Roadmap for Reform: Strong Families, Safe Children

Submission from the

Centre for Excellence in Child and Family Welfare

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The Centre for Excellence in Child and Family Welfare ('the Centre') is the peak body for child and family welfare in Victoria, providing independent analysis, dialogue and cross-sectoral engagement to address factors that perpetuate disadvantage and vulnerability. Working alongside our 90 member organisations, the role of the Centre is to build capacity through research, evidence and innovation to influence change. The Centre and its member organisations collectively represent a range of early childhood, child, youth and family support services, and out of home care services, including kinship care, foster care and residential care.

The objects of the Centre include:

• To contribute to the wellbeing of children and young people and the support and strengthening of family life particularly where there is poverty and disadvantage.

• To promote leadership and excellence in child, youth and family services.

• To actively represent the interests of members to government and to the community, and to influence community expectations of support available to children and families.

• To develop and influence policies in child, youth and family welfare, including providing policy advice to government in respect of child, youth and family welfare.

• To promote ongoing research and evaluation in child, youth and family welfare

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Victorian children and young people growing up today face very different challenges and prospects compared to their parents. Children today:

- Are going to find it harder to find employment (current Victorian youth unemployment rate: 16.1 per cent)[1]
- Are unlikely to find work without further study or vocational training
- Are more likely to remain at home with their family with almost a third of young people aged 18-34 yet to leave the parental home, up from four per cent in 2007.[2]

These changing prospects are reflected in the voices of Australian young people talking about issues that worry them. Their top five issues based on a 2013 survey are:

- Housing affordability and availability
- Youth unemployment
- High cost of tertiary education
- Improving the quality of primary and secondary education
- Binge drinking and alcohol fuelled violence[3]

Overlaying all these challenges are the creative and disruptive impacts of social media and new technology on every fabric of daily life.

Children and young people involved with Victoria's child and family services face the same challenges but often without the stability, support and guidance provided through a stable family background. For these children, the State has particular responsibilities.

I have been thinking greatly about these issues lately and believe we need an ambitious, new vision for Victoria's vulnerable children and young people, a vision that better reflects these new realities. At the heart of this vision must be a revitalised and refreshed focus on hearing the voices of the vulnerable children and young people and their families that we work with. Only by truly hearing their voices can we provide the support children need.

I believe one of the keys to this new vision is the role of education in the lives of Victorian children. For too long education for the children we work with has been seen as someone else's responsibility. Under a new vision for Victoria's vulnerable children and young people I hope education is front and centre.

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[1] ABC News, Youth unemployment at 'crisis' levels in Victoria, regional areas worst affected, 5 July 2015.

[2] Australian Bureau of Statistics, Family Characteristics and Transitions 2012-13, found nearly a third of people aged between 18 and 34 were yet to leave the parental home, up 4 per cent from 2007.

[3] Australian Youth Affairs Coalition, 2013, Australia's Youth Matters, Young people talk about what's important to them

I am optimistic that the process established through *the Roadmap for Reform, Strong families, safe children* can do much to help shape this new vision.

Deb Tsorbaris
Chief Executive Officer
Centre for Excellence in Child and Family Welfare

The *Roadmap for Reform Consultation Materials*[4] raises two critical issues:

- *Understanding why previous reforms have failed and what the challenges are with the current system; and*

- *understanding what would be required to reorient the system to provide the best possible outcomes for children and their families; promote wellbeing and family functioning; intervene early to reduce risk; target services and support to achieve better outcomes for vulnerable families, and; restore safety and wellbeing to our most vulnerable children through the statutory service system.*

This paper has been prepared by the Centre for Excellence in Child and Family Welfare (the Centre) and focusses on further consideration of these two critical issues. Part One considers current and past reforms. Part Two discusses future reform options. Appendix One includes some additional metrics.

The Centre considers that current reform settings are not well-defined and that a broad, high level child and family services 'roadmap', with a realistic three to five year horizon, is needed to:

- Establish a shared vision for future reform
- Build on existing strengths and provide an integrated solution
- Identify the key reform priorities and actions based on what is known about good practice
- Address current demand drivers
- Galvanise collective effort across the community sector, divisions and relevant government departments

Part One of this discussion concludes that the essential building blocks for reform are already in place. It is important that we recognise and build on the strengths of the current Victorian child and family service system and the positive features of recent reforms, notably the 2005 White Paper reforms. These strengths and positive features include:

- A clear national reform agenda through the Council of Australian Governments *Protecting Australia's Children*
- A well-regarded suite of early childhood services delivering highly positive outcomes for most children and their families
- A robust, well-established and diverse not for profit community sector delivering the majority of child and family services
- Strong legislation with a common language and service delivery principles operating across child protection, out of home care and family services

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[4] Deloitte, 2015, *Roadmap for Reform: Strong families safe children,* Consultation Materials. Accessed 4 October 2015 at: http://www.dhs.vic.gov.au/about-the-department/plans,-programs-and-projects/projects-and-initiatives/roadmap-for-reform-strong-families,-safe-children/strong-families-safe-children-consultation/Consultation-R4R-Overview-Sept-2015..pdf

- Relatively low rates of children in out of home care and extremely low rates of young people in youth custody
- A committed child and family services workforce
- Place-based service delivery in 17 areas across the State.
- Strong, independent over-sight and regulatory bodies

Taken together, these create a solid foundation for the next wave of child and family services reform that can build on the best features of earlier reforms. Part One also includes an extended discussion of competition policy given the likely focus on funding approaches in the *Roadmap for Reform.*

The Centre considers the *Roadmap for Reform* should incorporate the following elements:

1. A public health approach to protecting vulnerable children and families
2. Addressing demand growth in child and family services
3. Primary/Universal services that are accessible to all
4. Secondary/targeted services that are evidence-based
5. A strengthened and sustainable out of home care system
6. Leaving Care support beyond 18 years
7. Fully implement the *Koorie Kids: Growing Strong in their Culture* recommendations
8. Responsible and fair funding mechanisms

Further detail on these proposals is provided in Part Two.

Underpinning the Roadmap should be a commitment to introducing a robust outcomes framework across all child and family services. The Department of Health and Human Services and the out of home sector are currently jointly developing an annual web-based outcomes survey of every child in out of home care. Initial piloting of the approach has been well-received and has potential to reduce the requirement for other more onerous monitoring processes and requirements. The methodology may also be suitable for family and parenting services. Establishing the capacity to routinely monitor and report on client outcomes on a system-wide basis would have immeasurable benefit and help build an evidence-informed service culture.

The finalised Roadmap should:

- invite and consider feedback on the initial Roadmap proposals
- incorporate recommendations and implications flowing from the Royal Commission into Family Violence
- outline a clear *Roadmap for Reform* implementation plan with agreed timelines and review processes

We hope that this submission will be of assistance to the *Roadmap for Reform* Project Team.

REFORM BACKGROUND

The section addresses the *Road Map for Reform* question:

• *Understanding why previous reforms have failed and what the challenges are with the current system*

We address the concept of 'reform failure' with a brief summary of the reforms that underpin the current arrangements for vulnerable Victorian children and their families.

As a starting point, we suggest the major program of reform instigated by the incoming 1999 Victorian Labor Government and subsequently enshrined in the 2005 *Protecting Children: the next steps*[5] White Paper. Important reforms did occur under the previous 1991-1999 Victorian Liberal-Coalition Government, including the replacement of antiquated block or grant funding arrangements with a new output based funding model that has endured. However, the policy intent and essential architecture, legal and operational, of the current child and family service system was set out in the 2005 White Paper.

The Centre considers that the reform efforts of the last decade were significant, in most cases well ahead of their time and broadly well-targeted. In considering these reforms we suggest that reform programs should not be construed in purely binary terms as 'reform failures' or 'reform successes'.

A more nuanced approach is required that recognises that reform programs are impacted by many drivers, some predictable and manageable and some unpredictable. Drivers such as changes in Government and government priorities, changing patterns in service demand, machinery of government changes, changes in reform leadership personnel and the establishment and reporting of high profile independent inquiries and other sentinel events can all play an important role in shaping how reform programs evolve, positively or otherwise.

The *Protecting Children: the next steps* White Paper set out the intention to undertake major reform of Victoria's child and family service system:

> *Our Government aims to create a more integrated system of child, youth and family services – a system that focuses more directly on children's safety, health, learning, well-being and development. We want to connect families to the services they need earlier and to make these services more accessible and more adaptable to the changing needs of today's families.*[6] (Steve Bracks, Premier of Victoria)

> *At their core, the actions set out in the White Paper are about the Department of Human Services and the non-government sector working together to ensure the well-being and safety of vulnerable children and young people.*

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[5] Department of Human Services, *Protecting children: the next steps,* July 2005
[6] Op. cit. p.v

Our Government aims to entrench children and young people's rights, safety and healthy development at the centre of all service delivery and decision making.

Our reforms affirm that families have the primary responsibility to care for, nurture and protect their children and young people and that the great majority of children and young people are better off growing up with their families.

Where children are in need of protection, our aim is to ensure that Child Protection responses focus not only on assuring a child or young person's immediate safety, but also on their longer-term developmental needs.

Where children and young people cannot live safely at home we want to make sure that they receive stable, high-quality care to support their healthy development.

The Victorian Government's White Paper represents a once in a generation opportunity for comprehensive reform.[7](Sheryl Garbutt, Minister for Children, Minister for Community Services)

Fourteen key strategies were identified in the White Paper accompanied by 77 key actions. Thirteen of the key actions required legislative change which subsequently occurred with the passing of the *Child Wellbeing and Safety Act 2005* and the *Children, Youth and Families Act 2005.* The context for these reforms was explained in these terms:

So what were we trying here in Victoria?

By now, at least the Victorians in the audience will be aware that the Children, Youth and Families Bill was introduced into State Parliament last Thursday by the Hon Sherryl Garbutt, Minister for Children and Minister for Community Services. That Bill – and the white paper Protecting Children: the next steps which accompanies the Bill – was the subject of extensive consultation in recent times.

I hope you can appreciate just how momentous an occasion that was. It is nearly 20 years since the Children and Young Persons Act was written. It is over 30 years since the Community Services Act was written. It doesn't happen all that often.

The fundamental underpinnings of this new legislation are about creating strong responses to vulnerable children and families, when and where they are needed. The Bill and white paper have clear strategic directions aimed at addressing the challenges I outlined earlier – and many more.

They underscore that we need to be able to act earlier to support families before problems become critical; we need to provide greater stability for children, when out of home care becomes the necessary option; we need to ensure the developmental needs of children and young people are met; we need to address Aboriginal over representation and strengthen the

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[7] op cit. p. vi

capacity of Aboriginal organisations and communities; we need a stronger and more consistent focus on the outcomes we are achieving – not on the processes we undertake; and we need to work together, at all levels of intervention, to achieve all this.

