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# Their Futures Matter: A new approach

Reform directions from  
the Independent Review  
of Out of Home Care  
in New South Wales

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# 1. Background to the review

In November 2015, the NSW Government commissioned Mr David Tune AO PSM to conduct an independent review of the out of home care system in NSW. The review was commissioned in response to the growth of the out of home care population and continuing poor outcomes for the most vulnerable children and families.

The purpose of the review was to:

- create a future vision and long-term strategy for out of home care;
- understand the demand drivers for out of home care, including the entry and exit pressures on the system;
- propose solutions for the unsustainable growth in the number of children in out of home care and the out of home care budget;
- understand the causes of overrepresentation of Aboriginal children in the out of home care system, and the poorer outcomes for many of these children;
- propose solutions to reduce the overrepresentation of Aboriginal children in the out of home care system and improve outcomes for these children and young people; and
- review the ongoing appropriateness of programs funded by the Keep Them Safe reforms.

The directions of the review have influenced reforms currently underway in the Department of Family and Community Services (FACS) and across the service sector.



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## 2. The need for whole of system reform

The independent review concluded that despite significantly increased government expenditure, the number of children and young people in out of home care has doubled over the past 10 years, and continues to increase. Moreover, the system is failing to improve long-term outcomes for children and to arrest the devastating cycles of intergenerational abuse and neglect. Outcomes are particularly poor for Aboriginal children, young people and families.

The drivers of demand for out of home care are complex – including socioeconomic disadvantage, drug and alcohol abuse, domestic violence, and mental health issues – and cut across the portfolio responsibilities of many agencies.

However, current expenditure is focused on programs that are provided within agency silos and are difficult for clients to navigate. Furthermore, interventions are often not evidence-based, and are not tailored to meet the multiple and diverse needs of vulnerable children and families.

### Current whole of system issues



#### **The current system is not client-centred. It is designed around programs and service models instead of the needs of vulnerable families**

There is a significant amount of expenditure directed to programs intended to prevent escalation to out of home care. The NSW Government spent approximately \$1.86 billion on vulnerable children and families in 2015-16. This expenditure consists of at least 61 programs. The programs are not aligned to the outcomes these clients require, are often inflexible and do not recognise the specific concerns of vulnerable children and families and their individual circumstances. The problems are complex, entrenched and will not be addressed adequately through a program-by-program review approach.





**Vulnerable children and families have needs that cross the boundaries of government agencies. The current approach to shared responsibility across government agencies has not improved the outcomes for children and families with complex needs**

Vulnerable families have needs that cross government silos. Attempts at coordinated services across agencies have historically failed as no single agency can form a comprehensive plan to change the lives of children and families, and then deliver on that plan. Agency accountabilities relate to their silo of services, but complex issues faced by vulnerable children and families are not defined by those boundaries. There is no overarching program logic or framework to guide investment and interventions for vulnerable children and families. Collaboration across service areas remains ad hoc, driven by relationships and interpersonal negotiation skills.



**FACS holds primary accountability for very vulnerable families with little influence over the drivers of vulnerability or the levers for change**

Drivers of demand for out of home care are deeply entrenched in a family, and usually families will have several drivers in combination. FACS is not the agency with primary accountability for addressing these drivers, and has little ability to procure or access timely services to change the life trajectories of vulnerable children and families. However, FACS is the single point of accountability for the children in out of home care and for families whose children are at imminent risk of entering out of home care. At the point where removing a child from their family is necessary, several opportunities to address drivers have been missed.

**Drivers of entry to out of home care**

- Mental health issues affecting parenting capacity
- Domestic and family violence making home life unsafe
- Parental drug and alcohol abuse

**Levers to improve outcomes for children and families**

- Sustained treatment for parental mental health issues
- Addressing domestic and family violence
- Treatment and support to prevent and treat drug and alcohol abuse
- Ensuring access, engagement and educational attainment for children and young people



## **Expenditure is crisis driven, not well-aligned to the evidence and does not effectively target clients.**

Current expenditure on vulnerable children is crisis-oriented. The greatest proportion of investment is in out of home care service delivery, rather than in early intervention, or family preservation and restoration services.

Client outcomes and expenditure across government are rarely measured or monitored, and significant recurrent expenditure is allocated to programs that have not been evaluated. 67% of programs for vulnerable children and families have not been evaluated – a total of \$302 million is spent on programs for which the effectiveness is unknown. This makes it difficult to assess the effectiveness of interventions for families, focus investment or drive change across government.

