



An Open Letter to Members of the  
*Keep Them Safe* Cross Sector Peaks Forum  
5 February 2010

Dear Members

I write to you on behalf of Minister Burney in response to your invitation to provide this Forum with a progress report on cross sector reform initiatives, including the Community Services Grants Program Review, the Out-of-Home Care funding reforms, sector capacity building initiatives, the implementation of the *Keep Them Safe* Action Plan and other State and Commonwealth initiatives that interface with *Keep Them Safe*.

### **The CSGP Funding Review**

The Community Services Grants Program (CSGP) is an important government funding program that has delivered a wide range of valued support services to individuals, families and the community over many years.

For some time now, the Government has been aware that the Program as a whole would benefit from clarification of its purpose and future directions. It is more than 20 years since the program was developed and no subsequent review of services has reached a final stage with additional funding attached. The Government is also acutely aware that many CSGP funded services are experiencing financial viability problems.

Awareness of these issues prompted Community Services to initiate a formal review of the CSGP in 2007-08, including a commission for Ernst & Young to develop a business case for additional resourcing of the Program.

While efforts to obtain dedicated additional funding for CSGP services as recommended in the Review report were not successful, the deliberations of the CSGP Roundtable resulted in a proposed re-alignment of CSGP services to better focus resources on two distinct work streams comprising:

1. services whose results have to do with 'community strengthening' broadly
2. services provided directly to children, young people and families.

*Keep Them Safe* has provided opportunities to develop this proposal further with its emphasis on building strong communities with well-resourced and managed support services to achieve better outcomes for children and their families. It is a plan that outlines a range of actions across the service continuum, from universal to targeted services, with an emphasis on prevention and early intervention and a particular focus on addressing the over-representation of Aboriginal children and young people in the NSW child protection system.

At the same time work on the Area Assistance Scheme has evolved into a well designed program focused on community strengthening called *Community Builders*.

It is proposed that those CSGP services whose work is broadly geared to community strengthening transfer to the recently launched *Community Builders Program*. Community Services has commenced discussions with the relevant Peaks about this process.

*Keep Them Safe* includes undertakings to make funding available for additional prevention and early intervention services that will support clients referred by the new Family Referral Services that are being trialled in three locations with a plan to extend these services state wide.

Community Services has built on the results of the CSGP Review and has developed a proposal that would give CSGP funded organisations associated with the 'direct services' stream the opportunity to bid for this additional *Keep Them Safe* funding provided that they meet the following associated conditions:

1. adjust their services to conform with evidence-based service models that align with the goals of *Keep Them Safe*.
2. adopt the performance-focussed approach to contracting for service delivery that Community Services has implemented with all of its other major funding programs.

There may also be opportunities for CSGP services to attract funding designated for additional Brighter Futures places and Intensive Family Based Services.

The benefits that are expected to flow from these changes are numerous: the services currently funded through CSGP would operate with a much clearer sense of purpose and direction; services provided directly to children and families currently funded under CSGP might have access to funding they need to assure viability and/or grow their capacity; staff of the new Family Referral Services and other mandatory reporters would have access to a wider range of support services to which they can refer client families for counselling and other support services as part of their work in assuring the safety and wellbeing of children.

The Minister has discussed this proposal with CSGP Peaks. It has also been presented to the CSGP funded organisations represented on the Service System Advisory Group and the Community and Carers Advisory Group – two high-level consultation forums established to assist with implementation of *Keep Them Safe*.

A detailed proposal will be put to CSGP funded organisations later this month. Work on the proposal involves mapping the current configuration of CSGP funded services on the ground. (It is proposed that this be done by means of a survey of CSGP providers). It also involves finalising descriptions of the service models that will be funded. We have received valuable input to this work from interested service providers associated with the Advisory Groups I mentioned earlier.

Other work Community Services is doing includes confirmation of resource allocation models and unit costs for the services to be purchased, consideration of the transitional costs and impacts of making the change, and identifying the supports, including financial assistance, that might be made available to service providers.

Community Services also needs to advise the Government on options for CSGP funded services where service providers choose not to make the proposed adjustments. These options will be developed in consultation with representatives of the sector.

### **Outcomes of the Boston Consulting Group Report and Out-of-Home Care funding reform**

The provision of quality services to children in out-of-home care (OOHC) is a key priority. As outlined in *Keep Them Safe*, the Government is committed to transferring most of OOHC places to the non-government sector over time but the system needs to be sustainable for this to be viable in the long term.

