice across the community, expanding the learnings from the justice system into areas of concern in our local community.

With this additional investment, CRS will move to introduce a number of the following initiatives:

- **ELDER ABUSE:** introducing a community based mediation and restorative model, based on the Victorian model for members of the community working to resolve disputes and prevent elder abuse in a period of change;
- **DISABILITY:** introducing a community based mediation and restorative practice model targeted to supporting people with disability, their carers and families as they negotiate the NDIS;
- **DOMESTIC AND FAMILY VIOLENCE:** refining CRS' response to victims impacted by domestic and family violence and work with experts to explore the introduction of restorative practice for victims hesitant to engage with the criminal justice system;
- **CHILD PROTECTION AND OUT-OF-HOME CARE:** work with service providers, carers and families to investigate use of restorative practice within the out-of-home care system;
- **SCHOOLS:** building on the strong base within ACT school sectors, and the priority in creating supportive school environments with the release of *Schools for all*, work to support the education sector to increase the use of restorative practice.

As such, an investment of \$75,00 would be used to enable CRS to:

- ✓ Employ an expert in community based restorative practice, to support CRS to develop their methodologies, service model and practice in relation to restorative practice;
- ✓ Engage as a leader in the process of supporting the ACT to become a restorative community, focusing on unlocking the potential of community based restorative practice; and
- ✓ Explore the opportunities to develop leading practice in the areas outlined above.

## CONCLUSION

This is a pivotal point in time for CRS. After a period of significant growth in relation to demand and activity, it is now time to reflect on the elements required to ensure that the organisation continues and thrives in a very different funding environment. With modest investment, the organisation will be able to continue to deliver high quality and accessible alternative dispute resolution services and make a significant contribution to the ACT's aspiration to become a restorative community. We look forward to exploring these opportunities with key decision makers and policy makers.

## END NOTES

<sup>i</sup> For example, see

- <https://www.qld.gov.au/law/legal-mediation-and-justice-of-the-peace>
- <https://www.disputes.vic.gov.au/contact-us>
- [http://www.courts.justice.nsw.gov.au/Pages/cats/catscorporate\\_adrdirectorate/catscorporate\\_adrdirectorate.aspx](http://www.courts.justice.nsw.gov.au/Pages/cats/catscorporate_adrdirectorate/catscorporate_adrdirectorate.aspx)

<sup>ii</sup> Key factors that have driven this transformation have included:

- reform within a range of sub sectors, most notably in disability and aged care sectors;
- a reduction in Commonwealth resources, in areas including community legal services and the specialist homelessness services; and
- increased expectations around governance and regulations, including the introduction of the Australian Charities and Not-for-Profit Commission, and a number of sub-sector regulatory bodies.

<sup>iii</sup> Kathy Mack. 2003. *Court Referral To ADR: Criteria And Research*. Australian Institute of Judicial Administration Incorporated and the National Dispute Resolution Advisory Council.

<sup>iv</sup> National Alternative Dispute Resolution Council. 2012. *Your Guide to Dispute Resolution* Australian Attorney Generals Department Canberra.

<sup>v</sup> Anthony Morgan, Hayley Boxall, KiptooTerer, Dr Nathan Harris. 2012. *Evaluation of alternative dispute resolution initiatives in the care and protection jurisdiction of the NSW Children's Court*. Research and Public Policy Series 118. Institute of Criminology. Canberra.

<sup>vi</sup> Field, Rachael. 2010. *FDR and victims of family violence: Ensuring a safe process and outcomes*. Australasian Dispute Resolution Journal, 21(3), pp. 185-193.

<sup>vii</sup> Department of Justice and Attorney General. 2016. *Supported Elder Mediation Discussion Paper*. Queensland Government.

<sup>viii</sup> Inessa Love. 2011. *Settling Out of Court: Love How Effective Is Alternative Dispute Resolution?* Viewpoint: public policy for the private sector. Note 329. <http://siteresources.worldbank.org/FINANCIALSECTOR/Resources/282044-1307652042357/VP329-Setting-out-of-court.pdf> (Accessed Nov 2016).

