The Centre for Excellence in Child and Family Welfare

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State Budget Submission 2015-2016
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State Budget Submission 2015-2016

Introduction
In this Victorian State Budget 2015-2016 Submission the Centre for Excellence in Child and Family Welfare has placed a major emphasis on prevention and early intervention. ¹ We have reviewed our 2014 Election Statement in light of the significant commitments already made by the Andrews Labor Government in relation to family violence, residential care and foster care ($19 million), targeted care packages ($43 million) and the establishment of the Ministerial Advisory Committee on Children in out of home care. ² ³ ⁴ ⁵

Emerging information about the needs of Victorian children and families represented in the Productivity Commission Report on Government Services has also been considered. ⁶

We have identified four priorities from the Centre’s Election Statement which would make the most difference now for children young people and their families and have the greatest impact. These priorities are:

- Provide support to families needing help
- Provide early intervention and support for Aboriginal families
- Boost care and support for children and young people in State care
- Improve the educational participation and achievement of children and young people in State care and leaving care.

These priorities reflect a renewed interest by Government in addressing disadvantage. Recent evidence demonstrates that a community which provides pathways to opportunity is also known to be a society which provides much better outcomes for its citizens. ⁷ ⁸ ⁹

All of Victoria’s children and young people, especially those who are disadvantaged and whose families are struggling, require thoughtful targeted Government investment to ensure that they are not left behind and to ensure that they too can aspire to participate in a digitalised and internationalised future.

Opportunities and challenges
The Centre for Excellence in Child and Family Welfare 2014 Election Statement set out a comprehensive strategy for tackling disadvantage and improving the lives of Victorian families and their children, but most of all the Election Statement, identified the importance of responding to overwhelming demand.

Investment in prevention and early intervention is known to protect individuals, preserve families and saves money for the community in the longer term.

Victoria has a strong record of efficiency and innovation in the provision of its child and family welfare services, but much of this is affected by low funding in the context of unprecedented increasing demand.

Victoria’s services are the lowest funded in Australia. ¹⁰ A more contemporary and realistic funding approach is required to manage demand.


and provide the care and support children, young people and their families require.

Indications are that recent Federal Government cuts will place significant additional demand pressures on child protection and family support services. Child and family services are already reporting impacts in increasing demand for emergency relief and financial counselling services. For young people the defunding of Youth Connections and some homeless and family violence services are exacerbating other drivers of demand.

The investment necessary to secure the safety and wellbeing of children in care is emerging as a key challenge for both government and community services. Child safety in out of home care has recently, rightly, been subject to extraordinary scrutiny as the result of the work of the Victorian Auditor General, the Inquiry into the adequacy of provision of services to children subject to sexual abuse or sexual exploitation in residential care by the Victorian Commission for Children and Young People, the Victorian Parliament Family and Community Development Committee Inquiry into the handling of child abuse and the current Royal Commission into Institutional Responses to Child Sexual Abuse. Responding to demand is an immediate requirement for safety but improved care options and choice are also needed.

The Royal Commission into Family Violence in Victoria announced by the Andrews government is a farsighted and welcome initiative. Family services are crucial in the response to family violence. Recent research reveals that family violence is a factor in 53 per cent of substantiated abuse and neglect cases and 97 per cent of cases involving Aboriginal children in out of home care.

Strategies to address family violence have the potential to impact on the numbers of children coming to the attention of child protection. The Centre will be working with providers of child and family services and others to develop suggestions for consideration by the Commission and to ensure that the views of children and young people are heard during the process. The Centre will be particularly concerned to ensure that an integrated community response to vulnerable families includes family support services and the critical mental health and drug and alcohol services.

How we work together in the best interests of children, young people and their families requires a renewal in the operational relationships of government and community services.

The major policy initiatives announced to date indicate a welcome openness by the Victorian government to reconfigure the respective roles of government and the community sector in addressing disadvantage and in providing essential services to Victorian children, young people and their families.

