

The economic case for early intervention in the child protection and out-of-home care system in Victoria

Report Summary

Berry Street, in collaboration with the Centre for Excellence in Child and Family Welfare and leading agencies across the child and family services sector, commissioned an independent report by Social Ventures Australia. The report has been generously funded by the Macquarie Group Foundation.

The report makes the economic case for additional, long-term investment in targeted early intervention and intensive family preservation to prevent children entering out-of-home care in Victoria.

The approach used a cost-benefit analysis to show the savings that can be achieved, and the number of children who could be prevented from entering out-of-home care, by investing in a small number of evidence-based early intervention programs at key points in Victoria's child protection and out-of-home care system.

Five programs have been used as examples of the potential impact that additional investment in early intervention could have on Victoria's child protection and out-of-home care system: SafeCare®, Functional Family Therapy – Child Welfare (FFT-CW), Multi-Systemic Therapy (MST), Multi-Systemic Therapy – Child Abuse and Neglect (MST-CAN), and Treatment Foster Care Oregon – Adolescents (TFCO-A).

These programs are all currently being delivered in some form in Australia and have been shown to be effective in supporting vulnerable children and families at different key points in the system, including by preventing children from entering out-of-home care and/or building the capacity of parents and families.

The report outlines the cost-benefit of new investment in these programs over a 10-year period and calculates the costs saved based on the reduced likelihood of children who are supported by the programs entering out-of-home care.

Message from leading agencies across the Child and Family Services Sector

The child and family services system needs to be one of hope for children and families, where they get the support that recognises their strengths and allows them to thrive. Unfortunately, in Victoria, for too many children and families, their experience of child protection is one of trauma, despair and family separation.

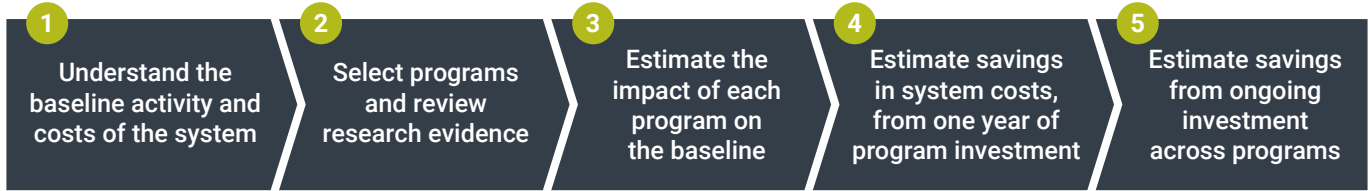
We must shift the child and family services system towards early intervention. We need to invest in effective evidence-informed services that help families stay safely together and prevent abuse and neglect happening in the first place, including recognising cultural connection as a protective factor for Aboriginal families. The Centre for Excellence in Child and Family Welfare along with leading agencies across the child and family services sector are committed to reimagining the future for children and families.

We need to challenge the common assumption that separation is necessary and that we are just protecting children from bad parenting. The reality is much more complex and with the right support at the right time we can protect children *and* keep many families safely together.

Social Ventures Australia's report sets out a compelling case for new investment in early intervention that is additional to current investment in the child and families service system. The Victorian Government must act now to ensure our most vulnerable children and families have a better future.

The approach

A cost benefit methodology was applied to estimate savings in child protection and out-of-home care costs. This involved five-steps that largely draw on available data from 2017-18 – the most recent data that is publicly available.



