

Family dispute resolution: Benefits for parents and the family law system

Research summary

Since 2006, Australian family law has required separating parents to try resolving their disputes through a service called family dispute resolution (FDR), before they can go to court. Relationships Australia is one Australia's largest FDR providers.

In 2024, Relationships Australia Victoria worked with Inform Economics to analyse the costs and benefits of our FDR services – for families, the family law system and the wider community.

The analysis shows that FDR has huge financial and social benefits. It helps both families and the family law system reach better outcomes and it costs far less than going to court.

What we did

We used an evidence-based approach called Cost–Benefit Analysis to evaluate the economic and social impacts of our FDR services. The analysis included an evaluation of how mandatory FDR affects parents in financial and non-financial ways. It included consideration of the costs and benefits for families, the government, and wider society.

We compared Australia's current family law approach against an alternative scenario based on Australian family law before the 2006 changes to the *Family Law Act 1975 (Cth)*.

What we found

The analysis showed that the benefits of FDR far exceed its costs, with a benefit–cost ratio of over 20 to 1. This means that for every dollar spent on FDR, there were \$20 worth of benefits, highlighting its significant value to both families and the family law system.

The benefits measured included:

- fewer costs for the family law system
- increased financial wellbeing for families
- improved outcomes for families related to:
 - family functioning
 - mental health and wellbeing
 - personal and family safety
 - child wellbeing
- positive impacts on wider societal issues that affect communities.

Benefits of FDR

For the family law system



Avoided costs for court system



Court system has more capacity to deal with other matters

For families



Increased financial wellbeing



Disputes resolved faster



Improved family wellbeing

For community



Impact on wider societal issues such as health, education and productivity

Read more

Visit socialimpact.relationshipsvictoria.org.au/domain-4-family-functioning or scan the QR code to read our report summary.

For a copy of the full report, email evaluation@rav.org.au



Including financial and non-financial benefits

When considering both financial and non-financial benefits, the total benefits reach over \$63,000, compared to total costs of roughly \$3,000:

- 1. The family law system saves roughly \$4,400 per family.
- 2. Families receive large financial benefits (from avoided court costs) valued at \$41,800.
- 3. Families receive \$16,842 in non-financial benefits through improved outcomes in areas like mental health, child wellbeing and family safety.

Focusing on financial benefits alone

When we exclude non-financial benefits from the analysis, the total benefits still exceed \$46,000. This gives a benefit–cost ratio of 15 to 3, meaning that the benefits of mandatory FDR for parenting matters are 15 times greater than the costs.

Observations and insights

1. Including the benefits to families, especially financial wellbeing benefits, largely increases the benefit–cost ratio.

Traditional analyses, which often focus solely on government savings, tend to report benefits roughly 1.5 to 2.25 times larger than the costs. Considering both the financial and non-financial benefits significantly raises the return on investment.

2. FDR plays a vital role by preventing many disputes from escalating to full court proceedings, where the costs are much higher.

Avoiding these court proceedings reduces the burden on the family law system, improving the courts efficiency and capacity to deal with more complex cases.

3. The financial wellbeing of families also improves markedly due to FDR.

Families save significantly on legal costs, avoiding lengthy and expensive court battles that could drain their financial resources. FDR also helps families resolve disputes more quickly, reducing the stress and anxiety associated with ongoing legal disputes, and enabling families to move forward more quickly.

20.8

Benefit–cost ratio

Benefits for the family law system	
Avoided costs to the court system	\$4,400
Benefits for families	
Increased financial wellbeing (avoided court costs per family)	\$41,800
Improved outcomes (such as mental health, child wellbeing, and family safety)	\$16,842
Total benefits	\$63,042

Costs	
Cost of FDR services to government	\$2,938
Cost of FDR services to families	\$86
Total costs	\$3,024

Net present value	\$60,018
The difference between the total benefits and the costs.	
Benefit–cost ratio	20.8
The value of total benefits in relation to the total costs.	

Impact of findings

Overall, the analysis indicates that mandatory FDR provides substantial financial and social benefits, helping both the family law system and families achieve better outcomes for far less cost than going to court.