It is important that service users and community service organisations are equal partners in shaping a redeveloped services approach for

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18 Victorian Commission for Children and Young People Inquiry into the adequacy of the provision of services to children and young people who have been subjected to sexual exploitation or sexual abuse whilst residing in residential care at http://www.ccyp.vic.gov.au.
vulnerable children and their families. This includes local area networked service provision where local government and locally based child and family services can work to strengthen the fabric of community response to vulnerable children and their families.
**Priority One: Provide support to families needing help**

**Expand support to children at risk**

The forthcoming Victorian Auditor General audit of Early Intervention Services for Vulnerable Children and Families at risk is expected to make far reaching recommendations on service improvements and strategies to address unfunded growth in demand. There would be merit in the Victorian Government making an early down payment on these recommendations in the 2015-16 State Budget.\(^\text{17}\)

Children at risk of a report to child protection service are not currently getting the support they need early enough. Family violence, drug and alcohol abuse and the other factors known to contribute to child abuse and neglect are increasing the number of referrals to family support services in Victoria, but families are not able to access the services they need.

Victoria has a comprehensive system of front line family services, Child FIRST and Integrated Family Support Services, which are highly regarded throughout Australia for their potential to divert children and families from protective care; however funding has not kept pace with demand being driven by:

- Increased vulnerability in children and young people and their families
- Increased population especially in urban growth areas
- Increased diversionary reports from child protection
- Demands arising from reports of family violence where there are concerns about a child’s well-being.

A significant gap between the funded targets and the total referrals remains. Child and family services are overreaching to service the families needing support additional funding is required. Currently expenditure on family support services by Victoria is $113 million out of a total recurrent expenditure in the child protection area of $783 million.\(^\text{18}\)

The Centre calls for an increase of 10 per cent to provide family support services to an additional 1000 families per year across the state and to ensure that children are diverted from entering the more intrusive and expensive forms of care and support. This allocation could enable a flexible pool of funding directed to immediate demand issues.

**Table 2: Children and Family Services responding to increasing demand**

<table>
<thead>
<tr>
<th>Year</th>
<th>Child FIRST total referrals</th>
<th>Child FIRST target performance</th>
<th>Child FIRST actual performance</th>
<th>Family services cases provided</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013–14</td>
<td>15,985</td>
<td>9,870</td>
<td>12,142</td>
<td>31,962</td>
</tr>
<tr>
<td>2012–13</td>
<td>15,985</td>
<td>9,870 (demand increase)</td>
<td>10,780</td>
<td>29,123</td>
</tr>
<tr>
<td>2011–12</td>
<td>15,473</td>
<td>9,000</td>
<td>9,709</td>
<td>28,835</td>
</tr>
<tr>
<td>2010–11</td>
<td>14,199</td>
<td>9,000 (funds increased)</td>
<td>9,814</td>
<td>26,790</td>
</tr>
<tr>
<td>2009–10</td>
<td>12,683</td>
<td>6,000</td>
<td>8,865</td>
<td>26,223</td>
</tr>
</tbody>
</table>


Cradle to Kinder and Aboriginal Cradle to Kinder provides intensive support to vulnerable mothers and their preschool children. Mothers are referred to the services from ante or post-natal services. The program builds the capacity of parents: not only to nurture a child’s safe, healthy development, but also to engage parents in education, training and employment.

Six programs were introduced in 2012, and a further four were announced in January 2014. In these four new locations, the service is aligned with local catchments of the Child and Family Services Alliances, enabling integration with local Integrated Family Services. This means that mothers and their children experience the combination of multifaceted support with long-term skill development.

An evaluation of Cradle to Kinder is being undertaken but early outcomes suggest that it should be available for all vulnerable young mothers to reduce the likelihood of their children entering the child protection system.

Stronger Families

Currently Victorian expenditure on intensive family support services is $79 million. Stronger Families is a successful program funded within this stream for children at risk of being placed on out-of-home care or who have recently been placed in out-of-home care for the first time. It aims to prevent placement or bring about the speedy re-unification of the family through intensive case work for up to 12 months.

An independent evaluation report of Stronger Families has been completed. The evaluation included a cost benefit analysis of the program. It is calculated that for every additional dollar invested in the program, additional savings of $1.23 were realised within child protection and out-of-home care. Children whose families took part were less likely to be in care when they finished the program and were more likely to have been reunified with their families. Similarly they were less likely to be the subject of a subsequent re-substantiation and more likely to remain with their families.

This research is compelling evidence that the long term solution to managing unsustainable growth in out of home care lies in strengthening placement prevention and reunification services.

The Centre believes that the Stronger Families program should be expanded across the state. An additional four sites should be provided in the State Budget 2015-16 at an estimated cost of $32 million over four years for an estimated additional savings in child protection and out of home care in excess of $39 million.