I believe that getting this legislation in place was absolutely essential if we wish to address the challenges we face. Without this new legislation, and the directions we have in the white paper, I do not believe things would have changed to any great degree in the Victorian child and family welfare sector in the next 10 years. The legislation gives us a trigger and authority to meet the challenges. But despite the central importance of the legislation, at the end of the day we need to translate and embed the vision into our culture and practice.[8] (Gill Callister, Executive Director, Department of Human Services)

As the early reforms were rolled out and new legislation commenced in 2007 there was a palpable sense of optimism in the department and the sector.

Fran Thorn, Secretary, Department of Human Services observed in the department's 2007-08 annual report:

Victoria has a well-deserved reputation for leading the country in its approach to child protection. Our success is derived from close engagement with clients, a stronger focus on early intervention and integrated services tailored to the needs of families.[9]

Research into Victoria's child and family reforms observed that:

… the ''alignment of the planets'', which allowed the Victorian family services and child protection reform process, was both a case of good luck and good management. The time was ripe for reform with a favourable economic and political environment, as well as the circulation of ideas about collaboration and partnership. These ideas were essential in Victoria where powerful community sector organisations needed an equal platform from which they could negotiate with government, rather than being at the brunt of a managerial agenda in which they were puppets of government where they were ordered or expected to undertake the government's business.

Good management ensured that a favourable moment could be seized and alliances built across multiple layers of politics, administration and the service system to construct the reform process (Jamrozik, 2005). Enormous energy and strategic engagement was required to create the momentum for reform at multiple levels and to broker and build the powerful

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[8] Gill Callister, Transcript of Speech to the Association of Child Welfare Agencies, 2005. Accessed 14 October 2015 at: http://www.acwa.asn.au/cafwaa/Symposium/CallisterSpeechsDay3.pdf

[9] Secretary's Foreword, Department of Human Services 2007-08 Annual Report

relationships needed to provide sufficient resources for a significant reform (Considine, 2005).[10]

But just as this ambitious reform agenda was being implemented and bedded down, storm clouds were gathering.

First, rapid changes in demand put enormous pressures on the new reform operating environment. From 2009-10 reports to child protection escalated dramatically with double-digit growth recorded in every year.
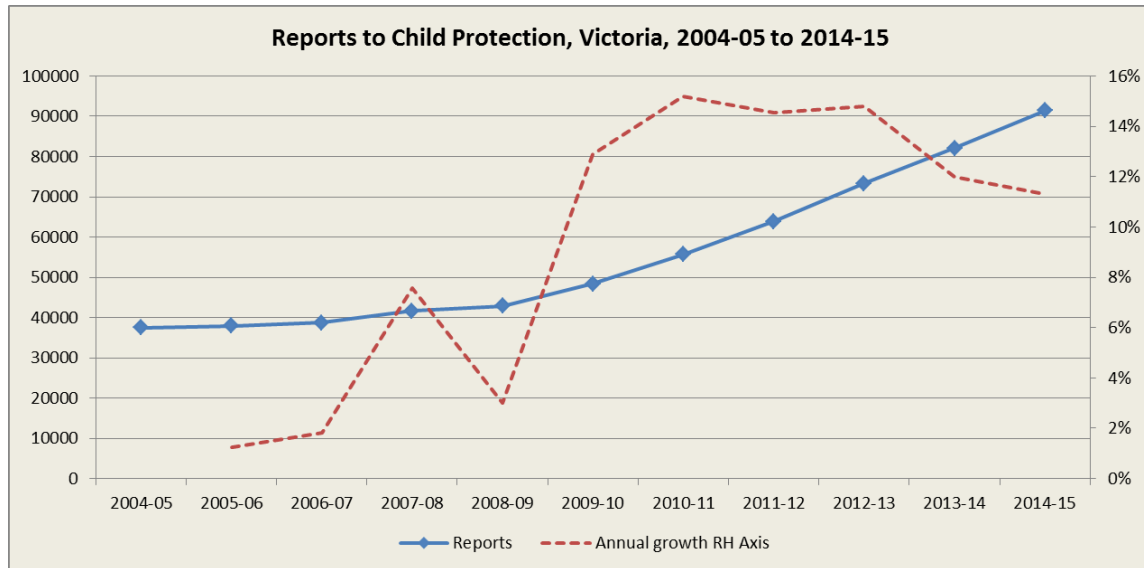
State Budget Output papers from this period consistently showed key output performance far exceeding departmental targets. These growing demand pressures flowed through to increased demand across other child protection activities but expenditure growth failed to align with this growth:[11]

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[10] Cathy Humphreys, Prue Holzer Dorothy Scott, Fiona Arney, Leah Bromfield, Daryl Higgins, Kerry Lewig, (2010), The Planets Aligned: Is Child Protection Policy Reform Good Luck or Good Management? Australian Social Work, Vol. 63, No. 2, June 2010, pp. 145_163

[11] Source data is from Tables 15A1 and 15A.5, Productivity Commission, Report of Government Services 2015

Indexed Victorian Child Protection Activities/$
2004-5 to 2013-14
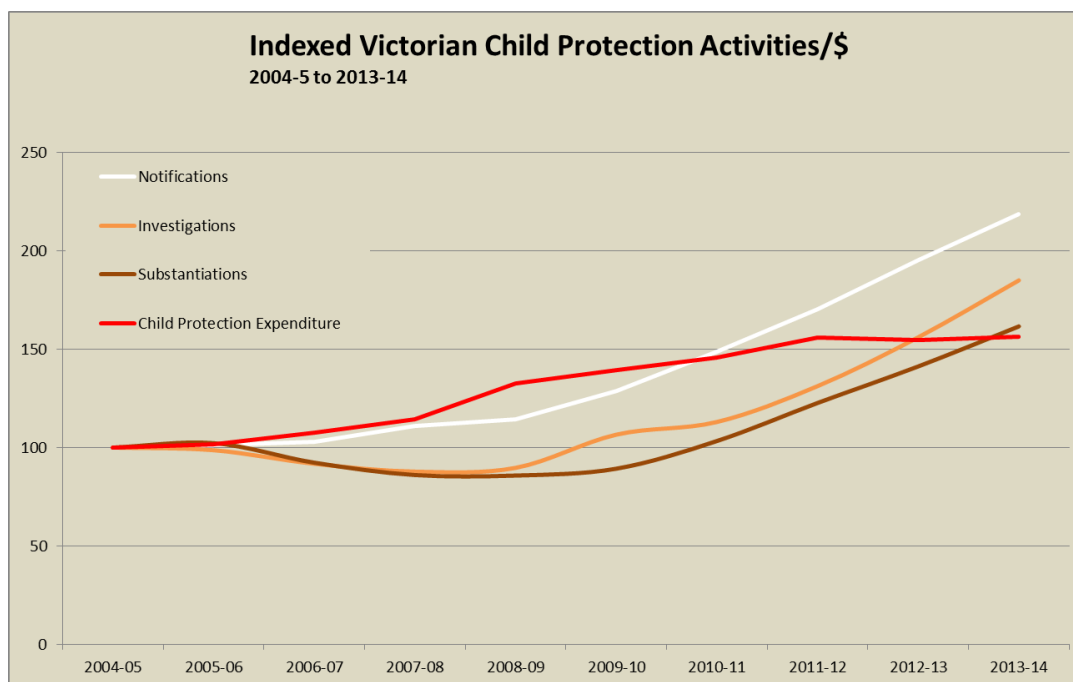
Summary:	Unit	Start	End	Growth
Notifications	No.	37,523	82,056	119%
Investigations	No.	11,486	21,243	85%
Substantiations	No.	7,398	11,952	62%
Child Protection	$'000	120,872	188,795	56%

Similar trends were also evident in family services and out of home care. None of these services can apply price signals to reduce demand or generate income to boost capacity. But a number of levers, albeit less than optimal levers, are available to manage unfunded and escalating demand:

- transferring funding from other programs to programs under pressure from demand
- becoming more efficient by rationing to those most in need and 'tightening the gate' into services operating at or above funded capacity
- increasing throughput in the affected programs

All these levers were applied routinely in the post 2008 period. On a short term basis such levers may be reasonable but when they become the **only** policy levers available, predictable problems can emerge.

Running services on an unfunded basis is not financially sustainable in the medium to long term. There is also a limit to the effectiveness of efficiency measures in services that fundamentally operate at a face to face level. Exceeding such limits can create service quality issues. Rationing may mean that some families that would benefit from intervention may miss out. Increased throughput may result in poor decision-making.

By 2009 it was clear the new service system was under enormous demand pressures, reflected in growing service quality issues and attracting the interest of independent oversight bodies.

In April 2009 the Victorian Ombudsman launched an *Own Motion Inquiry into the Department of Human Services Child Protection Program*. The highly critical September 2009 report[12] arising from this investigation raised a number of concerns including:

- The rate of unallocated child protection cases (22.6% statewide) and as high as 59% in one rural region
- The threshold for investigating reports being set too high
- The department's capacity to respond being so stretched that cumulative harm to children was not given the priority and attention it should
- Inadequate information technology
- Inadequate supervision of staff
- Inability to meet statutory obligations

The Ombudsman's report observed that:

> *It was clear that the vast majority of staff interviewed by my officers wanted to follow best practice principles and conduct a thorough, well thought out investigation, but they found this impossible because of resource constraints. This resulted in poor quality of services being provided.[13]*

The department accepted the Ombudsman's recommendation and informed the Ombudsman that the Government had agreed to provide an immediate funding boost:

> *….to alleviate the operational pressures that are compromising the delivery of quality services to vulnerable Victorian children and their families. The new funding of $77.2 million over four years announced on the 19 September 2009 provides a concerted response to issues of capacity, quality of practice and compliance with standards.[14]*

In November 2010, the Ombudsman launched a second own-motion inquiry – *Own Motion investigation into Child Protection - out of home care*.[15] Concerns detailed in the inquiry report included:

- The safety of children in care including unacceptable levels of assaults by carers, instances of sexual exploitation, inadequate follow-up of abuse incidents
- Poor outcomes for children in care
- Inadequate financial support for children and carers

The inquiry included extensive commentary on the department's capacity to manage demand for out of home care:

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[12] Ombudsman Victoria, (September 2009), *Own-motion investigation into the Department of Human Services Child Protection Program*
[13] op. cit. p.8
[14] op.cit. p.7
[15] Ombudsman Victoria, (2010), *Own motion investigation in Child protection – out of home care*

The department is struggling to meet the demand for out of home care services. This demand is projected to continue growing at a substantial rate, in keeping with national trends.

At 30 June 2009 there were 5283 children placed in out of home care in Victoria. This represents an increase in excess of 20 per cent over the last four years. There has been an almost 50 per cent increase in the number of children in out of home care since June 1999. This increase has not been as substantial as those in some other jurisdictions, such as Queensland and New South Wales, where the numbers of children in out of home care grew by 173 per cent and 116 per cent respectively for the same period.

