

Economic Reform Round Table

**PeakCare's Submission to the Productivity
Commission**

25 July 2025

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Introduction

PeakCare welcomes the opportunity to contribute to the Productivity Commission's consultation on economic reform in preparation for the economic reform round table. As Queensland's peak body for child and family services, PeakCare brings a unique perspective grounded in a commitment to improving efficiency and effectiveness in delivering outcomes for children, young people and families in Queensland and in partnership nationally.

Our submission responds to the fourth pillar of the Commission's reform agenda, *delivering quality care more effectively*, with a specific focus on the economic and social returns of early investment in children and families. At the heart of PeakCare's advocacy is a call for a shift from crisis response to prevention and outcomes focused investment.

Economic reform is not only about productivity, but also equity, wellbeing and building the foundations for all children to thrive. The evidence shows that investment in setting Australian children up for success from the beginning will have a positive flow on impact on their lives and their potential to engage as productive community members. This is because early investment results in a reduction in the need for individuals to access other Commonwealth funded services into the long-term.

We urge the Productivity Commission to embed children's wellbeing, as a key indicator of Australia's economic and social prosperity.

About PeakCare

PeakCare is a not-for-profit peak body for child and family services in Queensland, providing an independent voice representing and promoting matters of interest to the non-government sector. Across Queensland, PeakCare represents small, medium, and large local, state-wide and national non-government organisations which provide prevention and early intervention, generic, targeted, and intensive family support to children, young people, families, and communities. Member organisations also provide child protection services, foster care, kinship care and residential care for children and young people who are at risk of entry to, or who are in the statutory child protection system and youth justice systems.

A large network of associate members and supporters also subscribe to PeakCare. This includes individuals with an interest in child protection, youth justice and related services, and who are supportive of PeakCare's policy platform around the rights and entitlements of children, young people and their families to safety, wellbeing, and equitable access to life opportunities.

PeakCare's Submission

Pillar 4: Delivering quality care more efficiently

Investment in the first five years

Investing in early support for families is both economically sensible and beneficial for long-term outcomes in the national interest. When investment is directed to early childhood the downstream benefits are significant. This is because when resources are invested to support children in the early stages of their life, they are less likely to engage with other services such as youth justice, police, corrections, health and child protection. The New South Wales Government *Brighter Beginnings: The First 2000 days of life* report, found investing in early childhood intervention programs produces a return on investment of \$13 for every \$1 spent.¹ Children who develop within nurturing environments are more likely to become happy and productive members of society.

Social Ventures Australia has also modelled the economic impact of investing in targeted early intervention and intensive family supports.² The report outlines the cost-benefit of new investment in these programs over a 10-year period and calculates the costs saved based on the reduced likelihood of children who are supported by the programs entering out-of-home care, resulting in cumulative net savings of up to \$1.6 billion in Victoria alone. Providing wrap around supports to families, children and young people to help them reduce the impact of disadvantage with safe and secure housing, employment, education engagement is critical to the success of any program delivered.