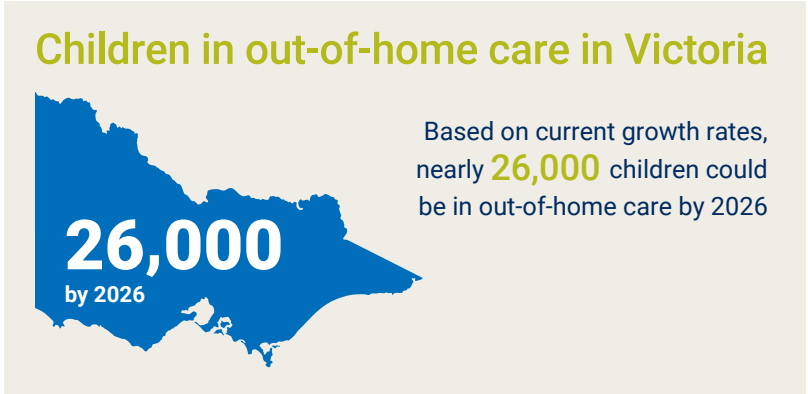
The current context

In 2017-18, over **43,000 children** were involved in the child protection and out-of-home care system in Victoria, meaning they were subject to an investigation, on a 'care and protection order' or in out-of-home care. This equates to 3.1% of all Victorian children aged 0-17 and costs \$943 million. This is projected to grow to over \$2 billion by 2026.

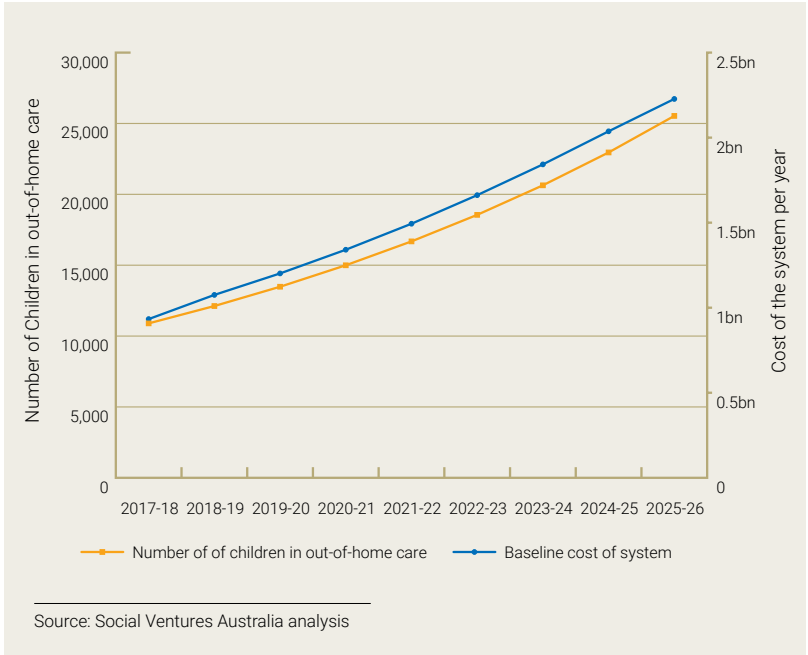
This includes nearly **11,000 children** in out-of-home care, at a cost of **\$709 million** per year. The number of children in care is growing by **11%** every year, and by **24%** for Aboriginal and Torres Strait Islander children. At this rate of growth, almost **26,000 children** will be in care by 2026.

The Victorian Government's *Roadmap to Reform: strong families, safe children* provides a vision and strategy to transform the children, youth, and family services system from one of crisis response to one of early intervention and prevention, including a shift to more effective and evidence-informed interventions.

Notwithstanding the policy direction, most of the Victorian Government's investment since 2014 has been directed towards addressing the immediate demand pressures on the child protection and out-of-home care system.



Projected growth in the number of children in out-of-home care and cost of the child protection and out-of-home care system





The opportunity by intervening early

Investing approximately **\$150 million every year over a 10-year period** will deliver cumulative **net savings of \$1.6 billion** to the child protection and out-of-home care system alone. This investment is in addition to the investment needed to maintain and meet immediate demand in the current child and family services system.

Most importantly, approximately **1,200 children** would be prevented from entering out-of-home care or progressing to residential care every year.

