

Chapter 1

Introduction

1.1 In 2013, the first report to the Australian Parliament by the National Children's Commissioner highlighted serious concerns about Australia's out-of-home care system, particularly the significant increase in the number of children placed in out-of-home care, including disproportionate numbers of Aboriginal and Torres Strait Islander children.¹

1.2 Over the past fifteen years, the number of children and young people entering and remaining in statutory out-of-home care (including relative/kinship care, foster care and residential care arrangements) has more than doubled. Aboriginal and Torres Strait Islander children and young people are almost ten times more likely to be placed in out-of-home care than their peers.

1.3 Evidence suggests that children and young people in out-of-home care experience poor outcomes across a range of indicators. When the leave care, they are more likely to experience homelessness, drug and alcohol problems and physical and sexual abuse than their peers.

1.4 This inquiry addresses the intractable and complex issues facing current Commonwealth, state and territory governments to improve Australia's child protection systems to ensure they facilitate positive outcomes for all children and families affected by out-of-home care.

Establishment of the inquiry

1.5 On 17 July 2014, the Senate referred the following matter to the Senate Community Affairs References committee (committee) for inquiry and report by the second sitting week in February 2015:

Out of home care, including;

- (a) drivers of the increase in the number of children placed in out of home care, types of care that are increasing and demographics of the children in care;
- (b) the outcomes for children in out of home care (including kinship care, foster care and residential care) versus staying in the home;
- (c) current models for out of home care, including kinship care, foster care and residential care;
- (d) current cost of Australia's approach to care and protection;
- (e) consistency of approach to out of home care around Australia;
- (f) what are the supports available for relative/kinship care, foster care and residential care;
- (g) best practice in out of home care in Australia and internationally;

1 National Children's Commissioner, *Children's Rights Report 2013*, Australian Human Rights Commission, 5 November 2013, pp 25–26.

- (h) consultation with individuals, families and communities affected by removal of children from the home;
- (i) extent of children in out of home care remaining connected to their family of origin; and
- (j) best practice solutions for supporting children in vulnerable family situations including early intervention.²

1.6 On 4 December 2014, the Senate granted an extension of time for reporting until 13 May 2015.³ On 12 May 2015, the Senate granted an additional extension of time for reporting until 12 August 2015.⁴ On 11 August 2015 and 18 August 2015, the Senate granted further extensions to 18 August 2015 and 19 August 2015.⁵

The committee's areas of interest

1.7 The committee has a long-standing commitment to investigating statutory and informal child protection systems to improve outcomes for all Australians. The committee's previous inquiries into past practices of forced adoptions and child institutionalisation and current practices of grandparents caring for grandchildren have highlighted and addressed significant issues in the way governments support children entrusted to state care.⁶

1.8 In this report, the committee examines why so many children and young people, particularly from Aboriginal and Torres Strait Islander communities, are entering and remaining in out-of-home care. The committee examines how children and young people can be better supported to remain with their families, where possible.

1.9 The committee acknowledges the significant challenge in addressing the complex and difficult problems facing the out-of-home care system. By bringing together evidence from across Australia, the committee assesses the size and scope of the problems in out-of-home care, and possible options to improve the outcomes for children and young people, their families and their carers.

1.10 The committee examines what works and what doesn't in Australia's existing out-of-home care systems, and what can be learned from successful models across Australia and overseas.

Structure of report

1.11 This report has 10 chapters:

2 *Journals of the Senate*, No. 45–17 July 2014, p. 1239.

3 *Journals of the Senate*, No. 74–4 December 2014, p. 1986.

4 *Journals of the Senate*, No. 92–12 May 2015, p. 2555.

5 See: *Journals of the Senate*, No. 104 – 22 August 2015, p. 2898; *Journals of the Senate*, No. 108–18 August 2015, p. 2612.

6 See: Senate Community Affairs Committee, *Completed inquiries and reports*, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs/completed_inquiries (accessed 10 August 2015).

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- chapter 2 outlines the current out-of-home care framework in Australia;
 - chapter 3 examines the drivers for the growth in number of children and young people in out-of-home care;
 - chapter 4 examines the outcomes for children in out-of-home care and the standards by which outcomes are measured;
 - chapter 5 explores the outcomes for families affected by child removal, including early intervention programs;
 - chapter 6 examines the current models and supports across jurisdictions for foster care, relative/kinship care and residential care, including best practice models;
 - chapter 7 assesses the suitability of other permanent care options for children and young people outside, including permanent care orders and adoption;
 - chapter 8 examines the particular needs of Aboriginal and Torres Strait Islander children and their communities, including best practice models;
 - chapter 9 examines the particular needs of specific groups, including children and families with disabilities and migrant or other minority cultural groups;
 - chapter 10 summarises the committee's recommendations.

Conduct of the inquiry

1.12 The committee advertised the inquiry in *The Australian* on 17 September 2014. Details of the inquiry were placed on the committee's website and the committee wrote to over 80 organisations, inviting submissions by 31 October 2014. Submissions continued to be accepted after that date.

1.13 The committee received 108 submissions from a range of individuals and organisations, including children and parents, foster carers, support organisations, peak bodies, researchers and state and territory governments. In addition, the committee received 151 responses to a submission template prepared by Australian Legislative Ethics Commission. A list of the individuals and organisations that made submissions is provided at Appendix 1.

1.14 The committee held seven public hearings throughout Australia:

- Perth on 16 February 2015;
- Sydney on 18 February 2015;
- Hobart on 12 March 2015;
- Melbourne on 20 March 2015;
- Darwin on 1 and 2 April 2015;
- Canberra on 16 April 2015; and
- Brisbane on 17 April 2015.

1.15 Transcripts of the hearings are available on the committee's website,⁷ and a list of the witnesses who gave public evidence at the hearings is provided at Appendix 2.

Acknowledgements

1.16 The committee is grateful to all individuals, organisations and governments that have assisted the committee with its inquiry.

1.17 The committee extends its sincere thanks to those children and young people, parents and carers who shared their personal accounts and experiences of the child protection system.

1.18 The committee is also particularly grateful for the cooperation of Commonwealth, state and territory government departments and the non-government sector in providing assistance to address this significant national issue.