The department states that it has been 'experiencing significant difficulties keeping pace with the growth in demand and increasingly complex needs of children in care'. It acknowledges that the out of home care system in Victoria 'does not have sufficient capacity' and that demand is likely to continue to grow in the coming years.[16]

While added capacity was added to the out of home care system in subsequent years the position was largely unchanged in 2014, according to a performance audit undertaken by the Victorian Auditor-General:

The residential care system is unable to respond to the level of demand and growing complexity of children's needs. It has been operating over capacity since at least 2008. DHS is paying a premium to place children in residential care outside the planned capacity of the system.

The lack of sufficient capacity affects the quality of care provided and reduces opportunities for children to achieve positive outcomes while in care. Because of system constraints, decisions about where a child should be placed are not always able to be made in the child's best interests. This puts at risk efforts to protect the child from harm, protect their rights and promote their development.

The outcomes for children in residential care, particularly in the standard model, are poor across a range of indicators, including health and education. This reflects the transience of staff, their lack of qualifications, skills and training, and the level of support provided to them. The therapeutic residential care model shows better outcomes for children than the standard care model, largely because it builds staff capability.[17]

The 2015 Victorian State Budget was the first budget in many years to include an explicit commitment to address demand growth in family services, child protection and out of home care:
- $48.1 million for Child FIRST and Family Services
- $11.7 million for permanent care
- $65.4 million to employ more than 110 child protection workers to meet the expected growth in protection reports

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[16] op. cit p.12

[17] Victorian Auditor General, March 2014, Residential Care Services for Children

- $93.3 million to extend and improve out of home care

This was a positive recognition from the State Government that the service system was under-resourced and not able to meet current demand pressures.

REFORM FAILURE?

With the passage of ten years since the 2005 White Paper, how should we judge the effectiveness of the reforms? Is the *Consultation Materials* assertion claim that past reforms have failed, accurate?

With the election of the new Coalition Liberal National Government in 2010 the reform process changed tack abruptly. New departmental priorities included:

- commissioning a judicial inquiry into the operation of child and family services (the Cummins Inquiry)
- a preoccupation with the department's internal structural arrangements with a series of divisional and central restructures commencing in 2012
- a focus on case management and service integration across child and family and adult focussed services (Services Connect pilots)
- a series of high level whole of department reform discussion papers
- reforms to the Child Protection Operating Model culminating with a new workforce structure and operating model introduced in 2012
- a five year plan for out of home care released in 2014
- establishing the new Commission for Children and Young People

Major reform between 2010 and 2014 was envisaged but (with the exception of the implementation of a new Child Protection Operating Model and the establishment of the new Commission for Children and Young People) did not proceed beyond the initial planning or pilot stage, including implementation of the bulk of the recommendations arising from the Cummins Inquiry. With the change of government in late 2014 new reform priorities are under consideration in the *Roadmap for Reform* process.

So, in considering the impact of past reforms, most of the deep reform work to child and family services occurred in the build up to and the five years following the release of the 2005 White Paper.

The Centre considers that conceptually these reforms were significant, enduring, evidence-based and broadly well-targeted. The core elements of the 2005 White Paper reforms were sound and well-informed. Evaluation of the initial implementation of the reforms was positive.[18] There was strong support across Government and the sector for the reforms. The new 2005 legislation had a significant degree of bipartisan political support. The balanced approach taken in the Victorian reforms provided much of the blueprint for the Council of Australian Government's 2009 *Protecting Australia's Children* national reform agenda. The reforms had a significant impact in Victoria and

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[18] KPMG, 2009, Department of Human Services, *Evaluation of child and family services reforms interim report 1*

across Australia with many jurisdictions subsequently adopting the core elements of the Victorian reform program.

If the 2005 White Paper reforms are considered as a suite of new 'products', the success of these products can perhaps be summarised in this way:

- A well designed and innovative suite of products that initially met market expectations.
- However, demand for the new product was overwhelming and the producer (the Department and community sector) lacked the capacity to meet the unexpected uplift in demand.
- This led to serious disruptions in the product's supply and deterioration in service quality.

This analysis suggests that reform programs are impacted by many drivers, some predictable and manageable and some unpredictable. Drivers such as changes in Government and government priorities, changes in reform leadership personnel and the establishment and reporting of high profile independent inquiries and other sentinel events can all play an important role in shaping how reform programs evolve - positively or otherwise.

All these factors impacted on the reform process. But the most significant impact on the 2005 White Paper reforms was the unexpected and dramatic escalation in demand across all services in the post 2009 period. We now know that the principal cause of increased demand in child protection (which flowed through to other parts of the child and family service system) was significant increases in reports from Victoria Police and school personnel.

Between 2007-08 and 2013-14 child protection investigations arising from reports from Victoria Police and school personnel increased respectively by 229 per cent and 161 per cent compared to a 47 per cent increase in investigations arising from other reporters:[19]
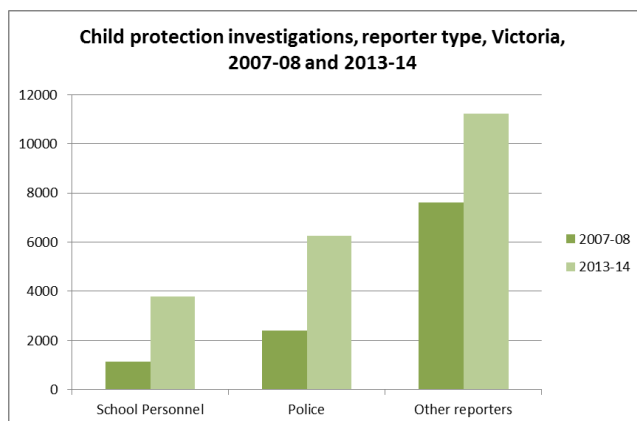
The large rise in reports from Victoria Police related to changes in Police Standing Orders regarding the presence of children in family violence incidents, now the subject of detailed consideration in the Royal Commission into Family Violence. This front end demand growth also contributed to

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[19] Australian Institute of Health and Welfare, Child Protection Australia annual reports

significant increases in the rate of children placed in out of home care, rising from a rate of 3.8 children (per 1000 children in the population) to a rate of 6.1 in 2013-14.

This represent 61 per cent growth in the real rate of Victorian children placed in out of home care over a ten year period between 2004-05 and 2013-14:

Victoria	Children in out-of-home care at 30 June	Children aged 0–17 years in at least one out-of-home care placement during the year
	Rate per 1000 children aged 0–17 years in population	
2004-05	3.8	6.5
2005-06	4.1	6.7
2006-07	4.3	6.6
2007-08	4.3	6.7
2008-09	4.4	6.5
2009-10	4.5	6.9
2010-11	4.6	7.0
2011-12	5.0	7.4
2012-13	5.1	7.2
2013-14	6.1	7.9
Growth	61%	22%

How did the out of home care system respond to the growth of children in out of home care?

Essentially there was significant shift in the structure of the out of home care system:

- More children were placed in kinship care (up by 190 per cent)
- Other home based care, principally permanent care placements rose by 377 per cent
- Residential care, as a share of total care placements, fell from eight to seven per cent
- The proportion of placements provided by foster care fell by half from 56 per cent in 2004-05 to 28 per cent in 2013-14.

Victoria: Placement Types, 2004-05 and 2013-14					
Placement Type	2004-05	Per cent of total children	2013-14	Per cent of total children	Growth
Residential care	365	8%	515	7%	41%
Foster care	2 448	56%	2 132	28%	-13%
Relative/kinship care	1 335	30%	3 877	50%	190%
Other home based care	238	5%	1 136	15%	377%
Independent living (incl	22	0%	49	1%	123%
Other (incl. unknown)	–	0%	1	0%	
Total children	4 408		7 710		75%

This section has attempted to put in context the operating environment for the major reforms associated with the 2005 White Paper. Initially there was a relatively benign operating environment present in the early years of the reform program. Demand pressures were manageable and sentinel

events that could have diverted or blindsided the reform program were largely absent. This created a propitious environment for significant policy led reform that culminated in:

- a whole new legal architecture with the commencement of the *Children, Youth and Families Act 2005* in 2007
- the introduction of the new Best Interests Case Practice Model across family services, Child Protection and Out of Home Care
- consolidation of a common language and shared practice paradigm across all services that privileged the importance of neuro-science, brain development and the impact of trauma on the developing child
- the introduction of trauma informed out of home care models
- the completion of the statewide roll-out of a new approach to working with vulnerable children families through the Child FIRST/Integrated Family Services reforms
- the roll-out of a new child protection operating model

Despite the turbulent period of excessive demand and challenges to service quality that emerged from 2009, the 2005 White Paper reforms resulted in significant legal, operational and practice reforms that continue to underpin the delivery of Victoria's child and family services.

Options to build on this strong legacy are considered in Part Two of this submission. Appendix One includes additional metrics providing further detail on Victoria's universal early childhood services.

COMPETITION POLICY: SHOOTING BAMBI

'The Croydon centre operated by the Grey Sisters had almost certainly saved lives, providing critical respite for mothers having trouble coping. Cutting its funding had a shooting Bambi quality to it.'

This section addresses the following *Consultation Materials* questions/issues:

- What makes Victoria unique and must be factored into design?
- How Service Providers are funded, measured and incentivised

The 2015 *Competition Policy Review* report recommended Australian governments:

> *"…make use of competition-based instruments to secure better outcomes for users of human services and better value for money"*[20]

Elements of the report recommendations are highly relevant to services for Victorian children and families, for example, the recommendation that Governments should:

> *… co-design markets with human services providers to build on the trust and relationships that already exist between service providers and users.*[21]

A recent positive example in Victoria of such an approach involved the Government's approach to determine the allocation of new funding to an existing child and family services program.[22] Rather than embark on a competitive tender process the Government established an invited/facilitated submission process from existing providers in each catchment across the State. Providers were required to base their submission on detailed consideration of local data and evidence, identify key demand drivers and priority client groups. The Department of Health and Human Services provided assistance throughout the process and in some cases participated in the deliberations with providers.

Ultimately, the Department as the commissioner and Minister has the final say in how and to whom these new funds are allocated. However, through the co-design process described, providers were able to engage in a collaborative process with the department, share local knowledge and expertise, determine key funding priorities in their local areas and make recommendations on the funding distribution. It is doubtful the positive, consensual outcomes from this approach could have been achieved through a competitive tender process.

