

# A Better Future for Children and Families

Two of South Australia's leading charities, AnglicareSA and Uniting Communities, are challenging all political parties to stem the flow of children and young people entering the Child Protection system and commit to a better future for children and families.

Whichever party forms government following this week's election has an opportunity to implement a fundamentally different approach to addressing child abuse, neglect and family dysfunction. Such an approach needs to address what has become a growing crisis in our Child and Family Welfare System.

## Out of Home Care Issues

- The number of children in out of home care in South Australia **has increased 98% in the past 10 years.**
- South Australian's rate of children entering care<sup>1</sup> is **double the national average.**
- The number of Aboriginal and Torres Strait Islander children has **risen by 151% over the same period.**
- Our expenditure in South Australia on Child Protection and Care Services has risen from **\$218.7M in 2011/12 to over \$510M in 2016/17** – 133% in just 5 years!

These are unsustainable trends – for both South Australian children and for our economy. The current process is failing to stem the flow of children being removed from their families and communities, and entering and remaining in care.

## Background

With the growing pressures of funding care services for children who are being removed from their families, our investments in prevention and restorative programs are inadequate. Too few families in crisis receive the help they need, when it is required and for as long as it is needed. As a result we suffer from an ever increasing number of children who are removed for their safety and who remain, for long periods of their childhood, in various forms of care.

AnglicareSA and Uniting Communities, who deal with the impacts of this crisis every day through their frontline care and family programs, know that there is an alternative approach. As a state, we need to recognise that children are best raised in families and we need to do our best to support children to remain with their families. This requires both courage and commitment to divert investments to where it will most make a difference.

Presently, South Australia only spends \$78M p.a. or 15% of its total \$0.5B Child Protection budget on Family Support and Intensive Support Programs. South Australia's Out of Home Care budget has also increased an average of 16% per annum over the last ten years, reaching more than \$399M in 2016/17. The current Intensive Family Support budget is inadequate to meet the growing demands of families struggling with the issues that often lead to their involvement with the Child Protection system, such as addiction, family conflict, financial crisis and mental health issues. This current policy path will result in increasing rates of removal, and the child protection service' budget topping \$1Billion in South Australia within 4 years.

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<sup>1</sup> Over the last ten years, based on ROGS 2018 Child Protection chapter 16.

## What Can Be Done?

AnglicareSA and Uniting Communities are calling on our political parties in the lead up to this week's election to invest in addressing the current trends of children entering and remaining in Out of Home Care. There are a number of evidence-based programs designed to target those who, without an intervention, will enter the Child Protection system. The following two initiatives will have the most immediate impact on reducing the rising number of children entering care, and will deliver economic and social benefits accordingly:

- **Intensive Family Intervention Programs:** An additional investment over the next four years of \$30M p.a. to establish an intensive family intervention program which would deliver a mixture of centre and home based therapeutic family supports to up to 800 families at any point in time. These families would be those where children have already been heavily engaged with the child protection system, and are most likely to enter the Out of Home Care system.
- **Reunification:** An investment over four years of \$15M p.a. to deliver an additional suite of reunification services which can provide timely, intensive support to up to 200 families with the aim of successfully and safely returning them to the care of their families.

These investments of an additional \$45M per annum or \$192M<sup>2</sup> over four years constitutes a small impost on the State budget in the context of the overall and increasing resources committed to Child Protection and Care Services in South Australia, when considered against the savings achievable from stemming the flow of children and young people into care.

Currently, 17% of all children and young people in care in South Australia live in residential or commercial care, costing an average of \$670,000 per placement per year<sup>3</sup>. Assuming a 70% success rate just for the 1,000 families supported by Intensive Family Intervention and Reunification services, **realisable ongoing savings of \$223M are achievable per annum, at a cost of \$51M. This represents a return on investment of over 400 per cent<sup>4</sup>.**

**South Australia's Out of Home Care budget has increased 16% per annum over the last ten years.** If this growth continues, budget and forward estimates are unlikely to meet the rapid increase in residential and commercial care costs, and **State Budget spend on child protection, care and intervention services will blow out to \$1 billion per annum over the next four years.**

Investing in a continuum of intensive Family Support and Reunification Services will improve this outcome by \$299M over four years. Initially, this investment will increase budget deficit, before generating a surplus from year 2 onwards.