Key concepts

Definition of out-of-home care

1.19 For the purposes of this report, the committee defines out of home care as services that provide care for children and young people aged 0–17 years who are placed away from their parents or family home for reasons of safety or family crisis.⁸

Types of care

1.20 Box 1.1 outlines the five main types of statutory out-of-home care, as defined by the Australian Institute of Health and Welfare (AIHW).

7 See: Senate Community Affairs Committee, http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Community_Affairs, (accessed 7 August 2015).

8 Productivity Commission, *Report on Government Services*, 2015, Chapter 15: Child protection, p. 15.3.

Box 1.1 – Types of statutory out-of-home care

- **Home-based care:** placement in the home of a carer who is reimbursed (or who has been offered but declined reimbursement) for expenses for the care of the child. This is broken down into the three subcategories:
 - **relative/kinship care**—where the caregiver is a relative (other than parents), considered to be family or a close friend, or is a member of the child or young person’s community (in accordance with their culture) who is reimbursed (or who has been offered but declined reimbursement) by the state or territory for the care of the child;
 - **foster care**—where the care is authorised and carers are reimbursed (or were offered but declined reimbursement) by the state or territory and supported by an approved agency; and
 - **other home-based out-of-home care:** home-based care which does not fall into either of the above categories.
- **Residential care:** where placement is in a residential building whose purpose is to provide placements for children and where there are paid staff;
- **Family group homes:** homes for children provided by a department or community-sector agency which have live-in, non-salaried carers who are reimbursed and/or subsidised for the provision of care;
- **Independent living:** including private board and lead tenant households; and
- **Other:** includes placements that do not fit into the above categories and unknown placement types. This includes boarding schools, hospitals, hotels/motels and the defence forces.

Source: AIHW, *Child Protection Australia 2013–14*, AIHW: Canberra, 2013, Box 5.2.

Informal care

1.21 The committee acknowledges that in addition to children and young people in statutory out-of-home care placements, a large number of Australian children are cared for in informal arrangements with relatives and kin.⁹ Ms Meredith Kiraly from the University of Melbourne estimated that there are at least three times as many children in informal relative/kinship arrangements than statutory relative/kinship placements.¹⁰ Dr Marilyn McHugh from the Social Policy Research Centre (SPRC) at the University of NSW submitted that in relation to informal care arrangements, 'we

9 Mirabel Foundation, *Submission 36*, pp 4–6.

10 Ms Kiraly notes this estimate, based on international comparisons, is likely to underestimate the actual number of children in informal care placements. See: Ms Meredith Kiraly, A review of kinship carer surveys: the 'Cinderella' of the care system? *Child Family Community Australia*, Paper No. 31, 2015, p. 2.

know very little about the circumstances of the overall number of informal (private) kinship carers or the children in their care'.¹¹

1.22 Consistent with the findings of the committee's 2014 inquiry, *Grandparents who take primary responsibility for raising their grandchildren*, the committee acknowledges that informal kinship carers play a significant role in the lives of children for whom they care, but do not receive an adequate level of recognition or financial and practical support.¹² Support for children and young people in relative/kinship placements will be examined in detail in Chapter 6.

Key out-of-home care trends and statistics

Increase in number of children in out-of-home care

1.23 According to AIHW's *Child Protection Australia 2013–14* report, at 30 June 2014, there were 43 009 Australian children in out-of-home care. This equates to a rate of 8.1 per 1000 children in the population aged 0–17 years.¹³

1.24 Over the past fifteen years, the number of children in out-of-home care has more than doubled. Statistics compiled by the Australian Institute of Family Studies (AIFS) show that from 1999–2000 to 2013–14 the total number of children in out-of-home care has increased from 16 923 to 43 009.¹⁴ Figure 1.1 shows the sharp increase in the number of children in out-of-home care over the past decade.

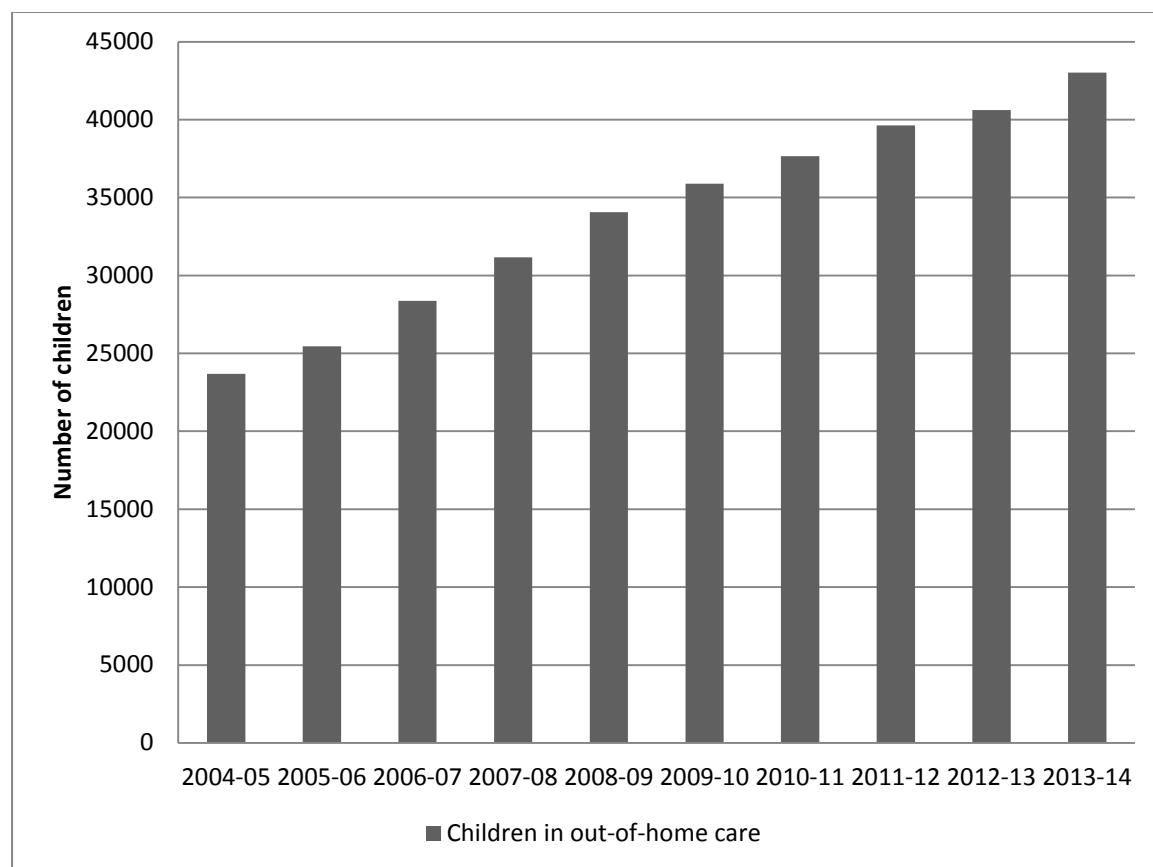
11 Quoted in: Association of Child Welfare Agencies (ACWA), *Submission 94*, p. 2.

