

Keeping families together through COVID-19: the strengthened case for early intervention in the child protection and out-of-home care system in Victoria

Report Summary

Foreword from the Sector

The COVID-19 pandemic has created confronting new challenges that will have immediate and lasting impacts. The impacts will not be felt equally – it is the families, children and young people already facing adversity that have been most impacted by this pandemic.

Last year we emphasised the concerning state of the child protection and out-of-home care system. We highlighted the need to reorient this system toward early intervention. The COVID-19 crisis makes the need for reform more urgent as the risk of abuse, neglect and family separation increases and, for Aboriginal families, the impact of intergenerational disadvantage, institutional racism and over-representation intensifies.

This report makes it clear that the COVID-19 pandemic has compounded an already bleak future for the child protection system. A further 4,500 children could potentially enter the out-of-home care system as a result of the COVID-19 pandemic. This could mean Victoria reaches 27,500 children in care by 2026, more than any other state or territory.

The latest analysis by Social Ventures Australia highlights that to make a significant impact on the demands that are expected on the system as a result of COVID-19 there is a need to invest in targeted early intervention now. By doing so Victoria can prevent up to 14,600 children entering care over the next ten years and save at least \$1.8 billion.

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

Investment in targeted early intervention programs can set struggling families up for success. It can improve employment and education engagement, health and wellbeing, social participation and community connectedness while also reducing the conditions leading to homelessness, chronic health problems and engagement with the justice system. Such social, human and economic capital will be essential for the Victorian community to recover from this pandemic.

For Aboriginal families, Government must invest in Aboriginal Community Controlled Organisations and communities to develop, implement and evaluate early intervention responses that are trauma-informed and culturally based. We stand beside Aboriginal Community Controlled Organisations to demand action to address the institutional factors, including institutional racism, that still result in significant over-representation of Aboriginal children in care.

The child and family services system must, now more than ever, be a place where children, young people and families can thrive. That requires an integrated child and family system with adequate and ongoing funding to deliver real impact.

We need decisive action now and an ongoing commitment to additional investment to seed change, start to improve outcomes for children and young people, and deliver long-term, economically sustainable results. As this report highlights, the social and economic benefits are clear.

A new and uncertain context

The COVID-19 pandemic has had, and continues to have, a significant impact on the Victorian community – individually, socially, and economically. Much of the real social and economic impact of the COVID-19 pandemic is currently unknown, is unpredictable and may last many years.

Predictions to date suggest the economic impact could be significant. We are already seeing that the social and economic impact is particularly being felt by those children, young people and families in our community who were already facing adversities – including those involved with the child protection system.

Aboriginal leaders have highlighted COVID-19 will compound existing adversities, including over-crowding in housing, high unemployment, poverty, and higher prevalence of mental ill-health and chronic health issues.

Research by Social Ventures Australia on behalf of Berry Street and the Centre for Excellence in Child and Family Welfare last year has already demonstrated there is a strong case for investment in early intervention to support families at risk of separation and children entering out-of-home care.

In the face of the COVID-19 pandemic, Social Ventures Australia has examined:

- The emerging impact of COVID-19 on Victoria's families
- The potential implications of COVID-19 on children, young people and families and the child protection system
- The additional benefits of increased investment in early intervention in the COVID-19 context
- The opportunity for significant reform through early intervention

The incomes of **35%** of working age Australians have declined due to COVID-19, and **1 million** Australians have lost their jobs – with women and young people hardest hit

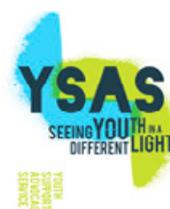


ABS

Levels of anxiety and depression have risen, with people who lost work during COVID-19 experiencing rates of psychological distress **4 times higher** than typically seen in working age Australians.