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A Review of Early Parenting Centres

Every Australian jurisdiction provides residential early intervention for infants and pre-schoolers whose parents are struggling with early parenting. Early Parenting Centres 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 the intervention improves parent wellbeing, improves child behaviour and improves the care of vulnerable children. There has been no injection of funds to these programmes to address increasing complexity of parenting issues and increase in demand.

Recommendation Three:
Extend access to Stronger Families across Victoria beginning with four additional sites in 2015-2016.

Recommendation Four:
Commission a Review of the Early Parenting Program

The Centre is recommending a urgent review of the Early Parenting Centre program to consider the adequacy of the basic unit cost, 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, the future workforce requirements and development.
Priority Two: Boost Early Intervention and support for Aboriginal Families

A 20 per cent jump in Aboriginal children made subject to a Protection Order in 2013-14 and a 42 per cent annual increase in the number of Victorian Aboriginal children in out of home care in 2013-14, highlights the urgent need for initiatives to boost early intervention programs for Aboriginal Families.²¹

Implementing Section 18

Measures to boost Aboriginal decision making and control are known to impact on the rates of Aboriginal children entering care and remaining in care.

Section 18 of the Children, Youth and Families Act 2005 provides for Aboriginal responsibility for custody and guardianship of young people but progress on implementing Section 18 of the Act has stalled largely due to technical problems in the legislation which prevent the Principal Officer of an Aboriginal Organisation delegating the powers conferred under Section 18. Amendments to address these problems were tabled in the Victorian Parliament in 2014 but did not proceed. These amendments should now be reintroduced to Parliament to enable Section 18 to proceed as planned in the original 2005 legislation.

Proposed Victorian Aboriginal Children’s Agreement

The Centre supports the recommendations of Koori Kids: Growing Strong in their Culture: Five Year Plan for Children in Out of Home Care.

Consistent with those recommendations, Recommendation 36 from the Vulnerable Children Inquiry, the clear intent of the Children, Youth and Families Act 2005 and based on the successful Aboriginal Justice Agreement, a formal agreement between the Victorian government and the Aboriginal community should be developed outlining how they will work together to improve the lives and safety of Aboriginal children and young persons.

The agreement should be developed together by both the State government and Aboriginal communities with the inherent principles of mutual honesty, inclusion, transparency, accountability and responsibility for outcomes.

At the heart of the agreement must be the recognition that Aboriginal communities have the right to participate in the development and delivery of programs and policies that affect Aboriginal children and young persons. This aligns with the intent of the Children, Youth and Families Act, 2005, as described in the then Minister’s second reading speech:

“A consistent theme of the reforms is to empower Aboriginal families and communities to make decisions about how best to strengthen their families, protect their children and promote their healthy development.”²²

Recommendation Six:
The Centre recommends resourcing the development of a Victorian Aboriginal Children’s Agreement.

Recommendation Five:
The Centre recommends funding the implementation of S18 of the Children Youth and Families Act, 2005, funding to improve capacity of Aboriginal Community Organisations and the resourcing to ensure Aboriginal children can stay connected to their culture.


²² Victorian Hansard, Legislative Assembly, 6 October 2005, pp1375-6
**Priority Three: Boost care and support for children and young people in State care**

Unprecedented demand is impacting on the ability of out-of-home care providers to provide the required level of care for children and young people. The demand for care has been driven by significant increases in notifications and subsequent Protection orders as well as the pressures on access to family support identified previously.

Over ten thousand Victorian children (10,041) experienced an out-of-home care placement in 2013-14, a 12 per cent increase on 2012-13. Over the last four years the number of Victorian children in out of home care has increased by 19 per cent, well above underlying population growth.

In a particularly worrying development, the number of Victorian Aboriginal children in out of home care increased by 42 per cent in 2013-14, rising from 922 children in 2012-13 to 1,308.

While over 50 per cent of children and young people are reunited with their families within six months of admission to care the numbers of children requiring care, at any one time is expected to surge by 29 per cent from 6,542 children in 2013 to just over 8,300 children in the next five years.

Options for out of home care in Victoria comprise arranged care with relatives or community members known to the children (kinship care), foster care and residential care.