12 See: Senate Community Affairs References Committee, *Grandparents who take primary responsibility for raising their grandchildren*, October 2014.

13 AIHW, *Child Protection Australia 2013–14*, Canberra: AIHW, 2015, p. 9. See also: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

14 AIFS, *Trends in child protection notifications and children living in out-of-home care in Australia: 1989–90 to 2013–14*, tabled 20 March 2015.

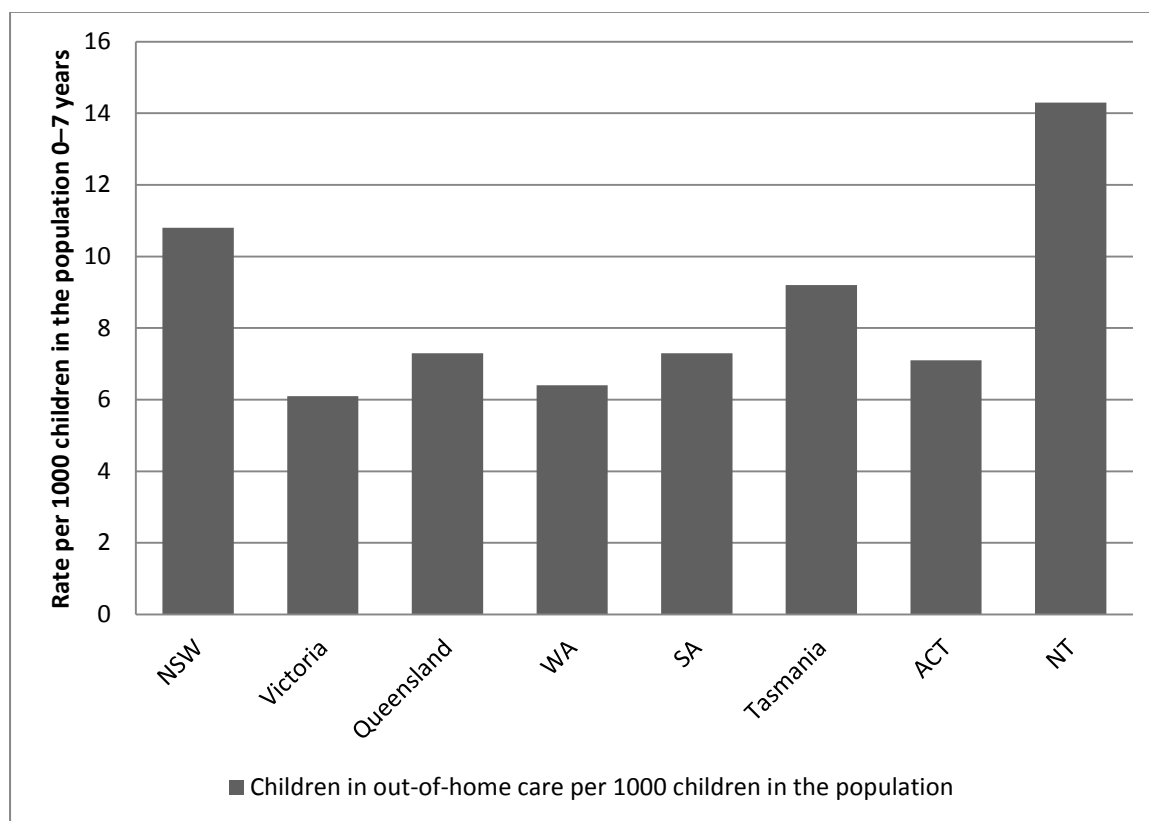
Figure 1.1 – Number of children in out-of-home care, 2004–05 to 2013–14



Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

1.25 At 30 June 2014, across jurisdictions the rate of children in out-of-home care per 1000 children in the population aged 0–17 years was highest in the Northern Territory (14.3) and New South Wales (10.8) and lowest in Victoria (6.1) and Western Australia (6.4). Figure 1.2 shows the rate of children in out-of-home care per 1 000 children in the population across jurisdictions.

Figure 1.2 – Rate of children in out-of-home care per 1000 children aged 0-17 years in the population across jurisdictions at 30 June 2014



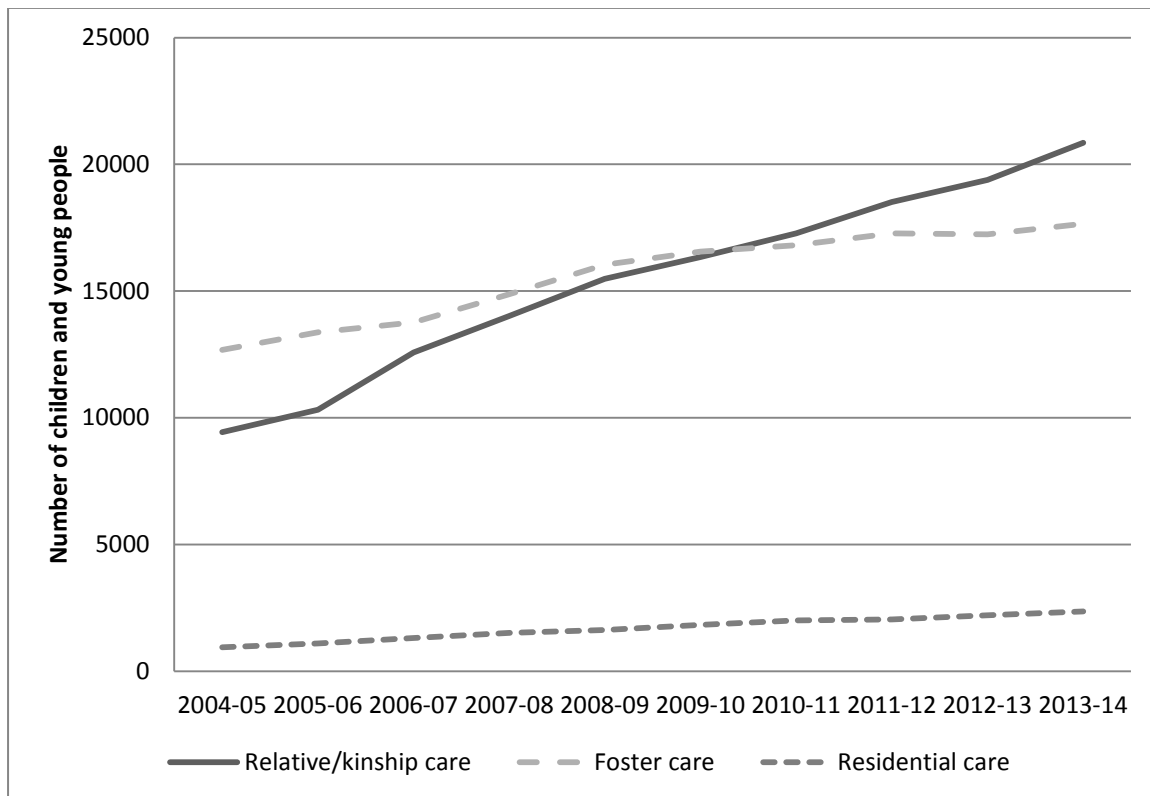
Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