Monash University

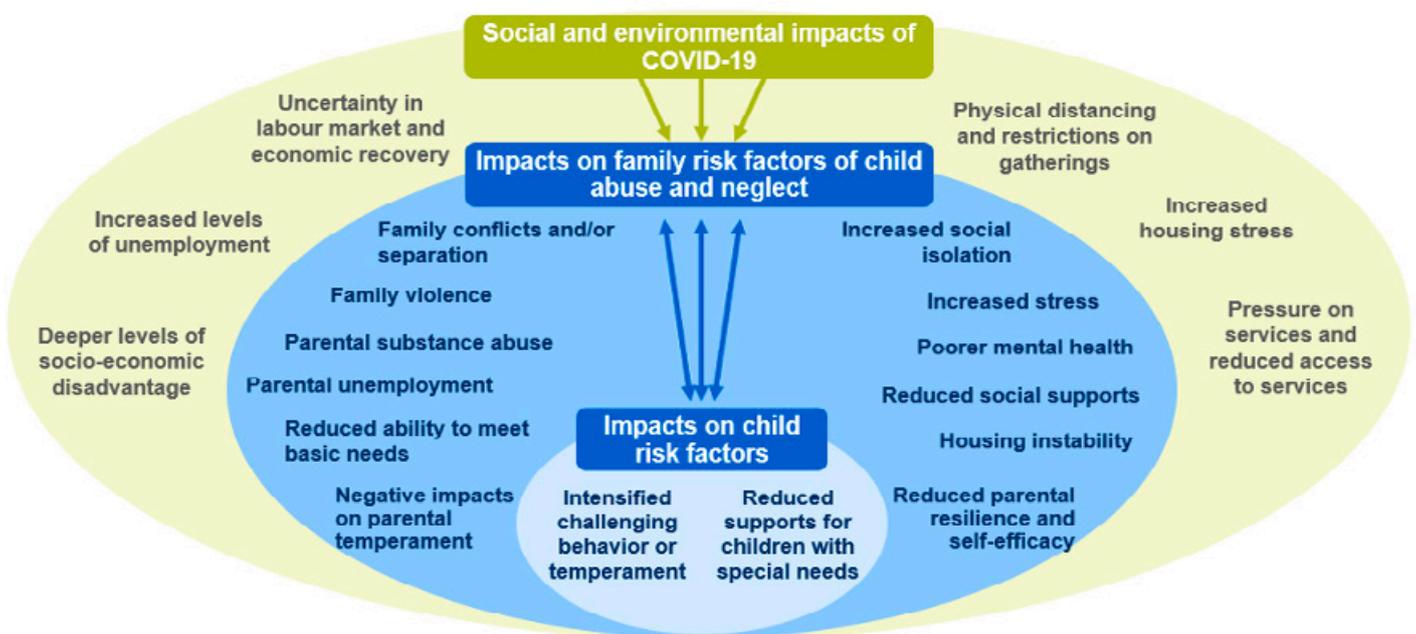
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Emerging impact of COVID-19 on families

The significant social and environmental impacts felt by all Victorians from the COVID-19 pandemic include increased social isolation and stress, poorer mental health, loss of employment and lack of access to social supports.

These, and other impacts of COVID-19, are known risk factors of child abuse and neglect. There are strong indicators that COVID-19 has increased many of the risk factors and reduced the protective factors that keep families together and children safe.



A snapshot of the impact so far

More than 50% of the unprecedented and sustained increase in calls to Lifeline expressed significant concern about the effects of COVID-19



Lifeline Australia

32% of households who have reported buying more alcohol since COVID-19 are concerned about the amount of alcohol they or a loved one is consuming



Foundation for Alcohol Research and Education

50% of surveyed Victorian family violence practitioners have observed an increase in the frequency and severity of family violence, and **42%** observed an increase in 'first-time family violence' reports



Monash University

Calls to VACCA in relation to escalations in family violence **tripled**

VACCA

The number of Australians who couldn't pay their rent or mortgage on time has **more than doubled**

ANU

Future scenarios: Impact of COVID-19 on child protection

Given the high levels of uncertainty about the future, hypotheses of three future scenarios have been used to illustrate what could happen to the demand for child protection services in Victoria as a result of COVID-19. This will assist the sector and government in preparing for how they may need to respond.