While family options are sought for nearly every child who cannot live with their own parents, the immediate options for meeting demand lie in increasing the placement capacity in out of home care, and increasing flexibility through tailored individual arrangements and strengthening placement prevention and reunification.

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24 SCRGSP (Steering Committee for the Review of Government Service Provision), op. cite, Table 15A.19 P1

The Centre notes that the lack of adequate capacity in out of home care is a daily battle for the Department of Health and Human Services and for community services caring for highly vulnerable children and young people. Funding needs to match population growth as recommended in the report of the Protecting Victoria’s Vulnerable Children Inquiry.

Recommendation Seven:
Provide growth funding for the out of home care service system to level of trend growth for at least the next four years. This should be applied across placement prevention and reunification, home based care, residential care and in tailored individual packages.

For example, in 2014 the Victorian Auditor General identified a 27 per cent gap between ongoing funded capacity and actual demand for residential care placement. Trends indicate that this gap will grow. 26 The Auditor General identified that the health, welfare and development of children is being compromised by the undersupply of residential care placements and by reliance on “churn” to free up placements thus compromising stability in the care of children and young people in State care. This represents increased risk for the children and young people and for government.

In 2014 the Victorian State Budget provided limited funding to address immediate demand. A strategy built on transitioning children and young people to home based care through individualised packages whilst welcomed must take into account the already weakened nature of home based care and the strategies required to grow it. Therefore the Centre is recommending growth funding to the level of trend growth for at least the next four years.

Improved staffing levels are required to ensure the safety and developmental wellbeing of children in residential care.

A significant commitment has been made by government to improve residential care staffing from the RP2 level to RP3. However approximately 50 places in therapeutic residential units have not been upgraded to RP3 level staffing. This is the logical next step for government investment in the safety of children in residential care.

Therapeutic approaches are known to positively impact the health and wellbeing of children and young people and provide for better outcomes in both residential and foster care. 27 28 The 2015 - 2016 State Budget should continue the progress toward conversion to therapeutic care in all residential and foster care placements.

Recommendation Eight:
Convert all remaining RP2 residential care places to RP3 level staffing and continue the planned expansion of therapeutic care in residential and foster care settings.

Foster care families are becoming harder to find and the number of carers leaving is greater than the number of new families putting their “hands up” to care. An urgent investment is required to implement improvements in foster care recruitment and retention in Victoria to build on the $1.5M already committed.

26 Victorian Auditor General, op. cite, P31
A review of the current funding model for foster care is urgently required to ensure foster carers stay caring. The current funding model is outdated and based on an incidence of complexity which no longer represents the population of children coming into foster care. Carer reimbursements would then more adequately reflect the needs of children in Foster Care.

Reimbursement rates for both foster carers and kinship carers should also be harmonised with national benchmarks.

Table 3: Number of households commencing and exiting foster care, 2012–13

<table>
<thead>
<tr>
<th>Households</th>
<th>NSW</th>
<th>VIC</th>
<th>QLD</th>
<th>WA</th>
<th>SA</th>
<th>TAS</th>
<th>ACT</th>
<th>NT</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Households commencing foster care</td>
<td>663</td>
<td>442</td>
<td>481</td>
<td>235</td>
<td>185</td>
<td>64</td>
<td>37</td>
<td>141</td>
<td>2,248</td>
</tr>
<tr>
<td>Households exiting foster care</td>
<td>n.a</td>
<td>616</td>
<td>437</td>
<td>182</td>
<td>73</td>
<td>49</td>
<td>31</td>
<td>106</td>
<td>1,494</td>
</tr>
</tbody>
</table>


Recommendation Nine:

Review the Foster Care funding model to recognise the increasingly complex needs of children coming into care and harmonise Victorian reimbursement rates for Foster Carers and Kinship Carers to national benchmark rates.