The Competition Review also acknowledged that Government should:

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[20]Professor Ian Harper, Peter Anderson, Su McCluskey and Michael O'Bryan QC, Competition Policy Review Final Report March 2015, p.218

[21] Ibid p.36

[22] The 2015 State Budget included significant new funding to address growing demand for services in the Child FIRST/Integrated Family Services

> *…recognise(s) the integrated nature of many human services and their joint role in contributing to end-user outcomes, and the relative strengths of different providers in different parts of a co-ordinated service supply chain.*[23]

This point is an extremely important in the Victorian context. Services for vulnerable children and families and other related services must work in an integrated, collaborative fashion if good end-user outcomes are to be achieved. Collaboration between services working with vulnerable families was highlighted in the recent Coronial Inquiry findings into the tragic death of Luke Batty:

> *The strong message arising from this inquest is that the strong collaboration between the family violence organisation needs to be strengthened and not just high risk cases. There is too much reliance on individual relationships.*[24]

The challenge for Government and departmental commissioners of services is how to commission services in such a manner that the imperative for integrated and collaborative practice is not jeopardised and undermined by commissioning processes and commissioning outcomes.

Purely commercial competitive tender processes are unlikely to foster the kind of collaboration and service integration seen as desirable and recommended in the Luke Batty Coronial findings, as individual providers would naturally seek a competitive edge over their market competitors. Once a competitive ethos among service providers is established within a particular sector, the incentives for services to integrate and collaborate diminish.

In child and family services the Centre considers the need for high levels of integration and collaboration should override the desire for contestable procurement processes except in very limited circumstances. These may include circumstances where an entirely new service is to be procured or where there is clear evidence of existing provider failure.

The Competition Policy Review's recommendations apply across all Australian human services and there are many elements to the recommendations that have relevance to the *Roadmap for Reform*.

A number of Victorian child and family services providers (Family Care, The Independent Agency Network (representing Ozchild, Windermere, Upper Murray Family Care, Mallee Family Care), The Bridge Youth Service, North East Support and Action for Youth provided a submission[25] responding to the draft report of the Competition Policy review. The submission expressed reservations about the application of competition policy in child and family services, particularly in remote and rural areas. Key observations from the submission were:

> *1. The grouping of Human Services described in the Draft Report is too broad and assumes homogeneity that does not exist.*

> *2. There is no recognition in the Draft Report that good social policy and the provision of essential social services are critical policy priorities in their own right.*

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[23] ibid, p.250

[24] p. 93, Findings of Judge Ian L. Gray, State Coroner, Inquest into the death of Luke Geoffrey Batty

[25] Joint Submission from Regional Victorian Not-for-profit agencies, 17 November 2014, *Comments on the Draft Competition Review Report – 22 September 2014*

3. For low income, vulnerable and disadvantaged people the recognition of, access to and ability to enforce their rights as citizens is often a more important priority than consumer choice.

4. Artificially creating markets where no natural commercial imperative exists can produce far greater long-term costs.

5. There is benefit in reconsidering the role of governments as planners, funders, providers and regulators of services however the rationale for this consideration is broader than the creation of markets, or achieving efficiency.

6. The Draft Report fails to recognise the value of grass roots philanthropy and volunteerism and the motivation of ordinary people to donate resources or volunteer their time.

7. The panel assumes that business, government and community services share a common approach to engaging with and competing for markets, without appreciating their fundamental differences.

8. National Competition Policy has been widely perceived as harmful to rural and regional communities.

9. Rural, regional and remote communities face the greatest risk if local not-for-profit community services become unviable.[26]

The final report of the Competition Review Panel acknowledged some of this feedback and in a generally cautious chapter on human services recognised the limitations and challenges associated with applying contestability in this highly complex and diverse sector. The Competition Panel's final report states:

> *Implementing changes to human services needs to be well considered and will require refinement over time to promote high-quality user outcomes. Governments can progressively introduce change through trials or pilot schemes. Although any change may result in implementation issues, the Panel considers that potential issues with implementation ought not to mean that competition reforms in human services should be abandoned.[27]*

Deloitte, the consultancy firm undertaking the *Roadmap for Reform* work, is a strong advocate for introducing greater contestability into human services,[28] stating that:

> *A real mindset shift is now required, and it needs to be recognised that the kind of rigour that was applied to capital through Public Private Partnerships must now be applied to service delivery. This involves a combination of sophisticated thinking about procurement design, a focus on data, and sophisticated partnering arrangements that combine good contracting with ongoing interaction and shared knowledge over the life of each project[29].*

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[26] op. cit. p.2

[27] op. cit. p.253

[28] Deloitte Australia, Contestability in Human Services Committed to the Right Solutions

[29] op. cit. p4

New market engagement models such as Payment by Outcomes (PbOs) and Social Impact Bonds (SIBs) or Social Benefit Bonds (SBBs) are enabling this change and offer governments more flexibility to achieve outcomes in complex areas.[30]

Deloitte acknowledge that applying Payment by Outcomes and Social Benefit Bonds approaches in human services settings is in its infancy in Australia. An evaluation of two small trials in NSW conducted by KPMG concluded that while the trials had produced positive outcomes:

Capacity needs to be developed within government, in NGOs and within financial intermediaries, to develop future bonds, improve data and contracting capacity, and develop and catalyse the social impact market.[31]

The UK's Troubled Families Program based on a Payment by Results model, has claimed stunning outcomes in 'turning around families', with the UK Prime Minister, David Cameron stating:

Our troubled families programme, under Louise Casey, has changed lives. By radically changing the way we deliver services to the hardest-to-reach families in our country, we have tackled worklessness, addiction, truancy and anti-social behaviour.

And I can announce today that almost all of the 117,000 families which the programme started working with have now been turned around – in terms of either school attendance or getting a job or both. This has saved as much as £1.2 billion in the process.

And in the next five years, we will work with 400,000 more. This is a real government success, and I want to extend this thinking to areas where state institutions have all too often failed.[32]

These claims had previously been strenuously challenged by Jonathon Portes, the head of the UK National Institute of Social and Economic Research:

Last week, a government press release trumpeting the success of the "Troubled Families Programme" (TFP) claimed:

> *More than 105,000 troubled families turned around saving taxpayers an estimated £1.2 billion*

But the headline is untrue. We have, as of now, absolutely no idea whether the TFP has saved taxpayers anything at all; and if it has, how much. The £1.2 billion is pure, unadulterated fiction…..

Frankly, this whole episode is disgraceful. Of course, it reflects badly on Ministers – and not just Eric Pickles, but Danny Alexander, also quoted in the press release. They are looking for positive stories about a programme for which it is simply too early to give any sort of verdict.

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[30] op. cit. p.5

[31] KPMG, 2014 Evaluation of the Joint Development Phase of the NSW Social Benefit Bonds Trial

[32] Speech by UK Prime Minister, David Cameron 22 June 2015. Accessed at:
http://www.theguardian.com/politics/2015/jun/22/david-cameron-claim-12bn-saved-troubled-families-plan-pure-fiction

So they are making claims that are not true. That's politics, although I don't much like it and I don't think we should stand for it. But it reflects far worse on the civil servants whose professional duty it was to stop them. Deliberately misleading the public is not public service. [33]

In 2013 the UK National Audit Office conducted a study of *Programmes to help families facing multiple challenges*.[34] The report examined the design and early audit findings from the *Troubled Families* and *Families with Multiple Problems* programs and summarised its findings as follows:

While it is too early to make a definitive statement about value for money, the programmes are starting to help some families address complex challenges, including moving towards employment. Whether they can deliver these benefits at the rate required to meet their ambitious targets will only become clear towards the end of their planned lives. However, performance of the programmes to date shows that considerable challenges remain. Early indications also suggest that the incentives may not work in the way that the Departments envisaged. We would expect the Departments to reflect on the experience of the current programmes in designing new programmes after 2015. [35]

The National Audit Office reinforced again in 2015 its earlier call for caution in applying Payment by Results (PbR) methodologies:[36]

While supporters argue that by its nature PbR offers value for money, PbR contracts are hard to get right, which makes them risky and costly for commissioners. If PbR can deliver the benefits its supporters claim – such as innovative solutions to intractable problems – then the increased cost and risk may be justified, but this requires credible evidence. Without such evidence, commissioners may be using PbR in circumstances to which it is ill-suited, with a consequent negative impact on value for money. [37]

The 450 million (UK sterling) Troubled Families Programme is presently subject to an independent evaluation by Ecorys UK. Pending the outcome of that evaluation, perhaps the best advice for Australian jurisdictions contemplating similar radical new procurement models is to *'make haste slowly'*.

Additional factors that commissioners of child and family services need to consider include:

- The capacity for user choice is necessarily limited in child and family services due to the statutory, intrusive nature of most interventions

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[33] Jonathon Portes, A Troubling Attitude to Statistics, 15 March 2015. Accessed 19 October at: http://www.niesr.ac.uk/blog/troubling-attitude-statistics#.ViRxw03otgC

[34] Comptroller and Auditor General, Programmes to help families facing multiple challenges, Session 2013-14, HC 878, National Audit Office, December 2013. Accessed 14 October 2015 at: http://www.nao.org.uk/wp-content/uploads/2013/12/10254-001-Troubled-families-Book.pdf

[35] op.cit. p.10

[36] UK National Audit Office, June 2015, Outcome-based payment schemes: government's use of payment by results. Accessed 19 October 2015 at: http://www.nao.org.uk/wp-content/uploads/2015/06/Outcome-based-payment-schemes-governments-use-of-payment-by-results-Summary.pdf

[37] op. cit. p. 8

- The capacity of service users, usually children, often deeply traumatised due to abuse and neglect, to exercise rational user choice decisions is not optimal
- The small size of the human services market for Victorian child and family services and the limited number of providers particularly in rural and remote areas
- The highly rationed nature of service provision and the limited number of service options available
- Potential conflict of interest issues when consultancy firms promoting particular commissioning approaches, tools and methodologies are engaged by commissioning bodies for strategic advice.

The unique character of Victoria's child and family services is also an important factor. Most of the large and many of the smaller Victorian child and family services were established over a century ago.

These organisations created the basic architecture of the current Victorian child and family service system. Organisations such as:

- Berry Street, established in 1887
- Anglicare, formed from three Anglican community services organisations in 1997 including Mission to the Streets and Lanes (1886), Mission of St James and St John (1919) and St John's Homes for Boys and Girls (1921)
- Mackillop Child and Family Services, formed in 1997 from organisations established 150 years ago by the Sisters of Mercy, the Christian Brothers and the Sisters of St Joseph
- Rural and regional organisations such as Ballarat Child and Family Services (1865) and Barwon Child, Youth and Family (1854).

Most organisations have a strong and ongoing record of innovation and the promotion of best practice. As recently as 20 years ago, the delivery of child protection services in Victoria was located in the Children's Protection Society (1896).

These organisations have outlasted Governments, policy changes and innumerable reform processes. They are independent organisations with a strong commitment to children's rights and social justice. All are deeply embedded in their local communities, whether place or faith based. All are not-for-profit, have a large and active volunteer base and actively raise funds to invest in innovation. Through their work with highly vulnerable children and families these organisations play a vital role in maintaining the social fabric and cohesion of many vulnerable Victorian communities.