<sup>ix</sup> Victorian Parliament Law Reform Committee. 2007. *Alternative Dispute Resolution Discussion Paper*. [http://www.parliament.vic.gov.au/images/stories/committees/lawreform/alternate\\_dispute/Discussion\\_paper.pdf](http://www.parliament.vic.gov.au/images/stories/committees/lawreform/alternate_dispute/Discussion_paper.pdf) (Accessed Nov 2016).

<sup>x</sup> Dr Lola Akin Ojelabi, 2010. *Improving Access to Justice Through Alternative Dispute Resolution: the Role of Community Legal Centres in Victoria, Australia*. Research Report, Faculty of Law and Management, La Trobe University.

<sup>xi</sup> Ms Porter et al. *Op Cit*.

<sup>xii</sup> ACT Law Reform Advisory Committee. 2016 Current Inquires. Accessible at <http://www.justice.act.gov.au/page/view/565/title/current-inquiries> (Accessed Oct 2017).

<sup>xiii</sup> Department of Justice and Attorney General. 2016. *Supported Elder Mediation Discussion Paper*. Queensland Government.

<sup>xiv</sup> The mediation model developed by Family Mediation Centre is demonstrated through their case studies and can be accessed via their website: [http://www.mediation.com.au/wp-content/uploads/2014/12/SCR-Case-Studies-A4Portrait\\_updated.pdf](http://www.mediation.com.au/wp-content/uploads/2014/12/SCR-Case-Studies-A4Portrait_updated.pdf) (Accessed No 2016).

<sup>xv</sup> Reform processes and implementation can be accessed via the Health Department's website: <https://agedcare.health.gov.au/aged-care-reform> (Accessed Nov 2016).

<sup>xvi</sup> Shirley Jülich et al. 2010. *Project Restore An Exploratory Study of Restorative Justice and Sexual Violence*. [http://rpe.co.nz/wp-content/uploads/2013/09/The\\_Project\\_Restore\\_Report.pdf](http://rpe.co.nz/wp-content/uploads/2013/09/The_Project_Restore_Report.pdf)

<sup>xvii</sup> Field, Rachael. 2010. *FDR and victims of family violence: Ensuring a safe process and outcomes*. Australasian Dispute Resolution Journal, 21(3), pp. 185-193.

<sup>xviii</sup> *Ibid*.

<sup>xix</sup> ACT Government. 2015. *A Step Up for Our Kids: the out-of-home care strategy 2015-2020*. Accessible at <http://www.communityservices.act.gov.au/ocyfs/out-of-home-care-strategy-2015-2020/out-of-home-care-strategy-2015-2020> (Accessed Nov 2016).

<sup>xx</sup> Ms Porter et al. *Op Cit*.

## ATTACHMENT A – THE ECONOMIC IMPACT OF A REDUCTION IN CRS SERVICES

### **Economic research relevant to the economic value of the Canberra Conflict Resolution Service Inc’s dispute resolution and the economic impact of a reduction in service**

Professor Anne Daly  
University of Canberra  
Greg Barrett  
Rhian Williams

Mediation and Alternative Dispute Resolution services have major economic impacts on communities. In recent years economic research, particularly Cost Benefit Analysis, has been used to quantify and value the extent by which the benefits of community mediation, exceed its costs. This research demonstrates that community mediation delivers substantial economic benefits exceeding its costs.

### **Valuing community mediation costs and benefits**

In Cost Benefit Analysis, a economic valuation framework is used to make complex reality tractable. The research summarised here is consistent with this rigorous economic framework.

#### **What are the benefits?**

Community mediation has significant economic benefits:

- reduced costs for government (resources freed for their next best use),
- more productive businesses (including more employment),
- more productive community activities (including more employment),
- better educational outcomes,
- better health outcomes, and
- better child protection outcomes.

The settlement of community conflict, in the absence of community mediation, is a continuing process using significant economic resources. Settlement of conflicts, through community mediation, will free resources for other economic opportunities, increase the productivity of government, community and private resources, and provide major benefits to the wider community. Community mediation minimises the resources required for conflict resolution and makes both existing and new investments in the community more productive.

Community mediation frees resources that would have been used in a court based dispute resolution. For example in NSW and Queensland it typically takes four and a half years to finalise common law workers’ compensation claims (Productivity Commission 2004:237). Community mediation dispute resolution is quicker and releases resources (of lawyers, courts, employers, insurance agents and disputants) for their next best use. Community mediation reduces the cost of policing, courts, prisons, health care, education, and other community services.