Table 4 State Foster Care Payments by Age 29

<table>
<thead>
<tr>
<th>Child’s Age</th>
<th>TAS</th>
<th>WA</th>
<th>NT</th>
<th>SA</th>
<th>VIC</th>
<th>ACT</th>
<th>QLD</th>
<th>NSW</th>
<th>FCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 1</td>
<td>190</td>
<td>172</td>
<td>211</td>
<td>145</td>
<td>159</td>
<td>231</td>
<td>224</td>
<td>218</td>
<td>218</td>
</tr>
<tr>
<td>Age 2</td>
<td>190</td>
<td>172</td>
<td>211</td>
<td>145</td>
<td>159</td>
<td>231</td>
<td>224</td>
<td>218</td>
<td>218</td>
</tr>
<tr>
<td>Age 6</td>
<td>217</td>
<td>225</td>
<td>226</td>
<td>169</td>
<td>159</td>
<td>259</td>
<td>241</td>
<td>245</td>
<td>234</td>
</tr>
<tr>
<td>Age 10</td>
<td>217</td>
<td>225</td>
<td>266</td>
<td>169</td>
<td>171</td>
<td>259</td>
<td>241</td>
<td>245</td>
<td>274</td>
</tr>
<tr>
<td>Age 14</td>
<td>251</td>
<td>277</td>
<td>329</td>
<td>241</td>
<td>252</td>
<td>348</td>
<td>262</td>
<td>329</td>
<td>345/337</td>
</tr>
</tbody>
</table>

Priority Four: improve the educational participation and achievement of children and young people in State Care and leaving care

Children and young people growing up in State Care and those leaving care have often experienced trauma and disruption leading to serious learning problems. They can be behind their peers academically and are far less likely to complete secondary school. Research by the Centre showed that 47 per cent of young people in a particular care cohort left school before the age of 16. School suspension and exclusion can be a road block to completion of secondary education. As few as 1 per cent of care leavers enter university.

The Centre recommends fully funding the existing Out of Home Care Education Commitment and the Early Childhood Agreement for Children in Out of Home Care and Individual education packages where required.

Recommendation Ten:

Fully fund the existing Out of Home Care Education Commitment and the Early Childhood Agreement for Children in Out of Home Care and Individual education packages where required.

Recommendation Eleven:

A direct client costs allowance for educational medical and special services up to $6,000 per annum for children in home based care.

addressing the learning needs of children and young people by providing carers with the ability to purchase additional support.

Each child and young person in care is expected to have an Educational Plan but they are often not able to access the additional support to ensure it is delivered.

Few young people leaving care can maintain education while insecurely housed. Recent research has demonstrated that 63 per cent of young people in the homeless system have been in care. A combined education, housing and support guarantee to age 21 for those moving on from care could provide full fee relief for post compulsory education and appropriately tailored support and housing packages.

Provision of continued support, supported accommodation options and independent housing on leaving care were identified as a priority in the Centres Election Statement.

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Recommendation Twelve:

Provide a combined education, housing and support guarantee for those moving on from care.

The Centre in partnership with further education institutions has developed a pathway proposal for philanthropic organisations and government to refocus on the educational needs of young people leaving care. This aligns with the commitment of the Victorian Government to ensure all children can access educational opportunities. It will build on existing Government support for care leavers.
Conclusion

The initiatives highlighted for investment in this 2015-2016 Budget Submission require a strong child and family services response.

Two barriers to maintaining full value of Government funding in this important area are the failure of the Victorian Government to fund the impacts of the superannuation guarantee levy in its programs for children and families and the lack of adequate provision for CPI increases.

The Centre calls on the Victorian Government to fully fund the superannuation guarantee in its funded programs.

Recommendation Thirteen:

Fully fund the superannuation guarantee in its funded programs

The Centre also calls on the Victorian Government to ensure that adequate provision for CPI increases are incorporated into the 2015 - 2018 Funding and Service Agreement which is now being negotiated. There needs to be clear provision in the agreement for reviewing unanticipated cost increases. Failure to do so will inevitably result in reduced service capacity.

Recommendation Fourteen:

Ensure that adequate provision for CPI increases and provision for reviewing unanticipated cost increases are incorporated into the Funding and Service Agreement which is now being negotiated.

It is important that the 2015-2018 Funding and Service Agreement clarify obligations, address inconsistencies and ensure procedural fairness.

Children, young people and families in Victoria rely on both the paid workforce and a significant volunteer contribution for the services and support they receive. Delivering better outcomes for children, young people and their families requires a skilled workforce. A workforce strategy for the child and family services sector should be developed conjointly by government, the sector and unions. It should focus on recruitment, retention, skills development and training especially in response to new demands arising out of recent legislative and service reform. An immediate priority is to strengthen the capability and qualifications of the out of home care workforce.

Recommendation Fifteen:

Develop a workforce strategy for child and family services with the first priority being Out of Home Care