Wholesale recommissioning of Victorian child and family services and competitive tendering has not had a happy history. The only serious attempt at recommissioning/defunding these services occurred in the 1990's under the Kennett Government. The move encountered stiff resistance.[38]

The Grey's Sisters (1930) incident is a timely reminder of the perils of over-reaching in child and family services reform programs:

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[38] See Carter, J. (2000), *Report of the Community Care Review*, Victorian Department of Human Services, Melbourne.

Remember the Grey Sisters? In 1993, the newly elected Kennett government, charged with its mandate of restoring Victoria's finances, was cutting a swathe through public sector spending.

The state's financial situation was indeed dire, although the debate remains to this day whether the savagery of the cuts was completely justified.

There were the anticipated targets - teachers, public servants, country rail lines - that caused plenty of understandable anger. But there was one cut that stood out from the rest. When the axe fell on funding to the Grey Sisters rest home for distressed mothers, there was a feeling of disbelief.

The government saved $45,000 a year - small change in the spending of the state budget. Yet any financial saving made was more than overtaken by the political cost.

The Croydon centre operated by the Grey Sisters had almost certainly saved lives, providing critical respite for mothers having trouble coping. Cutting its funding had a shooting Bambi quality to it.

Of course, Jeff Kennett went on to a resounding election win three years later. Yet in many ways, the Grey Sisters cut became a defining one for the Kennett government. How could a government be so heartless?

There were many reasons for Kennett's eventual defeat. But certainly, one of the factors was his government's apparent lack of compassion: here was a government good on budget numbers but lousy on people.[39]

On balance the Centre urges considerable caution is exercised before introducing recommissioning processes for Victorian child and family services. The risks of introducing radical new procurement models for services for highly vulnerable children and their families should not be underestimated at both political and 'value for money' levels.

The most recent Victorian 2014-15 child protection data[40] shows evidence of serious, ongoing demand pressures compared with 2013-14 in all leading child and family services indicators:

- Reports to child protection up by 11 per cent
- Child Protection investigations up by 18 per cent
- Child Protection substantiations up by 19 per cent
- Unallocated child protection cases up from 12.8 per cent to 16.9 per cent statewide
- Substantiated quality of care cases up by 66 per cent, from 64 in 2013-14 to 106 in 2014-15[41]

Procurement methodologies are important tools that **may** (or may not) drive improved performance and outcomes. However, the application of these methodologies remains in its infancy in child and

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[39] Shane Green, *The Age*, February 8, 2005
[40] Department of Human Services, *Victorian Department of Health and Human Services 2015 Annual Report*
[41] op. cit. p. 59

family services with no solid evaluation evidence yet available on their impact, nationally or internationally.

The bigger question, identified by both the Victorian Ombudsman and the Victorian Auditor–General in four recent highly critical reports – is the debilitating effect of unfunded demand growth on service delivery and the over-riding, central importance of Government providing a sustainable, ongoing funding base for services working with highly vulnerable Victorian children and their families.

The Centre recommends that the initial high level roadmap should have a three to five year horizon with the following key elements:

1. A public health approach to protecting vulnerable children and families
2. Addressing demand growth in child and family services
3. Primary/Universal services that are accessible to all
4. Secondary/targeted services that are evidence-based
5. A strengthened and sustainable out of home care system
6. Leaving Care support beyond 18 years
7. Fully Implement the *Koorie Kids: Growing Strong in their Culture* recommendations
8. Responsible and fair funding mechanisms

The fundamental challenge for the *Roadmap for Reform* is to articulate a compelling demand management strategy. Without such a strategy, reform efforts are unlikely to get the necessary traction from stakeholders and may fail. Attention is clearly required across the entire service continuum.

The basis of the Centre's recommendations is outlined below.

1.   A public health approach to protecting vulnerable children and families

The *National Framework for Protecting Australia's Children 2009-2020*[42] (the National Framework), endorsed by the Council of Australian Governments in April 2009, is a long-term approach to ensuring the safety and wellbeing of Australia's children and aims to deliver a substantial and sustained reduction in levels of child abuse and neglect over time.

The National Framework represents the highest level of collaboration between Commonwealth, State and Territory governments and non-government organisations, through the Coalition of Organisations Committed to the Safety and Wellbeing of Australia's Children, to ensure Australia's children and young people are safe and well. It includes high level and other supporting outcomes and actions which are being delivered through a series of three-year action plans.

The National Framework outlines six supporting outcomes and provides details about how each of these outcomes will be achieved.

The six supporting outcomes are:

• children live in safe and supportive families and communities

• children and families access adequate support to promote safety and intervene early

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[42] Council of Australian Governments, 2009, *National Framework for Protecting Australia's Children 2009-2020*

- risk factors for child abuse and neglect are addressed children who have been abused or neglected receive the support and care they need for their safety and wellbeing

- Indigenous children are supported and safe in their families and communities

- child sexual abuse and exploitation is prevented and survivors receive adequate support.

The National Framework was developed through an extensive consultation with States and Territories and non-government organisations. It adopts a public health approach:

> *Under a public health model, priority is placed on having universal supports available for all families (for example, health and education). More intensive (secondary) prevention interventions are provided to those families that need additional assistance with a focus on early intervention. Tertiary child protection services are a last resort, and the least desirable option for families and governments.*

Figure 1 – A system for protecting children
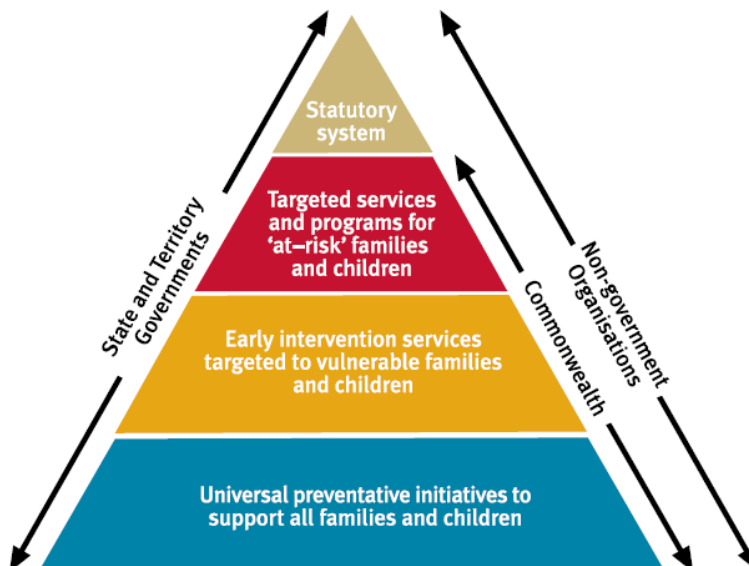
> *In reality, Australia's child welfare service systems more closely resemble an hourglass than a pyramid. As demands on child protection services have grown, the size of child protection services have grown to meet that demand. Child protection services cannot provide a response to all vulnerable children and their families. A public health model offers a different approach with a greater emphasis on assisting families early enough to prevent abuse and neglect occurring. It seeks to involve other professionals, families and the wider community – enhancing the variety of systems that can be used to protect children and recognising that protecting children is everyone's responsibility (Higgins & Katz 2008). Ultimately, the aim of a public health approach is to reduce the occurrence of child abuse and neglect and to provide the most appropriate response to vulnerable families and those in which abuse or neglect has already occurred. [43]*

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[43] op. cit p.7

The Centre recommends that this approach forms the basis of the *Roadmap for Reform*.

Importantly, this approach also recognises the critical role of the Commonwealth in protecting vulnerable children. Recent signals from the Commonwealth Government also indicate a growing interest in how States and Territories work with vulnerable children separated from their parents.[44]

The overwhelming majority of clients of Victorian child and family services are recipients of Commonwealth benefits. The sufficiency and trajectory of those benefits is creating or exacerbating hardship. Families with immediate financial difficulties are increasing amongst the presenting issues. Single parents subject to a requirement to transition from more generous parenting payments to Newstart face particular hardship.

Changes in Commonwealth policy and benefit settings are also creating new classes of vulnerable families. Reductions in Family Tax benefits in particular will take a significant cohort of households that are managing or 'getting by' and expose them to financial stress – some for the first time.

Monitoring of the framework through the Council of Australian Governments provides an opportunity to influence the future shape of policies and reforms impacting upon children and families.

2.   Addressing demand growth in child and family services

Part One of this submission highlighted how even the best designed reform process can be derailed by unanticipated demand pressures. It is therefore vital that the *Roadmap for Reform* articulates how demand will be forecast and managed into the future. The Centre considers that the key to effective demand management in child and family services is a comprehensive suite of well-designed, targeted and integrated prevention and early intervention services (see Recommendation 4 - Secondary/targeted services that are evidence-based).

However, with no indication that child protection demand is slowing (with more recent data suggesting it is rapidly accelerating in Victoria in 2015-16) fresh, original thinking is required to examine potential alternative system entry points. Expanding Child FIRST to act as a broader community intake, possibly co-located with a stronger child protection and adult services presence is one option that has been canvassed a number of times in recent years. Similarly, the recent NSW approach involving the establishment of *child wellbeing units* in key government run services (Police, Health and Education) that have capacity to act as an initial intake triage point for new referrals from these services merits attention. Such an approach also has the merit of devolving responsibility for protecting children across all key departments rather than location in single and relatively small (child protection) entity that invariably struggles for new funds in the annual State budget cycle. The Victorian Royal Commission into Family Violence has heard extensive evidence on service pathways and its recommendations will be an important factor in considering how demand for child and family services can be more effectively managed.

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[44] See *PM Malcolm Turnbull's push for adoption reform to help foster children find permanent homes,* 1 November 2015, Herald Sun. Accessed 4 November 2015 at: http://www.heraldsun.com.au/news/pm-malcolm-turnbulls-push-for-adoption-reform-to-help-foster-children-find-permanent-homes/news-story/7654daa94fa0b79ad8d9548168645d09

At the heart of good demand management strategies is strong, robust data that can identify emerging trends, demand pressures and hotspots. While at central level there is a good range of data available to departmental officers this is very rarely shared with community service providers. The Roadmap needs to make an explicit commitment to the principles of co-design and *open government* and the sharing of service and demand data across all service types. As the Secretary, Victorian Department of Premier and Cabinet recently stated:

> *When we call out the need for greater accountability and transparency, and maximum value derived from government's resources, we are speaking directly to the underpinnings of open government, where value is created through the rigour of authorising – indeed encouraging – our constituents to both challenge and develop government's assets and contribution to the economic and social health of the state.*

> *By sharing transaction data with our fellow public purpose sector providers, we allow our ecosystem as a whole to work more effectively and efficiently.*

> *By publishing and sharing government datasets regardless of whether we ourselves can see value in them, we are allowing the market to determine value and optimise social and economic benefits.*

> *By measuring and reporting on our performance as a government, we enable our constituents to hold us accountable for the management of the state.*

> *In other words, the concepts and principles of open government are profound in terms of their implications and execution, and are fundamental to our conception of good government.*

> *This also puts the role of data and technology in open government into the appropriate context. Data and technology address the 'how': they are critical for the implementation of good (and open) government, but they are not the rationale for either.[45]*

3. Primary/Universal services that are accessible to all

Victoria has an excellent suite of early childhood services (see Appendix One). Low rates of infant mortality and teenage pregnancy, and high rates of preschool participation illustrate the positive outcomes that flow from investment in prevention and early childhood services. It is vital that these critical services continue to be funded to meet expected population growth. While these are highly valued services, with high levels of participation, many vulnerable children and families are not currently accessing these services.