Community mediation improves the productivity of disputants and their families. This increased output is a benefit to society. It derives from the faster return to work and better health outcomes from the reduced delays and more respectful treatment of disputants. This improved productivity extends to the disputant’s families through freeing family time and better educational outcomes for disputants’ children.

To produce these benefits, community mediation uses (in administration, mediation meetings & training) a set of resources (labour, materials, etc). These resources are therefore unavailable for other uses in society (ie they are included in cost benefit analysis as an opportunity cost to society).

Cost Benefit Analysis uses these outcomes to value the net impact on a community's economic wellbeing.

## Decision criteria

Cost Benefit Analysis values the impacts (costs and benefits) of community mediation in economic terms (ie impact on society's wellbeing). These values are aggregated using a discount rate embodying society's trade-off between current and future consumption. The discounted impacts are then compared using decision criteria.

The findings of a Cost Benefit Analysis are commonly expressed by two decision criteria:

- The **benefit cost ratio** takes the present value of total benefits and divides this by the present value of total costs. The ratio is useful for comparing the efficiency of programs across different program scales. A ratio greater than 1 demonstrates that there is a net economic benefit to society.
- The **Net Present Value** (NPV) is the amount by which the present value of benefits exceeds the present value of costs. This is a good measure of the size of the economic impact. A positive NPV demonstrates that there is a net economic benefit to society.

## Cost Benefit Analysis of mediation programs

The literature on Cost Benefit Analysis of mediation programs finds considerable economic benefit (Morgan et al 2012:21).

For example, CBA evaluations of the use of mediation in:

- the Legal Aid Family Dispute Resolution Service found a B/C ratio of 1.5 and a NPV of \$37 million (KPMG 2008),
- Irish accident compensation mediation (Personal Injuries Assessment Board) produced a B/C ratio of 1.9 and an NPV of €27,703 per case Hogan (2006),
- the Victorian Right People for Country Project found a B/C ratio of 3.8 and an NPV of \$3.0 million (Daly & Barrett 2012),
- Yuendumu found a B/C ratio of 4.3 and an NPV of \$4.4 million (Daly & Barrett 2014),
- the Accident Compensation Conciliation Service found a B/C ratio of 3.0 and an NPV of \$916 million (Daly, Barrett & Williams 2016), and
- Mornington Island found a B/C ratio of 10.6 and an NPV of \$17.4 million (Daly & Barrett 2016).

The economic literature clearly demonstrates that mediation has a substantial net economic benefit to community.

## Bibliography

- Daly A and Barrett G, (2012) 'Economic Cost Benefit Analysis of the Right People for Country Project' Canberra: University of Canberra.
- Daly A and Barrett G, (2014) 'Independent Cost Benefit Analysis of the Yuendumu Mediation and Justice Committee' Alice Springs: Central Desert Regional Council.  
[http://www.centraldesert.nt.gov.au/files/attachments/yuendumup\\_cba\\_0.pdf](http://www.centraldesert.nt.gov.au/files/attachments/yuendumup_cba_0.pdf)
- Daly A & Barrett G, (2016) 'Mornington Island Restorative Justice Program' Mornington Island: Junkuri Laka Wellesley Islands Aboriginal Law, Justice and Governance Association Inc.
- Daly A, Barrett G & Williams R, (2016) 'Cost Benefit Analysis of the Accident Compensation Conciliation Service' Melbourne: Accident Compensation Conciliation Service.
- Hogan, Vincent. (2006) *A Cost-Benefit Analysis of the Personal Injuries Assessment Board*, Clonakilty: Injuries Board.

KPMG (2008) *Family dispute resolution services in Legal Aid commissions evaluation report*. Canberra: Attorney General's Department.

Morgan, Anthony & Boxall, Hayley & Terer, Kiptoo & Harris, Nathan (2012) *Evaluation of Alternative Dispute Resolution Initiatives in the Care and Protection Jurisdiction of the NSW Children's Court*, Research and Public Policy Series No. 118, Australian Institute of Criminology, Griffith.

Productivity Commission. (2004) *National Workers' Compensation and Occupational Health and Safety Frameworks*, Report No. 27, Canberra.