The Boston Consulting Group (BCG) was commissioned by the Department of Premier and Cabinet, NSW Treasury and Community Services to identify the underlying causes of expenditure increases in OOHC and the fundamental OOHC cost drivers. BCG was also asked to identify measures to address the expenditure increase.

The Review's focus was broad. It analysed the causes of the greater numbers of children in OOHC, and it compared our experience to other Australian States. The Review found that while all of the States have experienced substantial growth in OOHC, NSW has the highest rate of children in OOHC. BCG reported that if unchecked, the OOHC population in NSW could rise to 24,000 by 2013/14.

A growth of this magnitude in OOHC is unsustainable and undesirable for a number of reasons. Substantial research demonstrates the greater cost effectiveness of intervening early to prevent children coming into care and, if children can live safely with their families, they avoid the dislocation and other longer term adverse health and education outcomes associated with the care system.

The Review identified five drivers contributing 80% of the cost increases in OOHC between 2004/5 and 2007/8. They were:

- Long term trends observed in all jurisdictions that are due to systemic factors such as more children entering care with complex needs and increasing length of stay while in care;
- The statewide expansion of child protection services from 2003 that had an impact on children who were in unsafe situations;
- The introduction of more generous arrangements for Supported Care Allowance that replaced Non-Parental Care Allowance in 2006 for children living with relatives where there is no court order;
- The changes that accompanied the 2006 Carer Payment Reforms that saw, for example, the re-introduction of age related payments for children; and
- The increased use of NGO placements which generally cost more to deliver.

The actions that are needed to change the current situation and to prevent a continuing escalation of the number of children in care will require a concentrated effort from both Community Services and the non-government sector, in the context of the *Keep Them Safe* reforms.

Actions that the Government has accepted that will be required of Community Services include:

- Changes to assessments undertaken before Supported Care Allowance is approved to ensure that only children who are in need of care and protection are entitled to the allowance;
- A greater focus on restoration when children first enter care where it is safe for the child and a new emphasis on family supervision arrangements as an alternative to removal of children into care where suitable;
- The development of a broader range of models of care and further work to encourage foster caring (the latter to be done in conjunction with the non-government sector in recognition of the increasing role that NGOs will play in the future in providing OOHC);
- A resource allocation review to ensure that the Community Services resource allocation model aligns with future directions and service delivery needs;
- Improvements in contracting that will improve consistency in the service being purchased and that strike a balance between current NGO and Community Services costs; and
- Further investigation of a greater investment in OOHC adoptions and in other mechanisms that promote permanency such as Sole Parental Responsibility Orders as well as a review of the length of Children's Court Orders.

BCG found that the current contracting model encourages variations in costs and service levels. This variation applies across and between NGOs even when the higher cost Individual Client Agreements are excluded. The price paid for similar NGO services in NSW appears to be higher than NGOs in other states. This requires further investigation.

These changes involve substantial reform and much of the detail is still to be worked through.

It is suggested that Community Services should move towards a fixed price for the purchase of OOHC services. At the same time the Government has recognised NGO service quality is important so it is anticipated that the new price will take into account that service levels, and hence costs, will be higher than currently incurred by Community Services so that NGO accreditation and quality improvement can be maintained.

Payment arrangements will also need to be reformed to reflect service usage and to recognise that in the early stages of contracts, before children are placed, the need for funding differs from when services are full.

A common tool needs to be applied to the assessment of children to be placed to reduce disagreements over care needs. This will mean outlining more detailed referral criteria for each of the service types purchased.

There needs to be more emphasis where possible on building early intervention models into contracts to enable NGOs to provide more than just OOHC placements and to create positive incentives to return children and young people to their families where this is appropriate.

Community Services will also discuss with some NGOs the possibility of moving to a different mix of services over time where such a change would bring a better fit between needed and available services.

The package of measures to be implemented by the Government in response to the BCG Review are designed to provide clarity and certainty in the provision of OOHC services and provides a better and more stable platform for the changes that were envisaged in the Government's Response to the Special Commission of Inquiry.

### **Implementation of the second stage of capacity building for Aboriginal organisations**

Community Services has secured \$26 million to increase the placement capacity of six Aboriginal OOHC services over three years in Phase 1 of the Aboriginal OOHC Services Capacity Building Initiative (ASCBI). However, the very high degree of over representation of Aboriginal children in OOHC and the demands that this places on the service system remain a major concern.