To address this there should be a particular focus on multi-disciplinary work by revisiting the co-location of early childhood services within the Child FIRST/IFS platform. In 2010 the Early Childhood

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[45] Chris Eccles, The Mandarin, 10 August 2015, *Does Open Government make for good government?*

Development (ECD) pilot project commenced. The pilot was designed to improve the participation of vulnerable children in Early Childhood Services (ECS). The pilot was funded by the Department of Human Services (DHS) for 18 months, was then extended for a further 8 months but ceased in 2012. The objective of the ECD pilot project was to strengthen the integration, linkages and partnerships between early years services providers and Child FIRST/family services (CF/FS) to maximise vulnerable children and families' opportunities in accessing and remaining engaged with universal and secondary early years services.

The pilot was subject to an independent evaluation[46] which found significant improvements in access to early childhood services for families involved with Child FIRST/Integrated Family Services.

> *During 2010 -2011, 32,941 children were in families recorded as receiving a support from CF/FS and 43 percent of these children were aged 0-5 years (14,244). During 2010-2011, the year that the ECD project commenced, there were 1,024 referrals from Child FIRST/ family services to ECS (Table 1). This was a dramatic increase in the number of referrals when compared with the previous year (222 referrals in 2009-10).[47]*

The evaluation did not examine whether referred families successfully engaged with universal and this clearly needs to be a consideration in any future initiative of this nature.

Investing in more informal, non-stigmatising place-based services such as supported playgroups in highly vulnerable communities is relatively low-cost and likely to have much greater success in engaging hard to reach, vulnerable families.

4. Secondary/targeted services that are evidence-based

The Centre recommends that the existing place-based Child FIRST/Integrated Family Services platform should continue to be strengthened and expanded to operate as the key secondary support service for vulnerable children and families.

Originating in a series of pilots in 2002, the co-location of community based child protection practitioners in family services settings has been positively received and evaluated. Recognising that family services were often working with highly vulnerable children the co-location of community based child protection practitioners (out posted from the statutory child protection program) allowed family services practitioners to have access to the specialist knowledge of child protection practitioners. The evaluation of the reforms observed that:

Community Based Child Protection (CBCP) is adding to the capacity for collaboration between Child FIRST and Integrated Family Services and Child Protection. This role adds value in terms of referral between Child FIRST and Child Protection, offers secondary consultation and advice, undertakes joint visits and joint case management, participates in allocations meetings and educates Child Protection and Integrated Family Services staff about the relative roles and responsibilities of each sector.[48]

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[46] RMIT, Early Childhood Development Pilot Project Evaluation, Final Report, December 2011
[47] ibid. p. 9
[48] KPMG, Department of Human Services, *Evaluation of the Child and Family Service Reforms,* Stage 1A Final report, 2011. Accessed at:

This approach was incorporated in the mainstreaming of Child FIRST/Integrated Family services and community based child protection practitioners are now collocated with Child FIRST in all catchments across the State. Total funding for Child FIRST and Integrated Family Services is significant at over $90 million per annum in 2015-16.

The evaluation further observed that:

Since the introduction of Child FIRST and Integrated Family Services more families have been able to access community based earlier intervention services. Family Services are now targeting more vulnerable families, who without support may be at-risk of entry to the statutory Child Protection system. In general, families are now receiving more intensive support (of over 40 hours) to build parenting capacity, resilience and address their complex needs.[49]

Significantly, the evaluation also observed that many more families were now accessing more intensive support:

- *Over twice as many service hours were provided to families in 2010-11 compared to 2005-06.*
- *Families are demonstrating on average twice as many complex risk characteristics as before the reforms.*
- *Of the families involved with Child in the 12 months to March 2011:*
  - *25 percent had Child Protection involvement, compared to 13 percent in 2005 – 06*
  - *32 percent involved family violence, compared to 23 percent in 2005-06*
  - *16 percent involved substance abuse, compared to 9 percent in 2005 – 06.*
- *More families received intensive intervention: over 41 per cent of cases now receive 40+ hours, compared to 25 per cent of cases in 2005-06.[50]*

These trends have continued in recent years raising doubts about the capacity of Child FIRST/Integrated Family Services to work with less complex, vulnerable families, earlier. Some two years after the KPMG evaluation, the *Protecting Victoria's Vulnerable Children Inquiry* (PVVCI) report[51] made some cautionary observations about the operation of Child FIRST/Integrated Family Services*:*

The combined effect of increased demand for family services, increased complexity of client needs, and the priority given to high-needs clients is that there appears to be a lack of capacity among family services agencies to work with a broader range of children and families.[52]

Mounting international evidence now points to the critical role prevention and early intervention can play in supporting vulnerable children and families. A meta-analysis[53] of all child deaths known

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http://www.dhs.vic.gov.au/__data/assets/pdf_file/0008/646820/childFIRSTandintfamservicesfullreport_0908 2011.pdf

[49] ibid p.4

[50] ibid. p10

[51] Protecting Victoria's Vulnerable Children Inquiry Report, 2012

[52] ibid. p.174

[53] Florida Department of Children and Families Executive Digest, *Child Fatality Trend Analysis January 1, 2007 through June 30, 2013.* Accessed at: https://s3.amazonaws.com/s3.documentcloud.org/documents/1390965/child-fatality-trend-analysis-florida-department.pdf

to child protection in the State of Florida between 2009 and 2013 examined key risk and protective factors. This data was then compared with outcomes for all other children known to Florida child protection services in the same period. The analysis identified the expected high risk factors often associated with non-accidental child fatalities in the home – prior physical or sexual abuse, drug and alcohol misuse and so on. Significantly, the key protective factor found to have most impact on preventing child deaths was what is described as *'prior in-home service'*.

Key findings from the research are shown below:

"When reading the following chart, factors in red above the 0-axis line are negative risk factors that increase the odds of death while those below (in green) are positive risk factors that reduce the odds of death.

Baseline Risk Factors for All Child Deaths
Effect of Each Variable
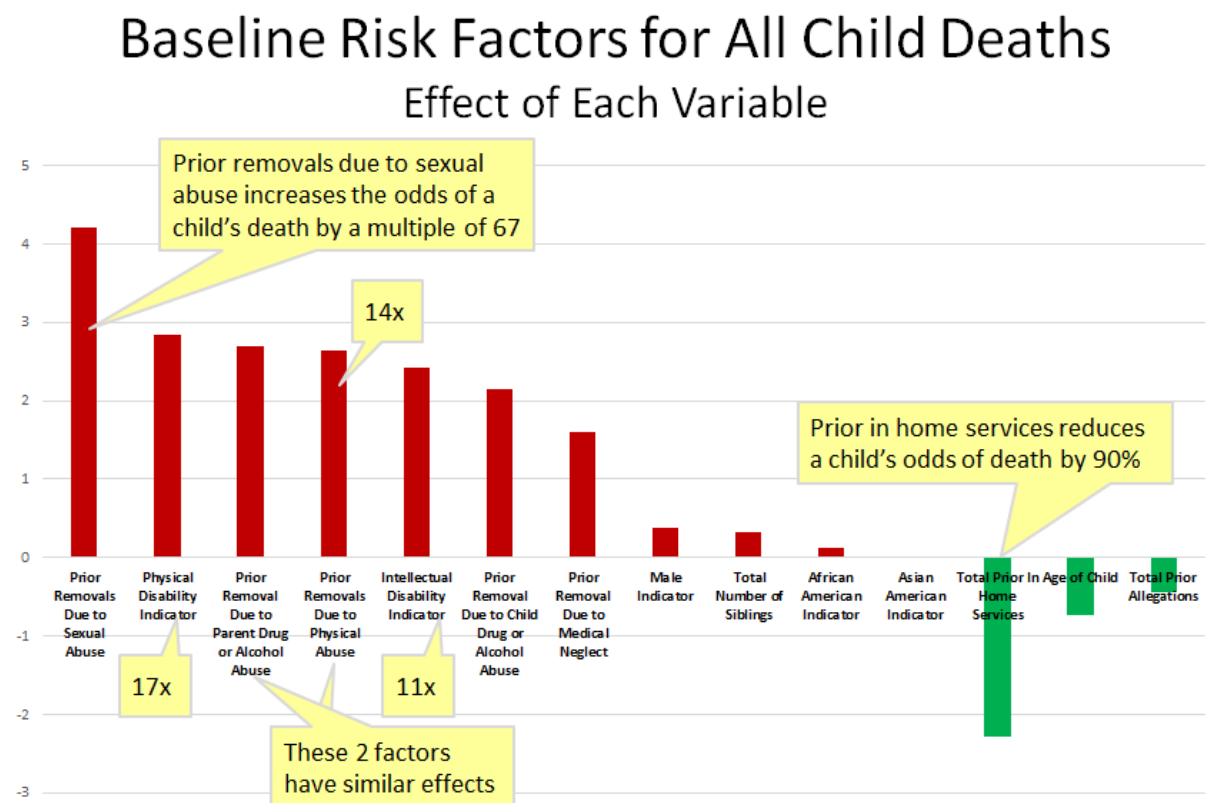
The research observed that:

- *Prior in-home services reduce the odds of death by 90%*
  This would indicate that visits to the home have a positive impact on keeping children safe. To lower a child's risk of death, more in-home services would be recommended. This effect was observed in the Abuse and Drowning categories. It was not statistically significant in the Asphyxiation category.[54]

The Florida research does not discuss how or why prior in-home services operate as such a powerful protective factor in preventing child fatalities. However, discussions with Centre members have

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[54] Ibid. p.5

identified the following factors that may account for the positive impact of in-home services in preventing child fatalities:

- In-home support may lead to earlier detection of stress factors within the home that can then be addressed through referral to relevant specialist services or supporting the victim to separate from the perpetrator if family violence is present.
- In-home support may play a role in modelling good parenting and acceptable male behaviour within relationships and assisting family members to address particular 'triggers' and stressors that may lead to poor parenting or violence escalating in the home.
- In-home support may act as a deterrent to perpetrators of violence by challenging and exposing the 'veil of secrecy' that is often associated with violence in the home.
- In-home support may empower actual or potential victims to speak out about violence in the home. This in turn may trigger the involvement of relevant law enforcement and victim support agencies to protect victims within the home.

