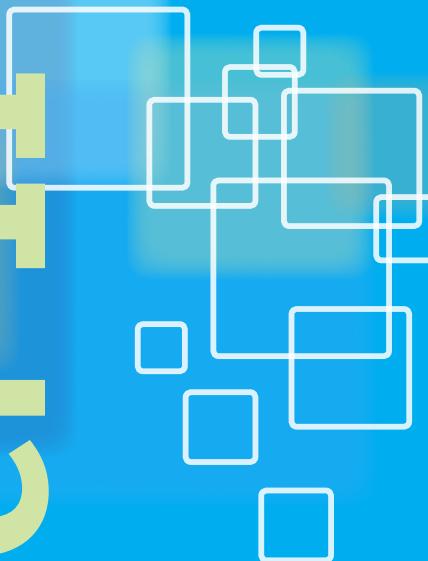


Chapter 11



Chapter 11

Funding for the child protection system

The Commission has been asked to determine:

Whether the current use of available resources across the child protection system is adequate and whether resources could be used more efficiently.¹

Paragraph 6 of the terms of reference also requires the Commissioner to make recommendations that:

... take into consideration the Interim Report of the Queensland Commission of Audit and the fiscal position of the State, and [that] should be affordable, deliverable, and provide effective and efficient outcomes.²

Many of the proposals put forward in the previous chapters might, if implemented as stand-alone initiatives, require greater financial investment in the system. These proposals include:

- increasing secondary support services to families and children at risk of entering the care system
- improving the retention rates and effectiveness of the frontline workforce
- improving case management for children and young people in the system
- providing more support for children and young people transitioning from care
- enhancing legal safeguards and processes for children, young people and their families who find themselves in the child protection system.

The terms of reference make it clear that the Commission is not to make unaffordable, undeliverable or aspirational reform recommendations that would be pointless or counterproductive. Bearing this in mind, the Commission envisages that any additional funds required to fund any of these initiatives would only be achievable to the extent that savings are able to be found in other areas of the system. The Commission notes, however, that additional short-term funding may be needed to reach improved long-term outcomes and efficiency goals and ensure the funding is not prematurely shifted

from existing services to meet the costs of proposed initiatives or priorities.

11.1 The Queensland Commission of Audit interim report

The Queensland Commission of Audit interim report released in June 2012 concluded that ‘... in recent years, the Government of Queensland embarked on an unsustainable level of spending which has jeopardised the financial position of the State’ (Queensland Commission of Audit 2012).

The Commission of Audit interim report also specified that:

In the Commission’s view, the Queensland Government cannot continue to provide services to the same level or in the same way as at present. There is a need to:

- review the range of services which should be provided by government
- reprioritise and rationalise core service delivery functions; and
- evaluate whether there may be better ways of delivering some services.

(Queensland Commission of Audit 2012, pp10–11)

Child Safety is identified as one of six key areas where there has been a marked increase in expenditure between 2000–01 and 2010–11. The report identifies the Child Safety budget as a significant funding pressure posing a notable and ongoing risk to the state’s financial position. If the current child protection system and associated funding model were to continue, this would constitute a major liability for the state (Queensland Commission of Audit 2012).

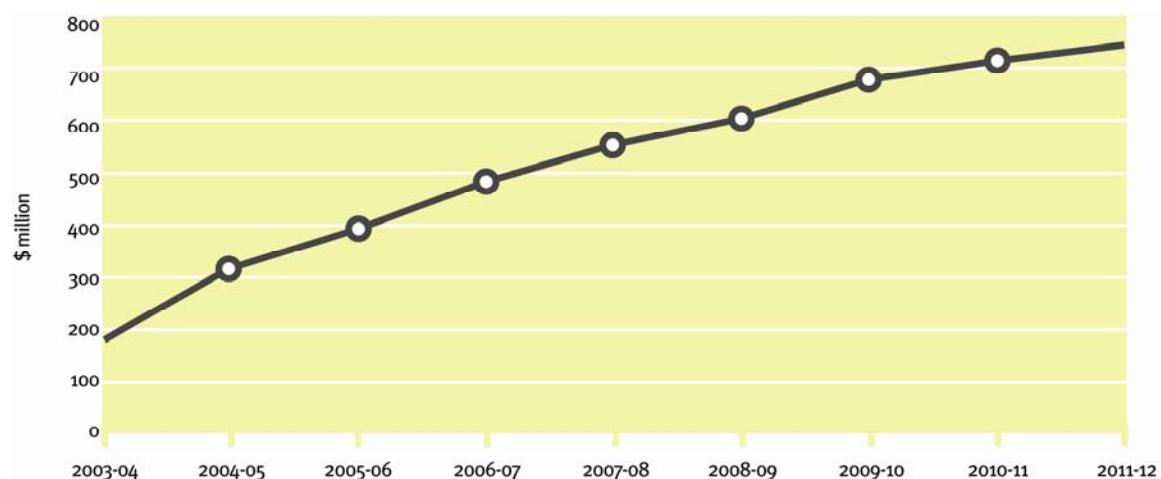
This Commission has been unambiguously tasked with positioning these budgetary issues at the centre of its consideration in reviewing the system and formulating final recommendations. The Audit Report concludes:

In the absence of any policy change, the ability to meet the increasing costs internally would appear to be limited given the increase in the number of children currently entering care is greater than population growth. The budget and policy issues influencing the increase in child protection cases are expected to be considered in the proposed Child Protection Inquiry. (Queensland Commission of Audit 2012, p135)

11.2 Previous budgets

Expenditure on child protection services has more than tripled in the last eight financial years from \$182.3 million in 2003–04 to \$735.5 million in 2011–12 at an average year on year increase of about 19 per cent per annum (Figure 23).

Figure 23: Total expenditure for the provision of child protection, out-of-home care and intensive family support services and adoptions, Queensland, 2003–04 to 2011–12



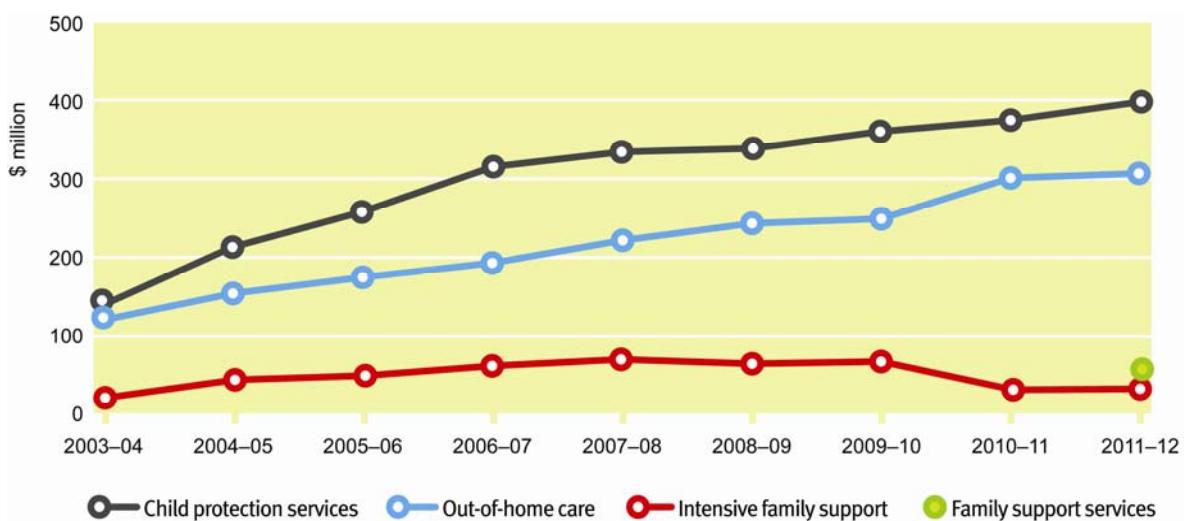
Source: Statement of Brad Swan, 14 September 2012, Attachment 1; Steering Committee for the Review of Government Service Provision 2013, Table 15A.1

Notes: Data for 2009–10, 2010–11 and 2011–12 has been updated to reflect latest data in the *Report on Government Services 2013*.

The growth in the Child Safety budget includes increases for population growth, grant indexation and enterprise bargaining. Despite these regular increases in funding, the growth shown in Figure 23 is also a result of significant injections of new funding by government in an attempt to keep pace with the number of children having contact with the child protection system.