Community Services is committed to continuing to address the gaps that still exist within the system for Aboriginal children and we are poised to commence Phase 2 of the ASCBI. Negotiations with agencies participating in Phase 2 have been kept on hold until the outcomes of the BCG Review were known.

In the meantime, Community Services and AbSec have continued discussions to identify viable options that support the directions of *Keep Them Safe*. Consideration has been given to a service model proposed by AbSec as an alternative to specialist agencies providing all inclusive OOHC placement services. This model involves the alignment of Aboriginal OOHC services with agencies providing family preservation services and foster care recruitment and support services.

I understand that Minister Burney is to meet with AbSec Board members on 18 February 2010 to discuss the BCG Report and the sections related to Aboriginal services provision in particular, and consequently the way forward with ASCBI Phase 2.

### **Strategic direction and five year plan for expanding the capacity of the sector**

One of the key aspects of *Keep Them Safe* is strengthening partnerships across the community services sector. To this end, the *Keep Them Safe* Action Plan includes commitments to develop the

capacity of the NGO sector to take on an expanded role in service delivery, as well as strategies to change the culture and develop skills and across the public and NGO sector workforces.

The focus is on improving outcomes for children and families by building partnerships between government and the NGO sector, changing the culture of service delivery, improving the skills of the workforce and linking services to local communities.

KPMG has been engaged to develop the NGO capacity building and workforce development plans. Two separate plans are being developed, however the work is being done under a single project to help ensure that the intersections between them are recognised.

The *Workforce Development Plan* will be a plan for the child and family workforce that seeks to drive the cultural change necessary to embed shared responsibility between Government and NGOs for outcomes for children, young people and their families, including the commitment for NSW Government service delivery.

The *Workforce Development Plan* focuses on areas of common activity across the sector including joint training, networking and skill development, including face-to-face training and on-line/e-training resources for shared issues (e.g. cultural competency, information sharing); the establishment of local networks and forums; supporting access to tertiary education; and tools and guidelines for workforce planning. This Plan will be used as a common framework to guide workforce development consistently across the sector.

The *NGO Capacity Building Plan* will detail how the Government will work with NGOs to build their capacity to enable them to take greater responsibility for delivering family and community services.

The majority of these NGOs will be those funded through programs administered by the Department of Human Services, although some will be funded by NSW Health and the Department of Education and Training. In particular, this Plan will cover NGOs that are ultimately engaged to deliver the referral and service delivery functions of the new Family Referral Services to be established under *Keep Them Safe*. It will also cover the majority of Aboriginal specific NGO service providers in NSW.

The *NGO Capacity Building Plan* will focus on the specific capacity requirements for NGOs taking on an expanded or changed role in service delivery. This will include a focus on the development of service quality indicators and performance contracting and tools to support and guide agencies in meeting *Keep Them Safe* deliverables. It will also include building agency governance and planning capacity, and targeted support to the NGOs that need it most.

I am advised that KPMG has commenced consultation with key NGO stakeholders and that further consultation and a validation workshop are planned for this month and March. It is expected that, subject to Government's approval, the Plans will be in place by mid 2010.

### **The interface between Keep Them Safe and other State/National initiatives.**

Children's safety, welfare and wellbeing is related to a range of factors in their environment and the capacity of their parents or carers to take on the role of parenting. A number of other national and state agreements impact positively on the capacity of parents to keep children safe and well, and as a result there are links to reforms under *Keep Them Safe*.

It should be noted that Community Services is a partner to following agreements:

- the *National Framework for Protecting Australia's Children* – a 12 year (2009-2020) reform program recognising the need for a national approach to child protection. Community Services is progressing initiatives in the framework consistent with *Keep Them Safe*.
- the *National Partnerships for Homelessness, Social Housing and Remote Indigenous Housing*. The partnership agreement features three key strategies to significantly reduce homelessness;

prevention and early intervention; breaking the cycle of homelessness; and better connected services systems.

- the *National Indigenous Reform Agreement* including the establishment of nine Aboriginal child and family centres in NSW.
- the *National Partnership Agreement on Early Childhood Education* including wide ranging reform to early childhood education and care to improve quality and access for children in the early years.

Other significant State and National initiatives interface directly with *Keep Them Safe*. These include *Caring Together: The Health Action Plan for NSW*, *Stronger Together*, *Two Ways Together*, domestic and family violence, mental health and OOHC initiatives.