Increase in relative/kinship care

1.26 Relative/kinship care placements account for the largest proportion of out-of-home care placements. According to AIHW, in 2012–13, 93.4 per cent of children in out-of-home care were in home-based placements, including 47.9 per cent placed with relatives or kin.¹⁵

1.27 Over the past decade, the number of children in relative/kinship placements has continued to increase. Figure 1.3 shows the increase in the number of placements by the three main types of care since 2004–05, highlighting the growth in kinship care.

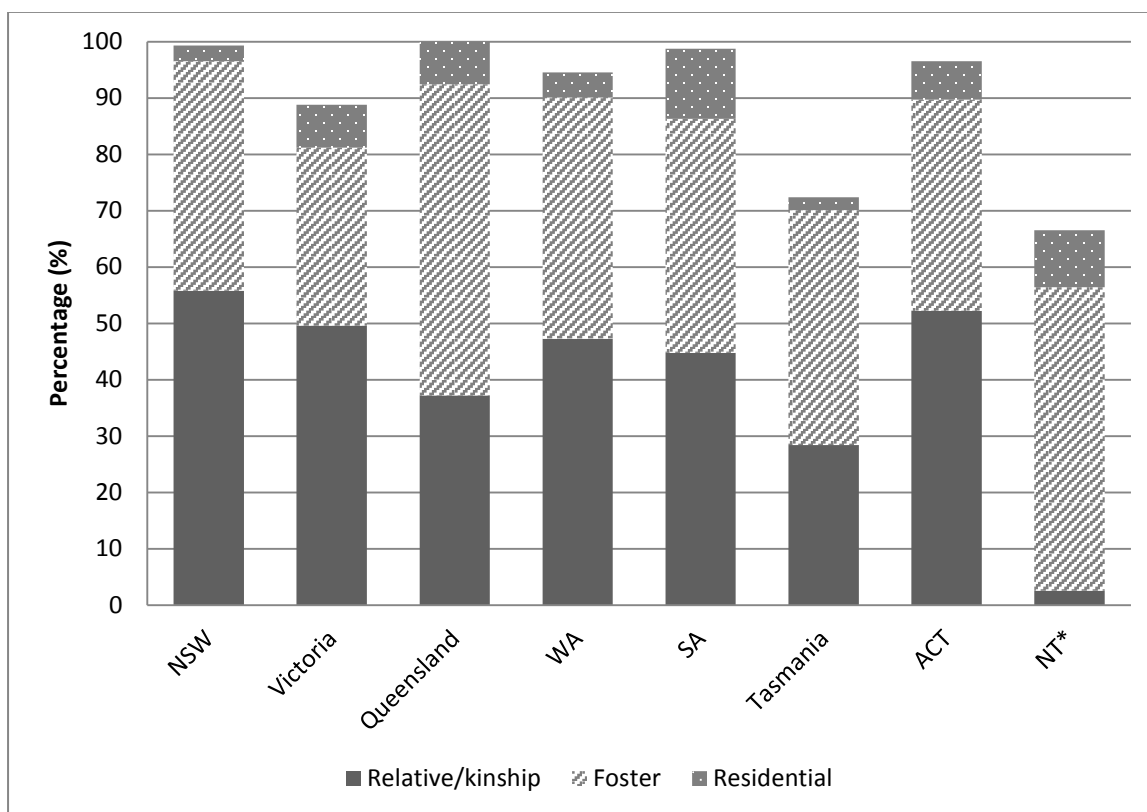
Figure 1.3 – Number of children in out-of-home care by placement type, 2004–05 to 2013–14



Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.19; AIHW, answer to question on notice, 16 April 2015 (received 20 May 2015).

1.28 Across jurisdictions, relative/kinship placements account for the largest proportion of out-of-home care placements in New South Wales, Victoria, Western Australia, South Australia and the ACT.¹⁶ Figure 1.4 shows the proportion of placements types at 30 June 2013 across jurisdictions.

Figure 1.4 – Proportion of children in main types of care across jurisdictions, 30 June 2013



* In the NT's client information system, the majority of children in a relative/kinship placement are captured in the foster care placement type.

Source: AIHW, Submission 22, Table 6.