Expenditure on child protection services reported in the Productivity Commission's *Report on government services 2013* is broken into three expense items – child protection services, out-of-home care services and intensive family support services and family support services. Intensive family support services and family support services aim, where practicable, to keep children united with family and out of the child protection system. As already proposed elsewhere in this paper, these intervention services could be considered a long-term strategy to reduce the number of children in the system, with flow-on benefits to the juvenile justice, criminal justice and welfare systems more generally.

Figure 24: Expenditure for the provision of child protection, out-of-home care and intensive family support services by type of service, Queensland, 2003–04 to 2011–12



Source: Steering Committee for the Review of Government Service Provision 2013

Notes: The data do not match Figure 23 as the expenditure data were obtained from different sources. Differences in the data may be attributed to the specific reporting requirements of the *Report on Government Services* in order to achieve a level of national consistency across all jurisdictions. Expenditure on *family support services* is included in 2011–12. These services are less intensive in nature and do not typically involve planned follow up and case management by child protection agencies (as is often the case with intensive family support services).

The data presented in Figure 24 from 2003–04 to 2011–12 indicate that expenditure on child protection services has increased 150 per cent, out-of-home care has increased 167 per cent and intensive family support services has increased 73.5 per cent. Despite the increase in funding, in 2011–12 intensive family support services only amounted to 11 per cent of all expenditure on child protection (Steering Committee for the Review of Government Service Provision 2013, Table 15A.1).

Based on evidence from hearings and submissions to date, the Commission has reported a consistent view in both the *Emerging issues* and *Options for reform* papers that, although increased funding is perceived to be needed for early intervention services, a practiced balance needs to be struck between tertiary and secondary services emphasis and funding. The funding trajectory reflected in Figure 24 suggests that government has continually injected funding into tertiary child protection services to meet demand, rather than directing funding to early intervention services to stop more fundamental and preventable problems from escalating.

From 2003–04 to 2010–11, intake numbers grew by 152 per cent, from 44,631 to 112,518.³ In the same period, the number of children living in out-of-home care grew 83 per cent, from 4,413 to 8,063.⁴ Should current policy continue, it is expected that the number of children known to Child Safety (1 in 5.4 of all Queensland children and 1 in

2.5 Aboriginal and Torres Strait Islander Queensland children in 2010–11),⁵ and the number of children in the care of the state, are likely to continue to grow. To meet demand, the funding required will also need to increase.

As highlighted in Queensland's Commission of Audit report, the current growth in child safety services expenditure is unsustainable. Based on the Commission's terms of reference, the Commission must consider ways in which child safety services in Queensland can be delivered more efficiently and effectively, with better outcomes for children.

11.3 Can costs be shifted to improve outcomes?

Ms Linda Apelt, Director-General of the various departments responsible for child safety services from 2009 to March 2012, has stated that the key cost driver for child safety services has been the increasing number of children reported because of a concern that they have been harmed or are at risk of harm (this includes emotional harm).⁶ Such reports almost tripled over the last eight years, from 44,631 in 2003–04 to 112,518 in 2010–11. However, experience has shown that fewer than half of the notifications require a full statutory intervention.⁷

Ms Apelt recommended that it would be a more efficient use of resources for the less serious concerns to be filtered, so that only the serious ones were captured by the tertiary system.⁸ The less serious concerns would then more appropriately be dealt with by universal or secondary support services. As outlined in Chapter 3, the Helping Out Families initiative, funded at \$55 million over four years, was introduced in an attempt to refocus funding and services in this way. However, Ms Apelt also expressed the view that such a refocus would require some additional funding to extend secondary services before savings could be made in the tertiary sector without putting children and young people at risk in the interim.

Several submissions to the Commission support increased funding for services in the primary and secondary sectors, with or without reduced funding of the tertiary sector. PeakCare, for instance, proposes that a new paradigm needs to be developed, looking at options for differential responses to safety or harm concerns and attendant prevention and early intervention services. In Chapter 3 of this discussion paper, proposals are made to expand the Helping Out Families initiative to provide better secondary support services to families at risk of entering the care system. This would no doubt require additional funding. If funding is to be re-directed to secondary services provided either by government or by non-government organisations, accountability for those funds must be assured.