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<sup>2</sup> \$45M indexed annually at 2.5%

<sup>3</sup> 83% of children and young people in care live in foster or kinship care at a cost of approximately \$48,005 per annum; the average cost of a placement in care is \$114,534 per annum.

<sup>4</sup> Savings have been calculated on diversions from family based care and average placement cost and assume 1.5 children/young people per family. In view of recent trends towards residential care, savings are potentially understated.

| Out-of-Home Care Budget Blowout Based on Past Experience and Impact of Our Plan   |             |             |             |             |                      |               |
|---|-------------|-------------|-------------|-------------|----------------------|---------------|
|   | 2017-18     | 2018-19     | 2019-20     | 2020-21     | 2021-22              | Total         |
|   | Budget      | Estimate    | Estimate    | Estimate    | Indexed <sup>1</sup> |               |
|   | \$m         | \$m         | \$m         | \$m         | \$m                  | \$m           |
| <b>Budget and Forward Estimates</b>   | <b>478</b>  | <b>497</b>  | <b>518</b>  | <b>545</b>  | <b>559</b>           | <b>2,597</b>  |
| <b>Out-of-home Care Costs Only<sup>2</sup></b>  | <b>-462</b> | <b>-535</b> | <b>-620</b> | <b>-718</b> | <b>-832</b>          | <b>-3,167</b> |
| <b>Budget Surplus / -Shortfall</b>  | <b>16</b>   | <b>-38</b>  | <b>-102</b> | <b>-173</b> | <b>-273</b>          | <b>-571</b>   |
| <b>New Approach</b>   |             |             |             |             |                      |               |
| Cost of our alternative programs  | 0           | -45         | -47         | -49         | -51                  | -192          |
| Savings from Reunification  | 0           | 16          | 34          | 54          | 76                   | 181           |
| Savings from Intensive Family Support   | 0           | 20          | 51          | 93          | 147                  | 310           |
| <b>Net Savings From New Approach</b>  | <b>0</b>    | <b>-9</b>   | <b>38</b>   | <b>98</b>   | <b>171</b>           | <b>299</b>    |
| 1 Indexed by 2.5%   |             |             |             |             |                      |               |
| 2 Based on 10 year growth rate in out-of-home care services, Productivity Commission, Report on Government Services 2018. |             |             |             |             |                      |               |

To avoid a future repeat of South Australia's Child Protection crisis, we also recommend investing in a suite of early intervention family support services, to strengthen parenting abilities, family relationships and community connections, preventing risk escalating to the point of children and young people entering care.

South Australia recently hosted a visit from the former Director of Social Services from Leeds in the UK who talked about leadership taken in that community to create a Child Friendly Leeds, which turned their systems around and saw a real reduction in the children entering and remaining in care. It was a remarkable story about what is possible with clear priorities and strategies aimed at restoring families and making the city accountable for delivering on its promises to create a safer community for all children. Leeds acted because it saw a looming crisis with the number of children in care – yet the rate of children removed in England remains 53% below that of South Australia today.

Earlier this year a group of everyday South Australians released a set of policy proposals as part of the Peoples Panel on Child wellbeing which recommended that we change our approach to give much greater emphasis to prevention and early intervention. The group, who were briefed over several weeks by experts in child protection and family support, concluded that South Australia needed to shift its investments to focus on enabling parents and families to maintain the care of children safely in their own families and communities.

As a state, we must prioritise families to function well. This is the key to improving the lives of children, the health of our communities and to prevent future budget blowouts. Investing in programs specifically designed to reduce the unnecessary removal of children and promote their return home is a clear financial win for a future South Australian government and for the public. More importantly it's a huge win for vulnerable South Australian children and their families.