Over-representation of Aboriginal and Torres Strait Islander children

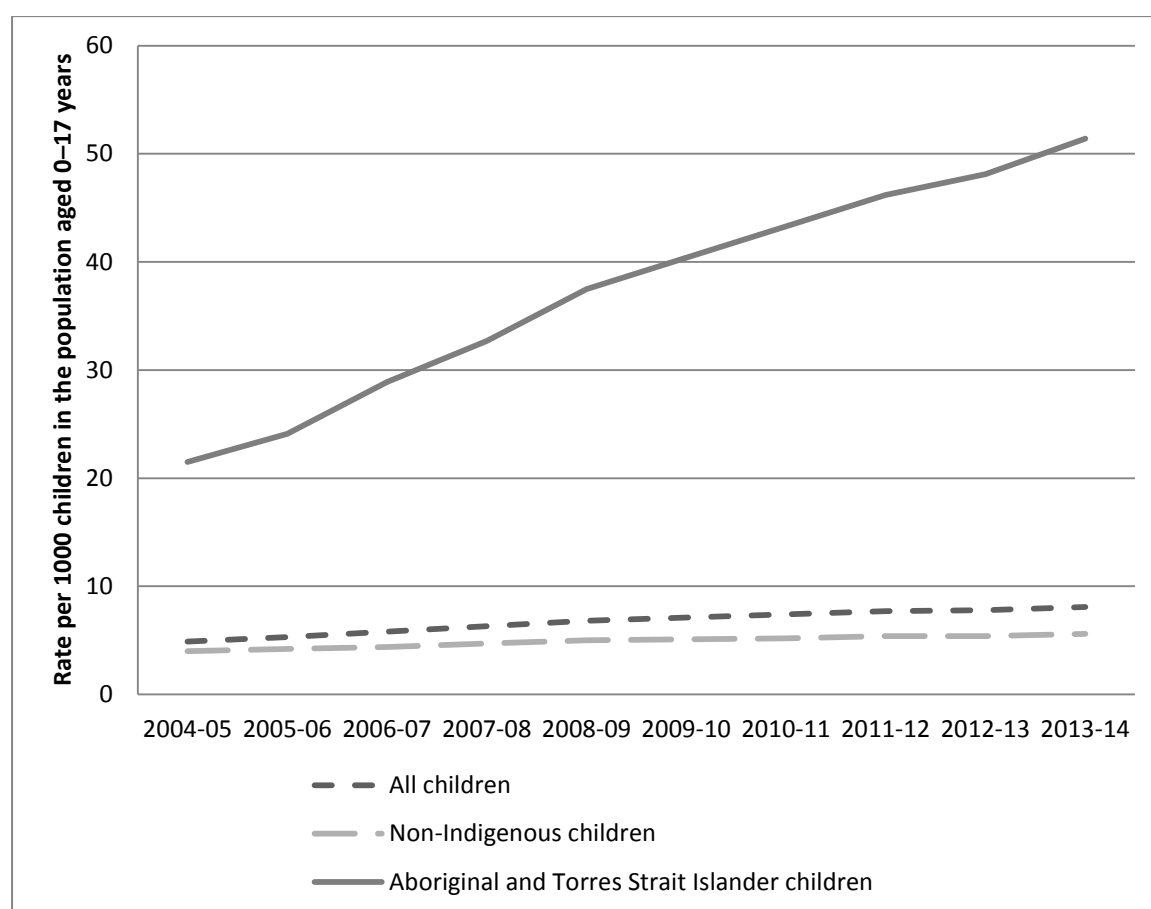
1.29 Aboriginal and Torres Strait Islander children are significantly over-represented in the out-of-home care system. Aboriginal and Torres Strait Islander children and young people account for less than five per cent of all Australian children and young people, but account for almost 35 per cent of the out-of-home care population.¹⁷ According to the latest figures from the Productivity Commission, Aboriginal and Torres Strait Islander children are over nine times more likely to be in out-of-home care than non-Indigenous children.¹⁸

17 According to the Australian Bureau of Statistics (ABS), in 2006 Aboriginal or Torres Strait Islander children and young people accounted for an estimated 4.2 per cent of all Australian children and young people. The Productivity Commission reported at 30 June 2014 Aboriginal or Torres Strait Islander children and young people accounted for 34.8 per cent of all children in out-of-home care. See: ABS, *Aboriginal and Torres Strait Islander Wellbeing: a focus on children and youth*, April 2011, and Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

18 Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

1.30 Between 2004–05 and 2013–14, the rate of Aboriginal and Torres Strait Islander children in out-of-home care per 1 000 children in the Aboriginal and Torres Strait Islander population aged 0–17 years has more than doubled from 21.5 to 51.4 compared to 4.9 to 8.1 for non-Indigenous children.¹⁹ Figure 1.5 highlights how the rate of Aboriginal and Torres Strait Islander in out-of-home care has dramatically increased at a disproportionate rate to non-Indigenous children.

Figure 1.5 – Proportion of children in out-of-home care at 30 June per 1000 children aged 0–17 in the population by Indigenous status, 2004–05 to 2013–14