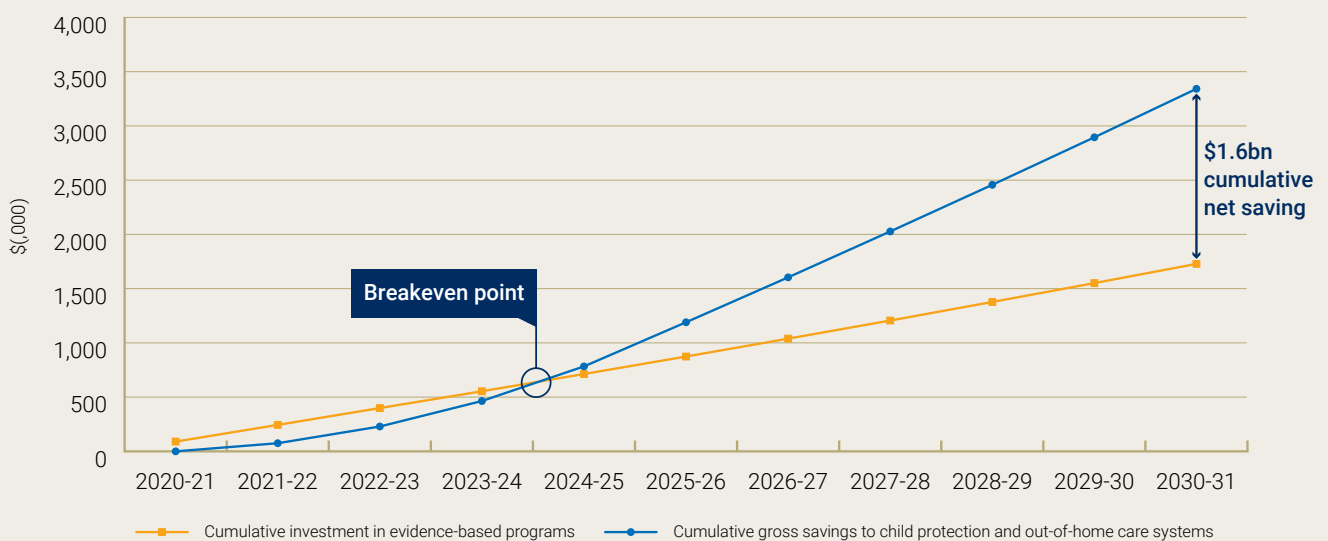
While not modelled in the report, this investment in early intervention programs will also deliver **significant savings in downstream systems**, including the justice, health and homelessness service systems.

Investment in targeted early intervention

Over ten years, every dollar invested in early intervention saves **\$2**, by ensuring children and young people are able to stay safely at home



Savings from investment in evidence-based early intervention programs



Source: Social Ventures Australia analysis



What is early intervention?

When working with children and families experiencing vulnerability, there is clear value in intervening early to prevent situations from escalating. 'Early intervention' in the child and family services context encompasses actions that support families to stay safely together, prevent entry into out-of-home care, improve outcomes for Victorian children in out-of-home care, and support them to reunify with their families.

A component of early intervention includes a shift to evidence-based programs that are proven to make a greater difference in the lives of children and families. Evidence-based programs are becoming an increasingly important addition to the child protection and out-of-home care system and build upon the existing family services platform to help reorient the system toward early intervention.

Several programs developed and evaluated overseas have now been adopted in Australia in various states and territories. Five programs have been used in this analysis

as an example of the potential impact which additional investment in early intervention could have on Victoria's child protection and out-of-home care system.

Early intervention for Aboriginal and Torres Strait Islander children

Early intervention for Aboriginal families and children must be approached in the context of self-determination. Given the over-representation of Aboriginal children in out-of-home care, there is a need for investment in effective early interventions that keep Aboriginal families safely together. Decisions on what early intervention looks like for Aboriginal families and children must be owned and directed by Aboriginal organisations and communities. This includes recognising Aboriginal Community Controlled Organisations' strong desire to build an evidence base for cultural healing approaches.

View the full report at
www.berrystreet.org.au/early-intervention

Funded by the Macquarie Group Foundation



About Social Ventures Australia

Social Ventures Australia (SVA) is a not-for-profit organisation that works with partners to alleviate disadvantage – towards an Australia where all people and communities thrive. SVA influences systems to deliver better social outcomes for people by learning what works in communities, helping organisations be more effective, sharing our perspectives and advocating for change.