There is potential to develop stronger linkages between the Child FIRST/Integrated Family Services and family violence and community health services. Co-location, out-posting staff and broadening the membership of the Child and Family Services Alliances all present opportunities to improve service delivery and should be actively encouraged. There is unlikely to be a *'a one size fits all'* solution to the challenge of services integration but rather a range of strategies that can be tailored and incentivised according to local need.

Parenting Services work in partnership with parents to identify infant health, development and parenting needs to build parenting competence and to promote secure attachment between the parent and child. There is strong evidence that these interventions improves parent wellbeing, improves child behaviour and improves the care of vulnerable children.[55] There has been limited new investment in these programs to address increasing complexity of parenting issues and increases in demand.

The Centre recommends that stronger ties are built between the Early Parenting Centres and Child FIRST/Integrated Family Services focusing on the need for additional residential and out-reach parenting services in regional locations, the merits of establishing a specialist Aboriginal services, the provision of a CALD supplement in recognition of the heightened needs of this client group and future workforce requirements and development.

Building a strong secondary platform will require that particular attention is paid to local planning arrangements. There is currently a range of planning approaches relating to vulnerable children and families operating at local government, DHHS area level, sub-Divisional and Divisional levels, including:

- *Child and Family Services Alliances* Catchment Plans (in 23 catchments, that align with the 17 DHHS areas
- *Child and Youth Area Partnerships* (in eight DHHS local areas)
- *Family Violence Networks*

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[55] See, for example, the highly positive findings described in the evaluation of the Mildura based Bumps to Babes and Beyond project: *Evaluation of the Bumps to Babes and Beyond Program*, A Partnership Between The Queen Elizabeth Centre and Mallee District Aboriginal Services, December 2014

- *Municipal Early Year Plans*

Clearly articulating the desired approach to planning, and how different planning approaches can be better coordinated in the future reform environment should be a priority for the Roadmap.

5.   A strengthened and sustainable out of home care system

Victoria has a rate of 6.0 children in out of home care per 1000 children (0-17 in the population). Compared to other Australian and international jurisdictions this rate is low.

Children in Out of Home Care		Rate per 1,000 children
Australia	All States	8.1
	Victoria	**6**
	New South Wales	10.8
	Queensland	7.1
	SA	7.3
	WA	6.3
	TAS	9.2
	ACT	7.1
	NT	14.3
Europe	Estonia	<5
	Georgia	<5
	Greece	<5
	Norway	<5
	Serbia	<5
	Turkey	<5
	Croatia	>5 to <8
	Latvia	>5 to <8
	Spain	>5 to <8
	Switzerland	>5 to <8
	Sweden	>5 to <8
	UK	>5 to <8
	Finland	>8 to <17
	France	>8 to <17
	Germany	>8 to <17
	Lithuania	>8 to <17
	Poland	>8 to <17
	Portugal	>8 to <17
	Romania	>8 to <17
	Russia	>8 to <17
America	All States	5
Three Top Ranked American States	Virginia	2
	Maryland	3
	Delaware	3
Three Lowest Ranked American	Montana	10
	Oklahoma	11
	West Virginia	11

6.

Sources:
Australia: Table 5.6, Australian Institute of Health and Welfare, *Child Protection Australia 2013-14*
America: Annie E Casey Foundation, Children in Foster Care 0-17, 2013 Accessed 5 October 2015 at:
http://datacenter.kidscount.org/data/tables/6242-children-0-to-17-in-foster-
care?loc=1&loct=1#ranking/2/any/true/36/any/12986

The rate of Victorian children in out of home care has however been rising in in recent years from 3.8 per 1000 children in 2004-05 to 6.1 per 1000 children in 2013-14.[56]

| Victoria	Children in out-of-home care at 30 June	Children aged 0–17 years in at least one out-of-home care placement during the year
	Rate per 1000 children aged 0–17 years in population	
2004-05	3.8	6.5
2005-06	4.1	6.7
2006-07	4.3	6.6
2007-08	4.3	6.7
2008-09	4.4	6.5
2009-10	4.5	6.9
2010-11	4.6	7.0
2011-12	5.0	7.4
2012-13	5.1	7.2
2013-14	6.1	7.9

The count of Victoria's number of children in out of home care includes a category of clients that may not be included in other jurisdictional counts. On 30 June 2014 2,126 children, 28 per cent of the total count of 7,710 children in out of home care, were subject to a Permanent Care Order or a Third-Party Parental Responsibility Order. Under these orders the guardianship and custody of a child is granted to a third party (usually a foster carer or relative) and the State has no ongoing role in the life of the children except through the provision of a carer payment/allowance.

While such orders/placements are viewed as a positive outcome for the child, as they provide a much higher level of stability and permanence, they nonetheless are contributing to the growth of out of home care in Victoria.

Between 30 June 2005 and 30 June 2014 the number of children and young people in out of home care rose from 4,408 to 7,710, growth of 75 per cent over a ten year period. This demand growth was addressed by a significant 78 per cent expansion in predominantly kinship home based care provision (from 4,021 placements in 2004-05 to 7,145 placements in 2013-14).[57]

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[56] Table 15A.19, Productivity Commission, *2015 Report of Government Services*
[57] Table 15A.19, Productivity Commission, 2015 Report of Government Services

Victoria: Placement Types, 2004-05 and 2013-14
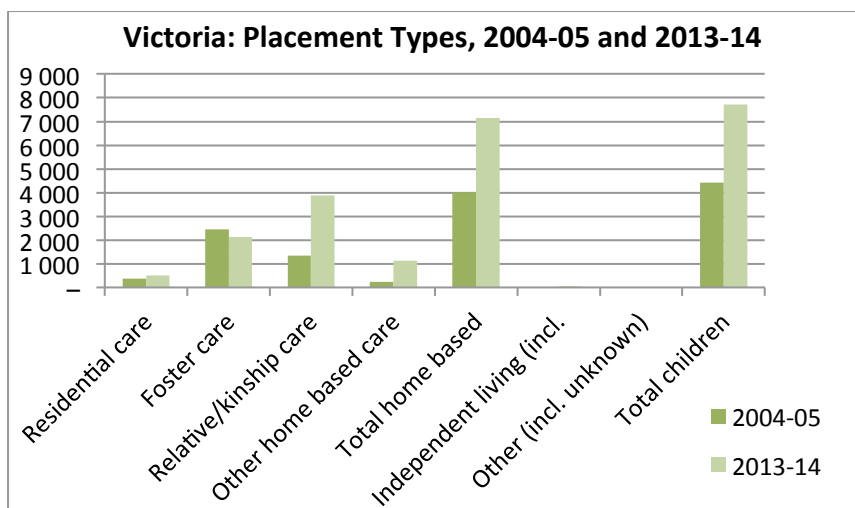
Significant growth occurred in relative/kinship care (up by 190 per cent) and 'other home based care' (up by 377 per cent). There was more modest growth in residential care (up by 41 per cent) and a slight decline in foster care (down by 13 per cent).

Victoria: Placement Types, 2004-05 and 2013-14			
Placement Type	2004-05	2013-14	Growth
Residential care	365	515	41%
Foster care	2 448	2 132	-13%
Relative/kinship care	1 335	3 877	190%
Other home based care	238	1 136	377%
Total home based	4 021	7 145	78%
Independent living (incl. private board)	22	49	123%
Other (incl. unknown)	–	1	
Total children	**4 408**	**7 710**	75%

Victoria's child and family services also includes a range of well-regarded youth justice services, including community and detention services as well as a dedicated Children's Court (Criminal Division). Victoria has the lowest rate of youth incarceration in Australia (11.5 per 100,000 young people in the population) and significantly lower rates than in England (38.1) and America (225).

Youth Incarceration[58]		Rate per 100,000 Young People
	All States	34.9
Australia	Victoria	11.5
	New South Wales	38.1
England	All Areas	61
America	All States	225

A significant proportion of young people in out of home care are subject to dual orders of both the Children's Court (Family Division) and Children's Court (Criminal Division). It is a positive feature of the Victorian approach that current levels of youth incarceration are very low, however, arguably this comes at the cost of a greater number of placements for young people in out of home care.

This brief analysis highlights the complex and evolving nature of Victorian out of home care services. While there is much current focus on addressing the recent growth in out of home care it needs to be recalled that comparatively Victoria has low rates of children in out of home care (noting however the significant over-representation of Aboriginal children in out of home care).

This suggests great caution needs to be exercised in developing strategies to reduce current levels of placements in out of home care, particularly the potential for unintended consequences. A recent Council of Europe study[59] of out of home care in Europe observed:

> *On the one hand, in some countries (or regions thereof) social services take some children into care too rashly, and do not make enough effort to support families before and/or after removal and placement decisions. These unwarranted decisions usually have a –sometimes unintended –discriminatory character to them, and can constitute serious violations of the rights of the child and his or her parents, all the more tragic when the decisions are irreversible (such as in the cases of adoption without parental consent).*

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[58] Sources Australia: Table 16.A4, 2015 Report of Government Services (2013-14 Data). Accessed 12 October 2015 at: http://www.pc.gov.au/research/ongoing/report-on-government-services/2015/community-services/youth-justice

America: Annie E. Casey Foundation, *Youth Incarceration in the United States.* (2011 Data). Accessed 12 October 2010 at: http://www.aecf.org/m/resourcedoc/aecf-YouthIncarcerationInfographic-2013.pdf

UK: Youth Justice Board / Ministry of Justice, *Youth Justice Statistics 2012/13,England and Wales Statistics bulletin.* Accessed 12 October 2015 at: https://www.gov.uk/government/statistics/youth-justice-statistics

[59] Committee on Social Affairs, Health and Sustainable Development, Council of Europe, January 2015, Social services in Europe: legislation and practice of the removal of children from their families in Council of Europe member States. Accessed 4 November at: http://website-pace.net/documents/10643/1127812/EDOC_Social+services+in+Europe.pdf/dc06054e-2051-49f5-bfbd-31c9c0144a32

On the other hand, in some countries (or regions thereof) social services do not take children into care quickly enough, and return children too rashly to abusive or neglectful parental care. These decisions can constitute equally –or more –serious violations of the rights of the child, and can put a child's life and health in danger.[60]

Kinship Care

Kinship Care now accounts for over half of all placements and is the fastest growing care type. Kinship care is currently largely delivered by the department with approximately 20 per cent of placements contracted to community services organisations. The kinship care program is currently subject to a review by KPMG which will examine the respective merits of departmental and sector provision of kinship care. The Centre considers the sector could play a greater role in managing kinship care and looks forward to the findings from the review.