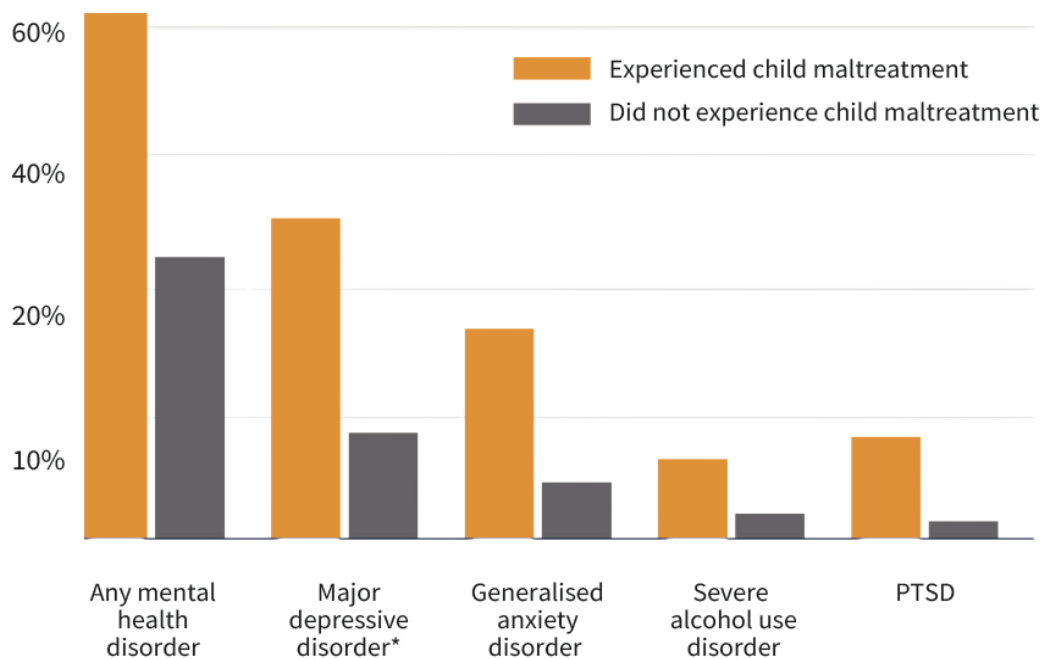
The Australian Child Maltreatment Study 2023 found that six (6) in ten (10) young people experienced at least one type of maltreatment and 43.8 per cent were exposed to domestic violence.³ Experiences of childhood maltreatment are linked to the prevalence of future mental health disorders, health risks and health service utilisation. This further reinforces the benefits of a public health approach to the prevention of child maltreatment, with the potential for significant economic and social benefits across Australian children through flow on impacts to improved mental health.

¹ NSW Government 2021, *Brighter beginnings: the first 2000 days of life*, NSW Government, viewed 10 July 2025, <https://www.nsw.gov.au/initiative/brighter-beginnings>.

² Social Ventures Australia 2020, *The economic case for early intervention in the child protection and out-of-home care system in Victoria: Report summary*, Social Ventures Australia, Sydney, viewed 10 July 2025, <https://www.berrystreet.org.au/early-intervention>.

³ Haslam D, Mathews B, Pacella R, Scott JG, Finkelhor D, Higgins DJ, Meinck F, Erskine HE, Thomas HJ, Lawrence D, Malacova E. (2023). *The prevalence and impact of child maltreatment in Australia: Findings from the Australian Child Maltreatment Study: Brief Report*. Australian Child Maltreatment Study, Queensland University of Technology.

Prevalence of mental disorders among young Australians aged 16-24 years with and without experiences of child maltreatment



Australian Child Maltreatment Study 2023

Investment in the prevention of childhood maltreatment is an investment in the future of our nation. We must accelerate a public health approach, with a focus on primary prevention at the population level, with targeted early interventions for at risk groups.

Measuring what matters

Evaluation is critical in making sure public investment in prevention and early intervention delivers long-term benefits across the care economy. However, persistent resourcing limitations and an underdeveloped evidence base continue to hinder investment in what works. As such, a dual investment approach is needed which supports both high-quality program delivery and the development of embedded, well-funded evaluation.

Importantly, what we measure, and how, must reflect the lived experiences of children, families, and communities. Quantitative indicators alone cannot capture the nuanced, long-term impact of early intervention. We must broaden our definition of success to include outcomes defined by those who engage with services, especially Aboriginal and Torres Strait Islander communities, where culturally safe, strengths-based measures are essential.

National reform must also promote shared accountability across governments, sectors, and communities. This includes integrating the feedback of individuals who engage with the system, including children, young people and families, and valuing relational outcomes like trust and stability. PeakCare urges that the Productivity Commission consider the outcomes already defined in the

National Early Years Outcomes Framework 2024 in the development of national framework to support government investment in prevention.⁴

The Productivity Commission should also consider the delivery of outcomes against the Closing the Gap targets in any reform agenda developed. The AIHW report on the Closing the Gap targets 2025 reported that only 3 of the 17 National targets were on track to be met.⁵ Importantly targets for early childhood are worsening, this includes target four, measuring the proportion of Aboriginal and Torres Strait Islander children assessed as developmentally on track in all five domains of the Australian Early Development Census (AEDC), and target twelve on the over-representation of First Nations children (0–17 years old) in out-of-home care. Accountability to investment in productivity reform which aligns with progress towards these targets is crucial.