Emerging evidence suggests there are specific and easily identifiable cohorts of children who are at greatest risk of poor outcomes. For example, the children of care leavers are at higher risk of entering out of home care, and young people who were in contact with the criminal justice system prior to leaving care (particularly young Aboriginal men) face the poorest outcomes including incarceration and increased ambulance and hospital usage. However, the current response does not recognise or specifically address the greater risk for these clients.

### **What does this mean?**

As a result of these systemic issues, the current service response is not focused on improving life opportunities for vulnerable children and families. This limits the efficacy of the system. The review concluded that a siloed approach, with its dependence on goodwill for coordination across agencies and multiple programs, is not adequate to tackle these problems. System reform is necessary to achieve the fundamental level of change required.



## The intergenerational cycle of abuse and neglect

The cycle of intergenerational abuse and neglect is of particular concern. For current children in out of home care:

- 20% of females and 12% of males will have a child in out of home care at some point in the 20 years after exit; and
- out of home care leavers are more than 10 times more likely to need out of home care for their child compared to the general population.

The 20 year costs of providing government services after children have left care are estimated at an average cost of \$284,000. About 95% of the 20 year costs result from six service types:

- child protection (26%)
- ambulance (22%)
- time in custody (18%)
- court appearances (11%)
- hospital care (10%)
- public housing (8%).

Education plays a vital role in breaking the cycle of disadvantage. For young people leaving care, obtaining a High School Certificate (HSC) is correlated with lower long-term cost and service usage. Obtaining a HSC, and having no interaction with the justice system, related to a 30% lower cost to government compared with those who don't have a HSC.

Long-term costs to government are much higher when intergenerational transfer of abuse and neglect is taken into account, as these costs go well beyond the 20 year time frame for the study.

It is clear that tackling the intergenerational cycle of abuse and neglect and the impact it has on families and communities must be a priority for government.

## Building on previous reforms

Previous child protection reforms in NSW have observed similar system problems and introduced a range of legislative and policy measures. Legislative amendments made following the Special Commission of Inquiry into Child Protection Services in NSW (2008) focused on the changes to the risk of harm threshold, improving the secondary services system response and enhancing early intervention and prevention.

The 2014 Safe Home for Life child protection legislative reforms laid a foundational direction for the most vulnerable children and young people in NSW. For the first time, legislation provided an explicit commitment to keep children and families together, in circumstances in which it would be safe to do so.

The Safe Home for Life legislative amendments focused on three areas:

**i. Promoting good parenting – focus on supporting parents to maintain children at home while working to strengthen the family unit**

**ii. Providing a safe and stable home for children and young people:**

- restoration to family, where it is safe to do so
- placement with relatives or kin, including the option of guardianship
- open adoption for non-Aboriginal children

With the least preferred outcome:

- long-term foster care, with parental responsibility to the Minister, until a child or young person is 18 years of age.

**iii. Creating a child-focused system through simplifying and streamlining legal and regulatory processes**





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# 3. A vision for whole of system reform

*Significant disruption of the system is needed to achieve the fundamental level of change required*

The review recommended a vision for systemic reform to improve outcomes for vulnerable children and families by ensuring:

- children and young people are safe and supported to reach their potential;
- vulnerable families receive help specific to their needs, to improve their life outcomes and keep their children safe; and
- Aboriginal children and families have access to effective, culturally appropriate services to achieve better outcomes.

The NSW Government has committed to these reforms in – Their Futures Matter: A new approach. The Their Futures Matter Implementation Unit, an independent commissioning entity, is responsible for delivering these reforms in partnership with NSW Government agencies.

## **Transition service provision to tailored support packages**






Government has been unable to change the direction of the current system with broad programmatic responses and cross-government cooperation. Existing program silos have limited the effectiveness of services and have not addressed the complex drivers that send children into out of home care or that continue the intergenerational transfer of abuse and neglect.

As a result, the NSW Government is currently designing and implementing tailored support packages for vulnerable children and their families. These packages access and build upon the universal service system, ensuring a child- or family-centred focus for the most vulnerable children and families in NSW. Support based on understanding the needs of vulnerable cohorts of children and their families will drive a realignment of the service system to meet the needs of existing clients and change the poor trajectory of future clients.



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Tailored support packages are the most effective child and family-centred service delivery mechanism for improving outcomes. They are particularly beneficial for families with complex needs who require a mix of tailored services from a range of providers. These packages include access to services that achieve outcomes across the following areas:

-  health and mental health
-  education and skills development
-  employment
-  positive parenting and relationships
-  housing
-  permanency and stability for children
-  empowerment and agency
-  connection to culture.