11.4 How can current resources be used more efficiently and effectively across the system?

Based on submissions and hearings to date, the Commission has begun exploring options for more effective use of current resources for child protection in Queensland to achieve the best possible outcomes. There are a number of aspects of the current system where the Commission has identified that some changes could lead to greater efficiency.

Investigations

The *Child Protection Act 1999* provides that Child Safety may respond to a notification in one of two ways: either by investigating, or taking other appropriate action (s 14(1)). However, the *Child safety practice manual* stipulates that an investigation needs to be undertaken for every notification made to the department.⁹ Yet, figures show that only a small proportion of notifications actually require full statutory intervention. In other jurisdictions such as Victoria, there are mechanisms in place to allow cases to be screened so that, instead of an investigation, matters can be referred to a non-government organisation.¹⁰ Chapter 4, above, proposes a model similar to this.

Administrative practices

Evidence presented to the Commission so far indicates that it can take on average up to four hours for a child safety officer to process one intake after it has been received and screened and a decision has been made by a team leader about what action to take.¹¹ Considering that Child Safety recorded 114,503 intakes in 2011–12, a significant amount of time is spent by child safety officers on administrative processing when better outcomes may be achieved if they spend that time working with children and families.

Also, there is significant red tape involved in contracts between the department and non-government organisations. It may be more cost-effective to reduce some of this administrative burden to ensure a more streamlined approach and lessen the reporting burden for the non-government sector. The Commission has noted that the government has recently announced, as part of its *January–June 2013 Six month action plan* (Department of the Premier and Cabinet 2013), that it intends to:

- begin streamlining child safety licence applications and processes for non-government organisations
- begin a review to streamline contracts with non-government organisations, reducing the number of individual contracts
- begin streamlining quality standards for non-government organisations.

This work will go some way to progressing the Commission's own ideas for identifying cost savings to fund other priorities for child protection.

Grant payments – value for money

In 2011–12, about \$249 million was paid in grants to the non-government sector for the provision of services in the child protection system. This included funding for foster and kinship care, intensive foster care, residential care, supported independent living, counselling and intervention services, sexual abuse counselling, recognised entities and peak agencies.¹² Chapter 9 describes current oversight and accountability mechanisms in the child protection system. The Commission needs to investigate the extent to which accountability frameworks for the expenditure of funding by non-government organisations could be improved, to ensure that government is receiving the best value for money in terms of outcomes for clients and taxpayers.

Secondary sector

Increased investment in the secondary sector could in the long term prevent children from entering the tertiary sector, and also reduce demands on the welfare and justice sectors in the longer term. Evidence received by the Commission to date on the effectiveness of the Helping Out Families pilot provides some confirmation of these assumptions.

Overall, the Commission will look for cashable savings together with efficiency gains which may enable a reallocation of resources to high priority areas and to the highest-'yielding' services. The above list is by no means meant to be definitive or comprehensive, and the Commission welcomes other suggestions and ideas for consideration in the final report.

Question 46

Where in the child protection system can savings or efficiencies be identified?

The Commission is still assessing the current allocation of resources across the Queensland child protection system. The cost implications of any of the proposals considered in this paper cannot be fully considered in isolation. The Commission aims to develop a package of affordable recommendations for Queensland: a 'road map' for the next 10 years.

¹ *Commissions of Inquiry Order (No. 1) 2012* s 3(c)(i).

² *Commissions of Inquiry Order (No. 1) 2012*.

³ Exhibit 9, Statement of Brad Swan, 10 August 2012, Attachment 3 [p2].

⁴ Exhibit 9, Statement of Brad Swan, 10 August 2012, Attachment 3 [p7].

⁵ Exhibit 9, Statement of Brad Swan, 10 August 2012 [p46: para 180 – p47: para 181].

⁶ Exhibit 14, Statement of Linda Apelt, 11 August 2012 [p2: para 3].

⁷ Exhibit 14, Statement of Linda Apelt, 11 August 2012 [p2: para 3].

⁸ Exhibit 14, Statement of Linda Apelt, 11 August 2012 [p2: para 4].

⁹ *Child Protection Act 1999* (Qld) s 14.

¹⁰ Transcript, Brad Swan, 13 August 2012, Brisbane [p47: line 18].

¹¹ Transcript, Brad Swan, 13 August 2012, Brisbane [p53: line 16].

¹² Statement of Brad Swan, 14 September 2012 [p2].

