

12 February 2021

The Hon. Dominic Perrottet
Treasurer
Parliament House
Macquarie Street
Sydney NSW 2000

Via email: budgetsubmissions@treasury.nsw.gov.au

Dear Treasurer,

Re: ACWA 2021-2022 NSW Pre-Budget Submission

The Association of Children's Welfare Agencies (ACWA) welcomes this opportunity to provide input into the NSW 2021-2022 Budget process.

As one of the peak bodies for the NSW child and family sector, ACWA's Purpose is:

To advocate for and strengthen the capacity of the community service system to bring about effective reform to achieve better outcomes for communities, families, children and young people, particularly vulnerable children, families and communities.

Consistent with this commitment, our pre-Budget submission is focused on the need for government investment in programs and initiatives that will improve efficiency and maintain the ongoing viability of critical elements of our service system and, most importantly, deliver on the NSW Government's Stronger Communities outcome no. 2, 'Children and families thrive', as well as the Premier's Priorities of 'Protecting our most vulnerable children' and 'Increasing permanency for children in out-of-home care'.

For your consideration, we have outlined below a number of key priorities which have been informed by the feedback and frontline experiences of our member agencies.

1. Delivering collaborative system transformation reform

A matter that illustrates ACWA's desire for a more efficient service system relates to our advocacy for the need for large scale system transformation of the child and family community services sector, that involves a genuine partnership between the government and the non-government sectors, is driven by data and is focused on achieving clear outcomes.

The work which ACWA has been undertaking in this sphere, acknowledges the growing recognition, across both the NSW government and non-government sectors, that no single entity can adequately respond to the needs of vulnerable children and families; and that, in order to consistently deliver strong outcomes for these clients, it is necessary to develop an efficient, effective

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and integrated system that can provide a response across the whole spectrum of need - from early intervention to action required for ROSH (Risk of Significant Harm) reports.

In particular, ACWA is committed to working closely with government and non-government stakeholders on broad system transformation reform that seeks to deliver greater efficiency within the service system and produces the best possible outcomes for vulnerable children and families, and those living in disadvantaged communities.

If this is delivered via a strong partnership between the government and non-government sectors – as opposed to the previous Their Futures Matter program – then this has enormous potential for improving the efficiency of the service system to deliver much better outcomes for vulnerable children, young people and their families. In this regard, we are encouraged by recent discussions relating to the prospect of Government committing itself to trialling reform via whole of District reform initiatives, and Government’s support for ensuring that any such initiative involves a genuine partnership between the government and the non-government sector. From our perspective, we would be keen to also see the strong ‘buy in’ of the philanthropic sector to an initiative of this kind, given the potential of genuine system reform to enhance the overall wellbeing of our society.

On a related note, is the need to address the chronic over-representation of Aboriginal children in the child protection, out-of-home care and juvenile justice systems, and to support the Aboriginal community self-determination principles, consistent with the recommendations laid out in the *Family is Culture* Report. This will require significant investment in capacity building, and a true partnership approach that involves Aboriginal community leaders and Aboriginal Community Controlled Organisations (ACCOs) taking key leadership roles in designing an effective service system.

ACWA is calling for government investment into large-scale system transformation reform that will improve the efficiency of the system and more effectively address the needs of vulnerable children and families in communities throughout NSW, including addressing longstanding issues affecting Aboriginal communities.

2. Supporting vulnerable families and safeguarding permanency outcomes

A key area of ACWA’s advocacy work has been around securing adequate funding for family support and preservation programs. [Attached](#) is a submission to the Minister that we prepared late last year, which was subsequently endorsed by FAMS and AbSec, on the importance of ongoing and adequate funding for these programs. Services that work in this area, play a critical role in strengthening the capacity of parents to safely care for their children.

We commend the NSW Government’s 2020-2021 Budget commitment to continue supporting intervention programs that have demonstrated success in keeping families safely together. Our member agencies have indicated a strong desire to continue to work on initiatives that will improve outcomes for vulnerable families under these programs.

On a related note, there is the need to ensure adequate funding for agencies that are supporting children and their families post the restoration of a child. Regarding this critical area of work, our agencies have advised that there is a need for guaranteed flexibility in the available funding provided, to ensure that ongoing supports can be provided post restoration, that align with the needs of the child and their family.

ACWA is calling on the NSW Government to ensure that the Permanency Support Program is adequately funded to deliver the best outcomes for children, by supporting families to successfully maintain placement permanency, particularly where restoration has occurred. Once again, the funding in this area must include initiatives that are directly focused on supporting Aboriginal children and their families.

3. Safeguarding critical service provision

In recent years, a greater focus on early intervention and family preservation has led to a steady reduction in the numbers of children entering out of home care in NSW. At the same time, NGO providers have been successful in exiting children and young people out of care into permanent placements with family, guardians or adoptive parents, consistent with the aims of the Permanency Support Program (PSP). While this clearly points to a level of practice and program success, certain smaller providers are finding it difficult to fund their general operating costs, as the number of children in out-of-home care who they are supporting decreases.

In terms of efficiency and diversity of service provision in the sector, this is an area that needs to be closely examined, to ensure that all high quality out-of-home care services are receiving adequate funding to maintain the viability of their operations, while delivering the best possible outcomes for vulnerable children, young people and their families.

ACWA is seeking a government commitment to work with the sector to avoid any unnecessary nexus between program success and threats to the business viability of small, high quality, out-of-home care services. In this regard, a joint review of the core operational costs to deliver these services should form part of developing a plan to ensure the ongoing business viability of providers.