The tailored support packages feature:

- a needs assessment drawing input from the child or young person and/or parent as well as family members, professionals and other sources
- support, coordination and integrated case management
- a flexible budget based on needs assessment
- flexibility in service provision and review opportunities
- sustained and enduring support to achieve the required outcomes.

Tailored support packages are being introduced initially for children and young people in out of home care, families with children at imminent risk of entry to out of home care and young people leaving care.

Tailored support packages represent a significant shift away from multiagency, programmatic and siloed funding and will be implemented gradually over the next three to five years. A significant amount of work is required to:

- identify the services and funding source
- assess the needs of clients
- build a market for service provision
- develop reliable costings for various packages
- amend funding arrangements with providers.

This work has begun through commissioning of therapeutic foster care and residential placements and the recontracting of out of home care.

## Enablers required to drive change

The NSW Government has begun implementing the following enablers of reform to drive change to the current system and to introduce effective tailored support packages.

### Enabler 1: Apply an investment approach to service delivery

The NSW Government has adopted an investment approach for vulnerable children and families. An investment approach will better target interventions to improve the outcomes of services and ensure the sustainability of the child protection and out of home care system. This involves undertaking actuarial analyses of the lifetime costs of children and young people in out of home care and families in the system. Services are then commissioned based on a better understanding of the life trajectories of vulnerable children and families and their outcomes.

This approach takes a whole of system view in order to:

- establish a high quality, transparent cross-government dataset to measure the effectiveness of interventions and outcomes, in partnership with the Data Analytics Centre
- tailor and target responses to specific cohorts of clients
- focus investment on interventions that will improve the long-term outcomes for clients at the earliest opportunity
- ensure continuous improvement with a test, learn and adapt approach to investment
- reduce poor outcomes for children and families
- reduce the long-term costs associated with poor outcomes.



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## **Enabler 2: Shift investment to evidence based services and interventions**

Tailored support packages rely on an effective service system to deliver the interventions required. This involves implementing a suite of existing and new evidence-based services. To this end, the service system be aligned to an evidence-based service continuum over the next five years.

As the investment approach is developed, data and evaluation will guide investment in evidence-based services. This will include analysis of client needs and cohorts and the type and quantum of services required to improve outcomes for specific cohorts. Analysis of the relative effectiveness of various interventions will be conducted, including their effectiveness in improving long-term outcomes and the relative cost benefit of these interventions, to support the delivery of an investment approach where the evidence base is relatively underdeveloped.

A future service continuum will support and build on universal services, such as health, education and community infrastructure. Universal services have a vital role in addressing the needs of families as early as possible, and diverting them to targeted and specialist services where necessary. Universal services operate across the continuum of need, ranging from families requiring early intervention to children in out of home care. The future service continuum will also identify the various non-universal services accessed by vulnerable children and families.

In areas for which the evidence base is relatively underdeveloped for specific cohorts of vulnerable children and families, a trial, test and learn approach will be adopted. This relates particularly to work with Aboriginal children, parents and communities, because there is currently not a strong evidence base for interventions to stem the growth of Aboriginal children in out of home care.

## **Enabler 3: Identify current funding for vulnerable children and families across government agencies**

The investment approach ensures that effort and funding is focused on providing services which have the greatest social return as well as promoting a cost-effective system. The approach is contingent upon a whole of system view of investment in services for vulnerable children and families across agencies, in order to align expenditure with outcomes. Agencies are working collaboratively to identify all cross-agency expenditure on services for vulnerable children and families. This funding will be held by the Their Futures Matter Implementation Unit, an independent commissioning entity, which will work with agencies to commission tailored service solutions that drive outcomes across agency and program boundaries.

## Immediate investment

The NSW Government has made a substantial investment in a range of initiatives to improve the outcomes for vulnerable children and families. As part of the 2016-17 Budget, the NSW Government committed an additional \$190 million over four years.

## Other initiatives of the Review

### Align Keep Them Safe funding with the new reform direction

The Keep Them Safe child protection reforms were introduced in 2009 as the NSW Government's response to the Special Commission of Inquiry into Child Protection Services in NSW. Keep Them Safe currently funds 23 programs across the Family and Community Services, NSW Health, Education and Justice clusters.

To ensure consistent effort and outcomes for children in out of home care and families for whom children are at imminent risk of entering care, key elements of Keep Them Safe (including its program and service delivery enhancements, have been re-allocated to Their Futures Matter.