Foster care

Victorian foster care faces particular challenges that need urgent attention. Victoria is the only jurisdiction in Australia where more foster carers are leaving than becoming foster carers.

Work is underway to reshape and improve foster carer attraction, recruitment and retention. Current levels of caregiver reimbursement need urgent attention and the Centre continues to actively support the introduction of professional foster care. This should be pursued through the COAG National Framework process.

Residential care

The Centre supports the recommendation in the Commissioner for Children and Young People's *"…as a good parent would…"* report to reduce the number of residential care beds in Victoria. In a report[61] prepared for the Commission's inquiry the Centre made the following observations:

Recent inquiry reports, in particular the Protecting Victoria's Vulnerable Children Inquiry report and consultations with stakeholders suggest there is particular interest in progressively reducing the number of children placed in residential care by expanding the availability of individually tailored home based care placements.

This approach is a centrepiece of the Out of Home Care: Out of Home Care: A Five Year Plan, although some reservations have been expressed about the feasibility of the plan. These focus on three aspects of the proposal.

First, concerns that Commonwealth taxation treatment of professional foster care has yet to be resolved despite strong advocacy to the federal government by States and Territories. Until such issues are resolved it is doubtful that there will be sufficient incentives for

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[60] Ibid. p.15Committee on Social Affairs, Health and Sustainable Development, Council of Europe, January 2015, Social services in Europe: legislation and practice of the removal of children from their families in Council of Europe member States

[61] Literature Review, Centre for Excellence in Child and Family Welfare, 2015. Accessed 15 October 2015 at: http://ccyp.vic.gov.au/goodparent.htm

prospective home based carers to commit to the care of highly vulnerable children and young people.

Second, there are serious questions about how such a transition could be managed in the context of the department's projected demand growth for residential care of 30 per cent over the next four years.

Third, transitionary or 'hump' funding would usually be required for a transition of this nature. This relates to the need to continue providing a residential care setting for those children who cannot be placed in a tailored home based care setting. Similarly not all children can be placed immediately nor would it be desirable to move children from settled residential care arrangements that are meeting their needs.

Residential care settings have a high level of fixed costs, mainly staff wages and salaries; in effect a four bedded unit with one child resident has only slightly lower costs than the same unit with four residents. Until each residential care setting can be fully decommissioned the department will be liable for the costs of both the unfilled 'beds' as well as the equivalent home based care packages. In the absence of dedicated transitionary or 'hump' funds to enable this to occur, the proposed strategy may not be financially sustainable.

Irrespective of the potential alternatives to high cost residential care, it seems likely there will always be a small cohort of children and young people whose needs and behaviours are beyond the capabilities of even the most skilled home-based carer. For such children and young people, a high quality residential placement with care provided by a multidisciplinary team of skilled professionals is perhaps the only feasible and humane care option. As such, it seems likely that residential care for children does have a future in Victoria, albeit with fewer placements and in a different form compared to current Victorian residential care settings.[62]

Achieving a sustainable reduction in residential care in a highly pressured demand environment where residential care is often the placement of last resort will not be easy, requiring a carefully crafted multi-dimensional approach.

The Centre recommends the establishment of a joint sector/Department strategic approach to achieve this goal. Key elements of the approach should include:

1. A jointly negotiated sector/Department approach to:
   - identify priority client cohorts for attention (for example, children under 12 years, separated siblings)
   - identify the rationale, quantum, location and timeline for the decommissioning of residential care homes in each Division
   - clarify the role of contingency units
2. A new approach to commissioning Tailored Care Packages that will incentivise existing residential care providers to establish alternative placements
3. A transitionary fund is established to enable:

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[62] op.cit. p.55

- o homes to be decommissioned in a planned and orderly fashion so that children can either 'age out' of the placement naturally or enable sufficient time to seek an alternative suitable placement.
        - o Residential care staff retraining and relocation
    4. A commitment to reinvest a proportion of the closure savings to enhance and strengthen the care available in the remaining residential care homes.

5.   Leaving Care support beyond 18 years

Children's Court Orders expire when a young person reaches 18 years of age. There is currently no statutory obligation for children to remain in care once they turn 18. A recent report from Swinburne University[63] found 50 per cent of those who left state care at 18 years old would be homeless, in prison, unemployed or a new parent within 12 months of leaving care.

These children often have no caring adult in their life. The Roadmap should include consideration of how support for these young people can be improved, with a long term goal being to extend the level of support to 21 years of age.

6.   Fully Implement the *Koorie Kids: Growing Strong in their Culture* recommendations

The Centre is a co-signatory to the *Koorie Kids: Growing Strong in their Culture*[64] document which observed that:

In 2011-12, one in eleven Aboriginal children in Victoria experienced an out of home care placement, compared to one in 164 for non-Indigenous children. This data indicates a major crisis facing the Victorian community and Government – the rapid escalation in the number of Aboriginal children and young people in Victoria subject to removal from their family's care.

At current levels, the rate of Aboriginal child removal in Victoria exceeds levels seen at any time

since white settlement. This demands an immediate 'call for action' from the Victorian Government.

The data suggests further deterioration in this trend with more increases expected in Aboriginal

child removal in Victoria over the coming years. The Victorian rate of Aboriginal children in out of home care is now amongst the highest in Australia and significantly higher than comparable international jurisdictions.[65]

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[63] Paul Flatau *(UWA Centre for Social Impact),* Monica Thielking *(Swinburne University of Technology)* David MacKenzie *(Swinburne University of Technology),* Adam Steen *(Charles Sturt University),* *'The Cost of Youth Homelessness in Australia Report':* Accessed 19 October at:
https://www.salvationarmy.org.au/Global/Who%20we%20are/publications/2015/Youth%20Homelessness%20Report/The%20Cost%20of%20Youth%20Homelessness.pdf
[64] *Koorie Kids: Growing Strong in their Culture*, November 2013. Accessed 19 October 2015 at:
http://www.ccyp.vic.gov.au/downloads/submissions/submission-koorie-kids-growing-strong-in-their-culture-nov13.pdf
[65] op. cit. p.3

The Koorie Kids document and its 2014 update[66] provides a clear *roadmap* for future reform with a comprehensive set of recommendations based around seven domains:

1. Outcomes

2. Cultural needs

3. Capacity building

4. Care, authority, case contracting and case management

5. Service provision and continuum

6. Aboriginal carers

7. Compliance and accountability[67]

It is encouraging that the Andrews Government has responded positively to the *Koorie Kids* recommendations and the Centre considers the Roadmap for Reform should have a strong focus on continuing this reform work.

7.   Responsible and fair funding mechanisms

This submission recommends Government does **not** adopt a recommissioning agenda for child and family services. While there may be merit in applying contestable processes when new initiatives are rolled out or in cases of provider failure the Centre considers there is an inherent tension between wholescale recommissioning of child and family services, the statutory nature of these services and the vulnerability of involved children and the imperative for service integration and collaboration.

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[66] *Koorie Kids: Growing Strong in their Culture, October 2014 Update.* Accessed 19 October 2015 at: http://www.ccyp.vic.gov.au/downloads/submissions/submission-koorie-kids-growing-strong-in-their-culture-oct2014.pdf
[67] op.cit. p.8

HOW IS THE CURRENT SERVICE SYSTEM FARING?

This section describes a small number of key metrics relating to the operation of Victorian preventive and universal services. Where possible, comparisons with other Australian and international jurisdictions are shown.

Victoria's infant mortality rate of 2.9 deaths per 1,000 live births is the lowest in Australia and compares favourably with other jurisdictions. Victoria's pre-school participation rate and teenage fertility rate also compare favourably with other jurisdictions.

Infant Mortality Rate[68]

Infant Mortality Rates		Rate per 1,000 live births
Top Ranking Jurisdictions	Singapore	2
	Finland	2
	Iceland/Sweden/Luxemburg	2
Australia	All States/Territories	3.6
	Victoria	2.9
	New South Wales	3.7
United States	All States	6
Three Top Ranked American States	Massachusetts	4.2
	Iowa	4.3
	Vermont	4.4
Three Lowest Ranked American States	Alabama	8.6
	Louisiana	8.7
	Mississippi	9.6

[68] Sources:

Top Ranking Jurisdictions/United States: The World Bank, Mortality rate, infant (per 1,000 live births), (2010-2014). Accessed 13 October 2015 at: http://data.worldbank.org/indicator/SP.DYN.IMRT.IN
Australia: Australian Bureau of Statistics, 33020DO010_2013 Deaths, Australia, 2013. Accessed 13 October 2015 at: http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3302.02013?OpenDocument
American States: The Henry J, Keiser Family Foundation, Infant Mortality Rate (Deaths per 1,000 Live Births) (2011-13). Accessed 13 October 2015 at: http://kff.org/other/state-indicator/infant-death-rate/

Pre-school Participation Rate (Four Year Old Children)[69]

Pre-school Participation Rate (Four Year Old Children)		Four Year Old Population	Per cent *Not* Enrolled in Pre-school
Australia	Victoria	63,379	8%
Three Top Ranked American States	District of Columbia	6,945	0%
	Florida	221,842	11%
	Oklahoma	54,100	13%
Three Lowest Ranked American States	Hawaii	17,536	87%
	Idaho	24,427	87%
	New Hampshire	13,853	88%

Teenage Fertility Rate, 2013[70]

Rate of live births to women aged under 19 years in the calendar year		Rate per 1,000 women in this age group
	All States	17.2
Australia	Victoria	9.4
	New South Wales	13.4
America	All States	26
Three Top Ranked American States	Massachusetts	12
	New Hampshire	13
	Connecticut	13
Three Lowest Ranked American States	New Mexico	43
	Mississippi	43
	Arkansas	44

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[69] Victoria: Indicator 31.1a, VCAMS Indicators, Kindergarten Participation Rate. Accessed 4 October 2015: http://www.education.vic.gov.au/about/research/Pages/vcamsindicator.aspx

American States: US Department of Education, A Matter of Equity: Preschool in America, April 2015. Accessed 4 October 2015 at: http://www2.ed.gov/documents/early-learning/matter-equity-preschool-america.pdf

[70] Victoria: Australian Bureau of Statistics, 3301.0 - Births, Australia, 2013. Accessed 4 October 2015: http://www.abs.gov.au/AUSSTATS/abs@.nsf/Latestproducts/3301.0Main%20Features52013?opendocument&tabname=Summary&prodno=3301.0&issue=2013&num=&view=

American States: Annie E Casey Foundation, Kids Count Data Centre, Total Teen Births, 2013. Accessed 4 October 2015: http://datacenter.kidscount.org/data/tables/6053-total-teen-births?loc=1&loct=1#ranking/2/any/true/36/any/12722