4. Funding a consistent approach to leaving care and after care

ACWA notes and supports the Home Stretch campaign, which seeks a commitment from the NSW Government to extend the age that young people are able to stay in care, from 18 to 21 years.

ACWA takes the view that, given the vulnerability of many young people who leave care, and the very significant challenges that vulnerable 18-year-olds can face in their transition to adulthood, there are good public policy reasons to provide guaranteed ongoing support for any young person who wants to remain in care until 21.

However, in making this observation, we note it is also vitally important that services are fully utilising the current leaving care processes, in attempting to provide the involved young people with the right support to meet their post care needs. On this issue, ACWA has advocated for, and supports, the Office of the Children's Guardian's (OCG) current review of the circumstances of a significant cohort of young people who have left care during the COVID-19 period. Furthermore, we have advocated for the establishment of a joint government/non-government steering committee, to work with the OCG on identifying and embedding best practice relating to supporting young people leaving care.

Integral to the work of the soon to be established steering committee, will be the importance of ensuring that funding is made available to meet the needs of all individual young people who leave care. In this regard, there is overwhelming evidence demonstrating that support for these young people during this vulnerable time in their lives, delivers good outcomes, not only for them but also for the broader community.

ACWA is supporting the Home Stretch campaign and on a separate but related note, is keen to work with government and the OCG on improving leaving care practice and seeks government's strong support for guaranteed funding that is consistent with good practice in this critical area.

5. Additional funding for Intensive Care (ITC) services

Young people in out of home care who are in ITC residential services, are some of the most vulnerable in this State.

Over the past 12 months, ACWA has undertaken strong advocacy around the need to address the significant shortfall in funding for these services. ACWA has also provided detailed evidence to support our sector's claim that funding under this program is inadequate.

In fact, the funding shortfall for each individual agency providing these services is in the millions of dollars. If this funding shortfall is not addressed, providers will be put in the unenviable position of having to consider whether to transition their services out of the ITC program.

ACWA is calling on the NSW Government to provide additional funding to address the existing shortfall in Intensive Therapeutic Care funding.

6. Workforce development and training

The ongoing resilience of NSW's child protection system is reliant on having a strong and skilled workforce that can effectively respond to ever-changing needs. In this regard, well planned and executed workforce development is essential.

In a bid to address this longstanding need, ACWA will be working with the DCJ and non-government stakeholders to design and implement an integrated Workforce Development and Training Strategy that will deliver a disciplined and consistent approach to identifying, and equipping child and family workers with, the requisite skills and knowledge needed to deliver a high quality response to vulnerable children and families in our community. This strategy will seek to target the needs of both NGO and government practitioners, who must often work together to support at-risk children and families, and who have many common training and development needs.

It is ACWA's view that this joined up approach to workforce development and training will achieve far greater efficiency than the fragmented approach that currently exists within the sector. In this regard, ACWA is committed to investing significantly in this initiative, and is keen to see the government join us in a genuine partnership to strengthen and future proof the child and family sector workforce.

ACWA is seeking funding to support the design and implementation of a joint Workforce Development and Training Strategy to address the needs of the child and family sector.

7. Insurance and Workers Compensation costs

A very significant issue currently facing parts of the child and family sector, relates to increased insurance and workers compensation costs. Illustrating some challenges in this area that our agencies are facing, one of our highly regarded services was recently advised by their long-standing and large insurance company, that they would not provide cover for sexual abuse/molestation to OOHC agencies beyond this year. In addition, other agencies who work with traumatised children

and young people with very challenging behaviours, have reported escalating workers compensation costs over recent years.

Against the backdrop of significant business challenges in the areas of insurance and workers compensation, we are seeking a commitment from the NSW Government to work with our sector on finding the most efficient and cost-effective solutions to addressing the growing financial and other risks in these areas.

8. An efficient and well managed PSP contracting review process, enhancements to our joint PSP work and indexation of PSP contracts

With existing Permanency Support Program contracts due to expire in June 2022, ACWA also takes this opportunity to express our hope that the positive gains made in achieving permanency outcomes for children and young people under this reform, will continue beyond the next contract cycle. Critical to achieving this goal, will be the need for the PSP contract review and renewal process to be well managed and to instil confidence in the NGO sector that the next funding cycle will allow us all to build on, and enhance, what's been achieved for vulnerable children and families under the first phase of PSP.

In terms of enhancing practice in this area, there is a strong view within the sector that it would be highly beneficial for the 52 Permanency Coordinator positions (which are all currently sitting within DCJ) to also be drawn from, and work within, the NGO sector. In this regard, the current structural arrangements don't assist in delivering the type of partnership relationships between DCJ and NGO providers, that are essential to the development and implementation of integrated DCJ/NGO plans to achieve permanency and stability for the involved children, and to maximise joint DCJ/NGO work with their families. If DCJ and the NGO sector were to put in place effective governance arrangements that fully utilised Permanency Coordinators to drive joint and integrated DCJ/NGO practice in this critical reform area, then this would greatly enhance PSP practice and the outcomes for clients. .

In addition, ACWA would like to place on the record, our support for NCOSS's call for indexation of 3% to be applied across the community services sector.

As mentioned above, ACWA welcomes the chance to provide input into the NSW Government's 2021-2022 Budget. We hope this brief submission provides useful insight into the critical issues that we need to tackle together, to deliver better outcomes for vulnerable children, young people and their families.

If required, I am more than happy to expand on the information contained in this submission.

Yours Sincerely



Steve Kinmond, OAM
CEO ACWA

Encl. ACWA Attachment A: Letter to Minister Ward family re. Family Preservation Program Funding