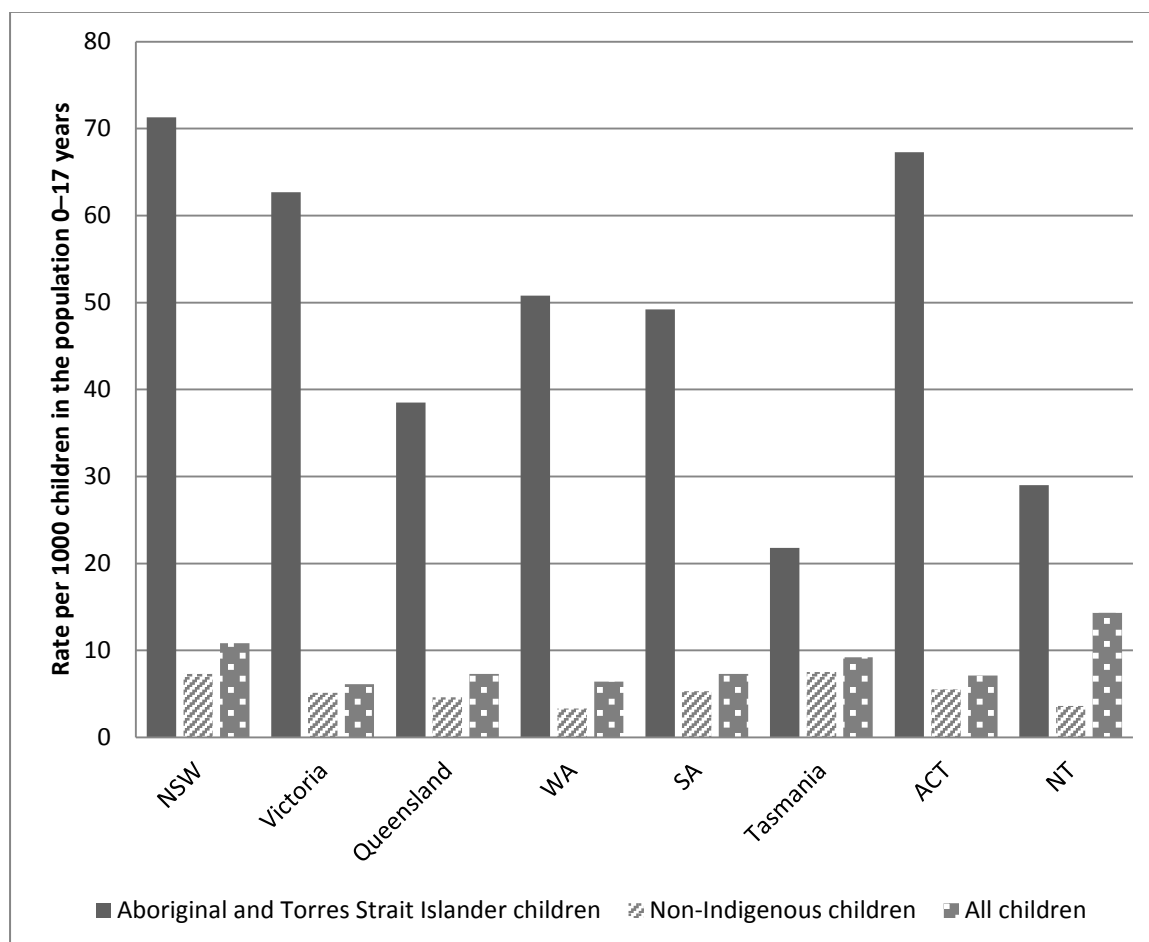


Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

1.31 Across jurisdictions, the rate of Aboriginal and Torres Strait Islander children in out-of-home care per 1000 children is highest in NSW (71.3), the ACT (67.3) and Victoria (62.7). Figure 1.6 shows how the rate of Aboriginal and Torres Strait Islander children in out-of-home care per 1000 children differs across jurisdictions.

¹⁹ Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

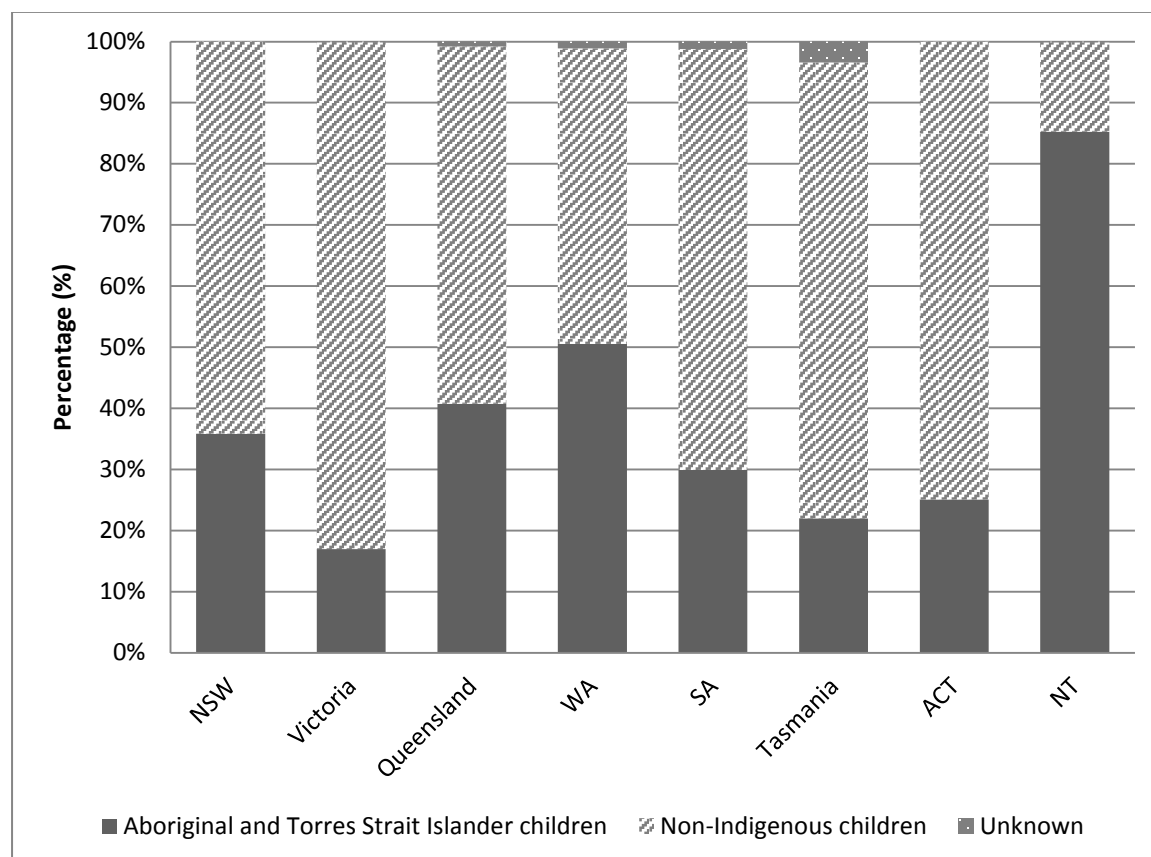
Figure 1.6 – Rate of children in out-of-home care by Indigenous status across jurisdictions, per 1000 children in the population, 30 June 2014



Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

1.32 Across jurisdictions, the proportion of Aboriginal and Torres Strait Islander children and young people in out-of-home care is highest in the Northern Territory (85 per cent), Western Australia (51 per cent) and Queensland (40 per cent). Figure 1.7 shows the proportion of Aboriginal and Torres Strait Islander and non-Indigenous children and young people in out-of-home care at 30 June 2014.

Figure 1.7 – Proportion of children in out-of-home care by Indigenous status and jurisdiction, 30 June 2014



Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.18.

Relative/kinship placements for Aboriginal and Torres Strait Islander children

1.33 According to the Productivity Commission, at 30 June 2014, 68.7 per cent of Aboriginal and Torres Strait Islander children were placed in accordance with the Aboriginal Child Placement Principle (see Box 1.2), including:

- 37.8 per cent with Indigenous relatives/kin;
- 15.1 per cent with non-Indigenous relatives/kin; and
- 15.8 per cent with other Indigenous carers or in Indigenous residential care.²⁰

20 Productivity Commission, *Report on Government Services 2015*, Table 15A.24.

Box 1.2 – Aboriginal Child Placement Principle

All jurisdictions have adopted the Aboriginal Child Placement Principle in both legislation and policy.