Funding for these programs and services will be ongoing subject to evaluations against an evidence base. Within five years, the NSW Government's total expenditure on targeted interventions for vulnerable families and children, including funding for targeted early intervention will be allocated using the investment approach.





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## Redesign the intake, assessment and referral system

### There is increasing pressure on the child protection system

In the 2014-15 financial year, a total of 268,051 reports were made to the Child Protection Helpline. Of those reports, 47% (126,146) were assessed as risk of significant harm (ROSH). As reports to the Helpline continue to increase, the system is unable to respond to the current demand for child protection services. Only 28% (20,603) of ROSH reports receive a face-to-face assessment, although this proportion is increasing slowly. The remaining 72% are closed with no further action.

In addition, a significant proportion of non-ROSH reports (52.9% of all reports to the Helpline in 2014-15) would benefit from a response elsewhere in the system. However, the majority are screened out and receive no response (approximately 79,187 reports in 2014-15). The volume of non-ROSH reports received at the Helpline indicates that some reporters are more likely to report children perceived to be at risk to the Helpline rather than provide a response or consider alternative referrals.

The lack of system capacity, and in some cases the lack of effectiveness of the response provided, results in re-reporting. Some level of re-reporting is necessary to ensure the child protection system is working effectively. However current levels are too high, and opportunities exist to reduce re-reporting through improvements to triaging and more effectively responding to the needs of families.

The Premier's Priority on Protecting our Kids aims to reduce the percentage of children who receive a service intervention from FACS and are subsequently re-reported within 12 months (from a statewide baseline of 40.4% in June 2015 to 34.4% by June 2018). Various initiatives are underway across FACS to support the priority, and to identify improvements to the service response for children who are at higher than average risk of re-reporting.

It is clear that, in a system of overwhelming demand and limited capacity, vulnerable children and families are not receiving the response they need. Children and young people enter out of home care without their families having received the range of services or supports over time that may have prevented their entry into out of home care.

The current volume of unmet demand is significant, and the current system is ineffective at adequately triaging and responding to families at various levels of need.

### Previous reforms indicate there is scope to improve triaging and targeting responses

Despite these systemic problems, evidence suggests that the increase in the child protection reporting threshold in 2010 from risk of harm to risk of significant harm (ROSH) has improved triaging within the system. The new threshold led to a decline in the total volume of reports, nearly all of which was attributable to children who do not transition to out of home care. There is also evidence of stabilisation in the level of entries to care after the threshold changed, and an increase in the proportion of children at ROSH receiving a face-to-face assessment with a caseworker.

These findings demonstrate that closer examination of reporting issues, system flow and care pathways over time would improve risk profiling to better inform responses and triaging. The development of predictive analytical capability would support more effective early intervention to underpin better outcomes for children at risk.

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## **Better understand vulnerable children and families to better target responses**

The Their Futures Matter Implementation Unit is leading the redesign of the intake, assessment and system navigation architecture, to streamline child protection and child wellbeing intake and assessment. This will ensure that vulnerable families are identified and supported before their issues escalate to the point that children are at significant risk of harm. The principles of the redesign include:

- reducing the duplication of service between statutory and non-statutory pathways
- enabling better responses for children and families below the statutory risk threshold
- increasing opportunities for early intervention
- avoiding entries to out of home care.

## **Build the capacity of mandatory reporters to respond to vulnerable families**

Mandatory reporters are required to report and respond to wellbeing and protection concerns about a child or family. However, mandatory reporters are more inclined to report children perceived to be at risk to the Child Protection Helpline rather than considering alternatives such as referring to a Child Wellbeing Unit, the Family Referral Service or support service, or seeking advice on how to provide support to the child or family themselves. Given the majority of contacts to the system do not meet the statutory threshold of risk, the focus of guidance, policy and procedures should be on supporting and responding to child wellbeing more broadly. Agencies will work together to revise interagency guidelines, build workforce capacity to manage risk, and enhance the non-statutory pathways for mandatory reporters to respond to child wellbeing concerns.

## **Introduce common risk and need identification**

Currently, multiple risk assessments are conducted across the child protection and child wellbeing system. These assessments do not use the same information or assessment methodology. The lack of alignment between outputs results in different perceptions of risk and need as well as frustration on the part of families and mandatory reporters. Families who escalate through the service continuum require a needs and risk assessment that evolves with the family, rather than a continual assessment process that starts from the beginning with each intervention. The development of a common risk and need assessment should align with the intake, assessment and referral system redesign. Over time, this process will be further refined based on the new actuarial information and data analytics to better predict risk and vulnerability and promote early intervention.