A call for secure foster care sustainability

PeakCare is a founding member of the National Foster Carer Sustainability Group (the Group), calling for urgent action to address the critical shortage of foster carers in Australia. While the number of children and young people entering out-of-home care nationally has remained relatively stable in recent years, the number of new and active foster carers has declined significantly.⁶

Led by Families Australia, the Group has presented three key reform proposals to the Federal Government.

- 1. Prioritise access to medical and therapeutic support**

Better access and financial supports to meet the needs of all children in out-of-home care, equivalent to a Veteran Gold Card.

- 2. Reduce financial pressure**

Under existing tax legislation, increase tax-free foster care allowances so jurisdictions can better administer their system.

- 3. Equitable leave entitlements**

Change the National Employment Standards to help foster carers in paid employment to start or continue fostering.

Independent economic analysis by Lumenia shows by adjusting these federal levers it would generate substantial social and economic returns, better supporting children in care and sustain the foster care part of the system.⁷ According to the modelling, applying these proposals to the current cohort of children in care could deliver a total combined benefit of \$1.2 billion, once shared savings across systems are accounted for. These reforms are not only fiscally responsible, but they are also essential to delivering safe, stable, and nurturing environments for children and young people in care.

⁴ Australian Government. (2024). Early Years Strategy: Outcomes Framework. Department of Social Services. Available at: <https://www.dss.gov.au/early-years-strategy> [Accessed 14 July 2025].

⁵ Australian Institute of Health and Welfare 2025, *The health and welfare of Australia's Aboriginal and Torres Strait Islander peoples 2025*, Cat. no. IHW 294, AIHW, Canberra, viewed 10 July 2025, <https://www.aihw.gov.au>.

⁶ National Foster Care Sustainability Group 2024, *Our asks – Future of foster care*, Preserving a Vital System campaign website, viewed 14 July 2025, <https://www.futureoffostercare.org.au>.

⁷ Families Australia & Lumenia 2024, *A fair go: improving outcomes for children in care – economic assessment*, National Foster Care Sustainability Group, Canberra, viewed 14 July 2025, <https://www.futureoffostercare.org.au>.

Housing first approach

Safe, affordable, and appropriate housing is a foundational requirement for family wellbeing and child safety. Without it, efforts to intervene early and prevent crisis are severely undermined.

Queensland is currently facing unprecedented population growth and housing demand that far outpaces supply. Brisbane now has the second highest median house price in the nation. According to the Queensland Council of Social Service (QCOSS) Living Affordability Report 2022 families with one full-time worker and two children, or single unemployed parents, face weekly budget deficits of hundreds of dollars.⁸ These families routinely spend more than 30 per cent of their income on rent, placing them in significant housing stress.

The Real Estate Institute of Queensland (REIQ) Residential Vacancy Report for March 2024 reported vacancy rates as low as 0 per cent in parts of the state, leaving many families unable to secure housing, despite having income or support needs.⁹ A 'Housing First' principle must underpin all child and family service planning. This means housing is not conditional on families engaging with services, it is the secure platform from which all other outcomes (health, education, employment, parenting) are more likely to succeed.

Conclusion

This submission reinforces the critical importance of investing in the early years, stabilising the foster care system, embedding meaningful measures into funding and investment that reflects community defined success and ensuring secure housing for families as a foundation for wellbeing.

If governments are to reduce long-term costs and create a sustainable, inclusive economy, then prevention must be prioritised. That means investing early, measuring what matters, and delivering supports that are responsive and community-led. The evidence is clear the earlier we intervene, the greater the impact, not just for individuals but for the nation.

PeakCare call on the Productivity Commission to recommend reforms that align economic productivity with social stability and inclusion, so that every child can thrive.

Yours sincerely,



Mr Tom Allsop

Chief Executive Officer

⁸ Queensland Council of Social Service (QCOSS) 2022, *Living affordability in Queensland*, QCOSS, Brisbane, viewed 14 July 2025, <https://www.qcoss.org.au>.

⁹ Ryan, C. 2024, *Dangerously low vacancy rates persist in Queensland*, media release, Real Estate Institute of Queensland (REIQ), 29 April, viewed 14 July 2025, <https://www.reiq.com>.