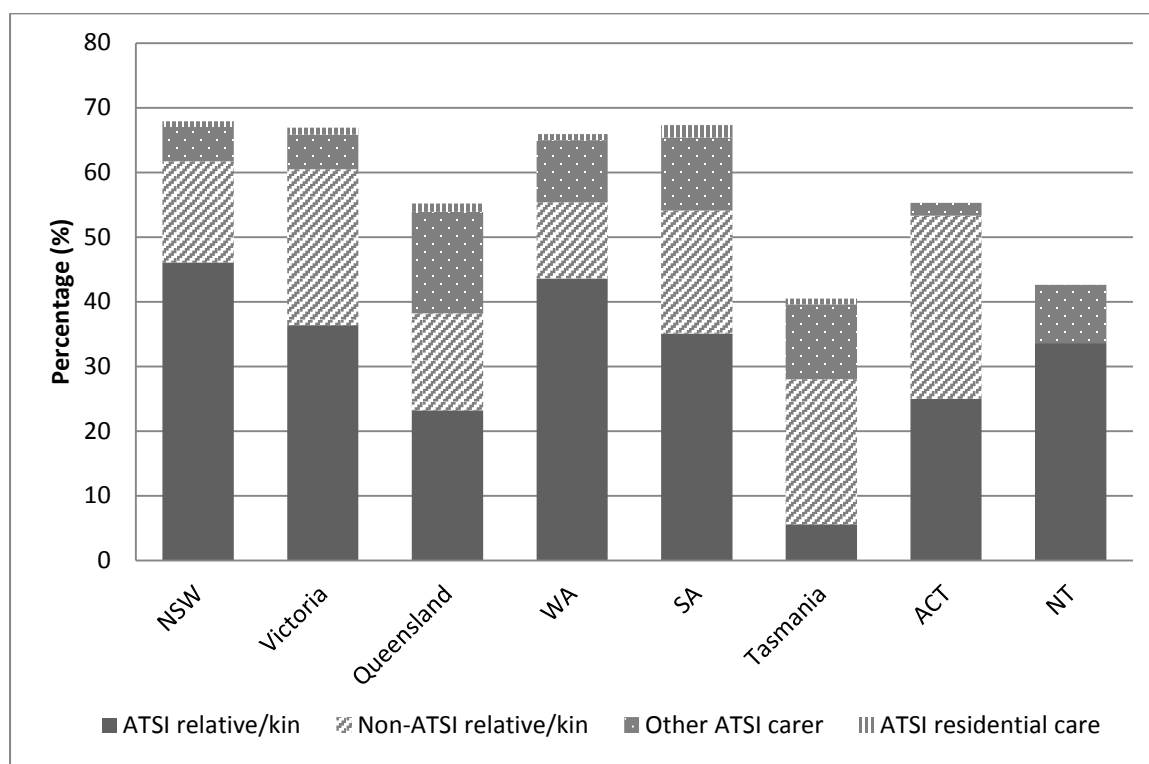
According to the principle the following hierarchy of placement options should be pursued in protecting the safety and welfare of Aboriginal and Torres Strait Islander children:

- placement with the child’s extended family (which includes Aboriginal and Torres Strait Islander and non-Indigenous relatives/kin);
- placement within the child’s Aboriginal and Torres Strait Islander community; and
- placement with other Aboriginal and Torres Strait Islander people.

Source: Productivity Commission, *Report on Government Services*, Figure 15.11, pp 15.37–15.38

1.34 Across jurisdictions, placement consistent with the principle was highest in NSW (81.4 per cent) and lowest in Tasmania (40.5 per cent). Figure 1.8 shows the proportion of placements made in accordance with the Aboriginal Child Placement Principle across jurisdictions.

Figure 1.8 – Aboriginal and Torres Strait Islander children placed in accordance with the Aboriginal Child Placement Principle by type of care, 30 June 2014



Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.24.

1.35 Further examination of the Aboriginal Child Placement Principle will be discussed in Chapter 8.

Expenditure on out-of-home care

1.36 Dr Marilyn McHugh from the Social Policy Research Centre at the University of NSW estimates that the total cost of child abuse and neglect to Australian, state and territory governments is around \$6 billion. This includes the costs of out-of-home care now, and the future costs to the community in healthcare, education, housing and justice systems, as well as 'productivity and deadweight losses associated with ongoing welfare payments for those ill-equipped to participate in mainstream society as a result of their early trauma and neglect'.²¹

1.37 The Productivity Commission reports on the real recurrent expenditure by states and territories on out-of-home care services. 'Real' expenditure refers to expenditure adjusted for general price movements over time, so that comparisons across years are not affected by inflation.²²

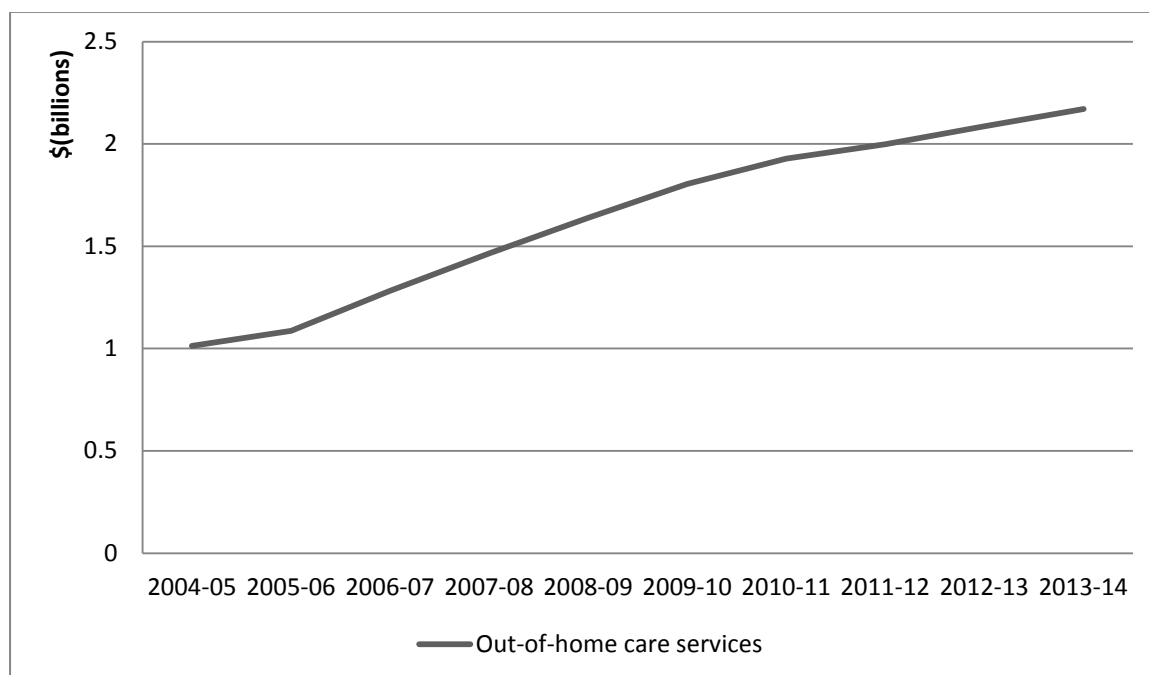
1.38 Over the past decade, expenditure on out-of-home care services has more than doubled, from \$1 billion in 2004–05 to \$2.2 billion in 2013–14.²³ Figure 1.9 shows the increase in real expenditure on out-of-home care services from 2004–05 to 2013–14.