Both *Keep Them Safe* and the *National Framework for Protecting Australia's Children* emphasise the importance of early identification of the needs of vulnerable children and families, and of early intervention through the universal service system, and through targeted services.

*Keep Them Safe* proposes better agency coordination and information sharing to provide improved responses to children and families through the implementation of a common assessment framework, known as the *Keep Them Safe Framework*. To articulate this framework Community Services is undertaking a staged revision of the *NSW Interagency Guidelines for Child Protection Intervention*. The new *Child Wellbeing and Child Protection NSW Interagency Guidelines* will contain information, resource materials and assessment tools to assist agencies to identify and respond to the needs of children and their families. Structured Decision Making Tools, including the *Mandatory Reporter Guide*, are being introduced to help ensure consistency in decision-making when reporting, screening or assessing child protection concerns.

Through participation in the National Common Approach to Assessment, Referral and Support Taskforce, NSW is working with the Commonwealth and other states and territories, to develop a common needs identification tool for use by universal service providers. It is intended that any outputs from this work will complement the tools in the *Keep Them Safe Framework*.

A key element of the *National Framework for Protecting Australia's Children* is the development of new information sharing protocols between child protection statutory agencies in all States and Territories and selected government agencies. Improved information sharing between these key agencies will assist in the prevention of child abuse and neglect and in the support provided to victims and their families.

The first Commonwealth agency to operate under the *Information Sharing Protocol between the Commonwealth and Child Protection Agencies* (the Protocol) was Centrelink, followed by Medicare Australia. In NSW, information under the Protocol has been available from Centrelink since March 2009 and from Medicare since November 2009. An information sharing protocol with the Child Support Agency is currently under development and is expected to be operational in 2010.

Addressing domestic violence and family violence is both a focus at state and national levels. Community Services is working on the following specific actions under *Keep them Safe*:

- The expansion of the Community Services Drug and Alcohol Expertise Unit to include mental health and domestic violence. Staff with clinical expertise in drug and alcohol, mental health and domestic violence will provide advice and support to caseworkers with complex cases via face-to-face, email and telephone consultations. The Unit will also develop and disseminate short courses/seminars tools and other information resources to Community Services frontline staff.
- The establishment of Intensive Family Preservation Services.
- Joint agency Domestic Violence Training.
- The expansion of the Brighter Futures Program to a further 200 families.

Responses to domestic and family violence should be considered in the context of *Time for Action: The National Council's Plan for Australia to Reduce Violence against Women and their Children*. This plan (which released on 29 April 2009) was commissioned by the Commonwealth to provide expert advice on ways of reducing the incidence and impact of domestic and family violence and sexual assault on women and their children.

The NSW Government has commenced work on developing a new strategic framework for mental health. This will replace the current frameworks – *A New Direction in Mental Health* and the *Interagency Action Plan for Better Mental Health* – that will both conclude over the next two years. The new framework is to be aligned with the *Fourth National Mental Health Plan* (the Fourth Plan) approved by the Commonwealth in September 2009 as a whole of government approach to support people with mental illness.

As outlined above, the Community Services Drug and Alcohol Expertise Unit is expanding to include mental health and domestic violence expertise. *Keep Them Safe* also commits the Government to The SAFE START program. This program is provided NSW Health as part of *Families NSW*. The program assesses women who are expecting or caring for an infant, and assists in identifying and supporting women who may be experiencing, or be at risk of developing, mental health problems, including post-natal depression.

Under *Keep Them Safe* the Government has also committed to extending the provision of clinical services such as drug and alcohol, counselling, mental health and other allied health services provided by NSW Health to children who experience abuse and neglect. NSW Health's *New Street Program* for Adolescents aged 10-17 years who display sexually abusive behaviours is one example. This program has recently been extended to a rural location with a particular focus on indigenous young people.

Community Services is currently working with the Commonwealth and inter-jurisdictional partners, including Peak organisations, to develop National Standards for Out of Home Care. A consultation paper for public discussion has just been released and consultations with State and Territory child protection authorities, service providers, representatives of Peak organisations, foster families, grandparents, kinship carers, professional carers and young people are scheduled for February and March this year.

I trust this information is of assistance to you. On behalf of Minister Burney I wish to thank you for your continued interest and active participation in *Keep Them Safe* and the activities associated with the related reform initiatives discussed in this letter.

Yours sincerely



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