21 Dr Marilyn McHugh, 'A Stitch in Time: Projected downstream savings to governments: foster care integrated model', University of NSW Social Policy Research Centre. See: Berry Street, *Submission 92, Attachment 3*, p. 6.

22 Productivity Commission, *Report on Government Services 2015*, pp 15.13–15.14.

23 Productivity Commission, *Report on Government Services 2015*, Table 15A.1.

Figure 1.9 – Real expenditure on out-of-home care services, 2004–05 to 2013–14

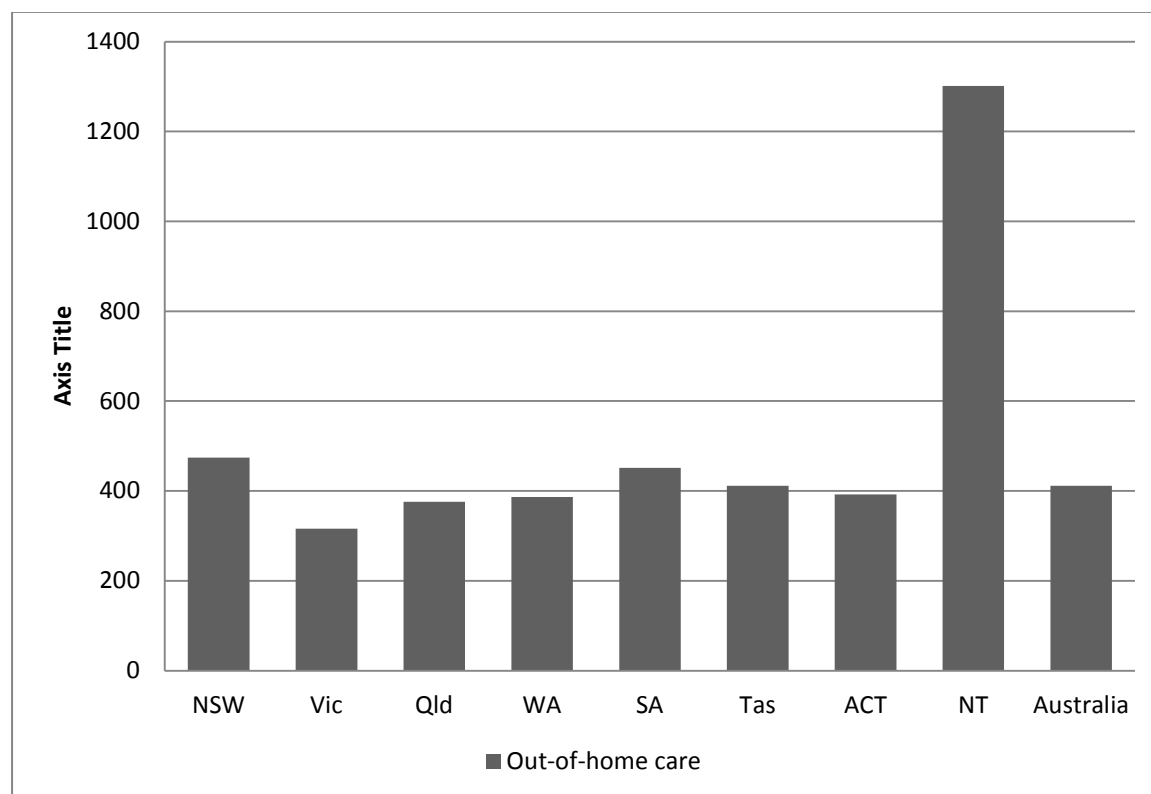


Source: Productivity Commission, *Report on Government Services 2015*, Table 15A.1.

1.39 The average expenditure on out-of-home care services per child was \$411.24 nationally for 2013–14. Across jurisdictions, the cost per child on out-of-home care differs widely from \$315.92 in Victoria to \$1301.16 in Northern Territory.²⁴ Figure 1.10 shows the real expenditure on out-of-home care services per child across jurisdictions.

24 The Productivity Commission warns data relating to annual real expenditure per child in out-of-home care need to be interpreted with care as they do not represent a measure of unit costs. Expenditure per child in care at 30 June 2014 overstates the cost per child because significantly more children are in care during a year than at a point in time. In addition, the indicator does not reflect the length of time that a child spends in care. See: Productivity Commission, *Report on Government Services 2015*, p. 15.51.

Figure 1.10 – Real expenditure per child (\$), out-of-home care services, 2013–14.



Source: Productivity Commission, *Report on Government Services 2015, Table 15A.1.*

1.40 The drivers for these trends will be examined in Chapter 3.

Committee view

1.41 Like the National Children's Commissioner, the committee is concerned that the number of children in out-of-home care across jurisdictions has continued to increase. The committee is particularly concerned by the disproportionate number of Aboriginal and Torres Strait Islander children in the out-of-home care system across jurisdictions.

1.42 The continued increase in the number of children and young people entering out-of-home care and associated costs to government indicates significant systemic failings at Commonwealth, state and territory levels to support at-risk families and prevent children entering the child protection system.