	Health response/ impact:	Economic recovery:	Other community/institutional impacts across Victoria	Impact on vulnerable families:	Possible impacts to child protection and out-of-home care (approx):
Lower: Constrained pandemic, faster recovery	<ul style="list-style-type: none"> Rapid/effective containment – short and sharp peak in cases Steady eradication of the virus from mid-2020 	<ul style="list-style-type: none"> Economic recovery from mid-2020 Businesses able to retain workforce and quickly adapt 	<ul style="list-style-type: none"> Social/justice institutions adapt to new normal Backlogs in family violence-related/child protection court cases return to usual levels Community/social activities resume, providing informal protective barriers around families 	<ul style="list-style-type: none"> Unemployment peaks at 10%, many parents return to work quickly, but some take up to two years Sufficient support in place to meet basic needs of parents experiencing unemployment Parents have been home with children, socially isolated from support networks leading to: family conflicts; more separations; and children exposed more to parent stress/anxiety, family violence or increased alcohol misuse. 	<div style="background-color: #90EE90; padding: 5px; text-align: center;"> <p>Demand for child protection rises by 5% for 2 years </p> <p>24,000¹ </p> <p>Children in OOHC by 2026</p> </div>
Medium: Prolonged pandemic, slower recovery	<ul style="list-style-type: none"> Containment measures unsuccessful Physical distancing and stay at home directions required to manage new outbreaks Vaccine not available until mid-2021 	<ul style="list-style-type: none"> Economic activity constrained until vaccine available Business confidence falls Government stimulus insufficient to avoid high unemployment 	<ul style="list-style-type: none"> Social/justice institutions have a patchy resumption Backlogs in family violence-related/child protection court cases grow Community/social activities remain limited, resulting in more isolation and disadvantage 	<ul style="list-style-type: none"> Parents experiencing unemployment take longer to return to work (up to three years) making it harder to address basic needs Families already experiencing socio-economic disadvantage are hardest hit Family conflicts escalate, even more parents separate – poor mental health and substance abuse increases. Children struggle to adapt and stay connected, with many schools closed or restricted 	<div style="background-color: #FFD700; padding: 5px; text-align: center;"> <p>Demand for child protection rises by 10% for 3 years </p> <p>25,000² </p> <p>Children in OOHC by 2026</p> </div>
Severe: Severe, rolling pandemics; protracted recovery	<ul style="list-style-type: none"> Containment measures unsuccessful Recurring outbreaks mean lockdown measures continue for long periods Vaccine not widely available until at least 2022 	<ul style="list-style-type: none"> Restarting economy too early results in ongoing waves of infections More businesses close, unemployment increases and persists 	<ul style="list-style-type: none"> Social/justice institutions continue to be severely restricted Backlogs in family violence-related/child protection court cases grow significantly Community/social activities significantly impeded, entrenching isolation and disadvantage 	<ul style="list-style-type: none"> Unemployment exceeds 10% and is very slow to recover. Younger/long-term unemployed parents are impacted most More families dependent on government-funded payments/support Financial stress/extended periods of isolation increase family conflicts, impact mental health and escalate other issues Services overrun; can only respond to families in crisis 	<div style="background-color: #FF0000; padding: 5px; text-align: center;"> <p>Demand for child protection rises by 20% for 5 years </p> <p>27,500³ </p> <p>Children in OOHC by 2026</p> </div>

1 Based on the rate of Victorian children in out of home care increasing 5% above projected figures in FY21 and FY22, then continuing to grow at historical rate of 8% per year

2 Based on the rate of Victorian children in out of home care increasing 10% above projected figures in FY21 to FY23, then continuing to grow at historical rate of 8% per year

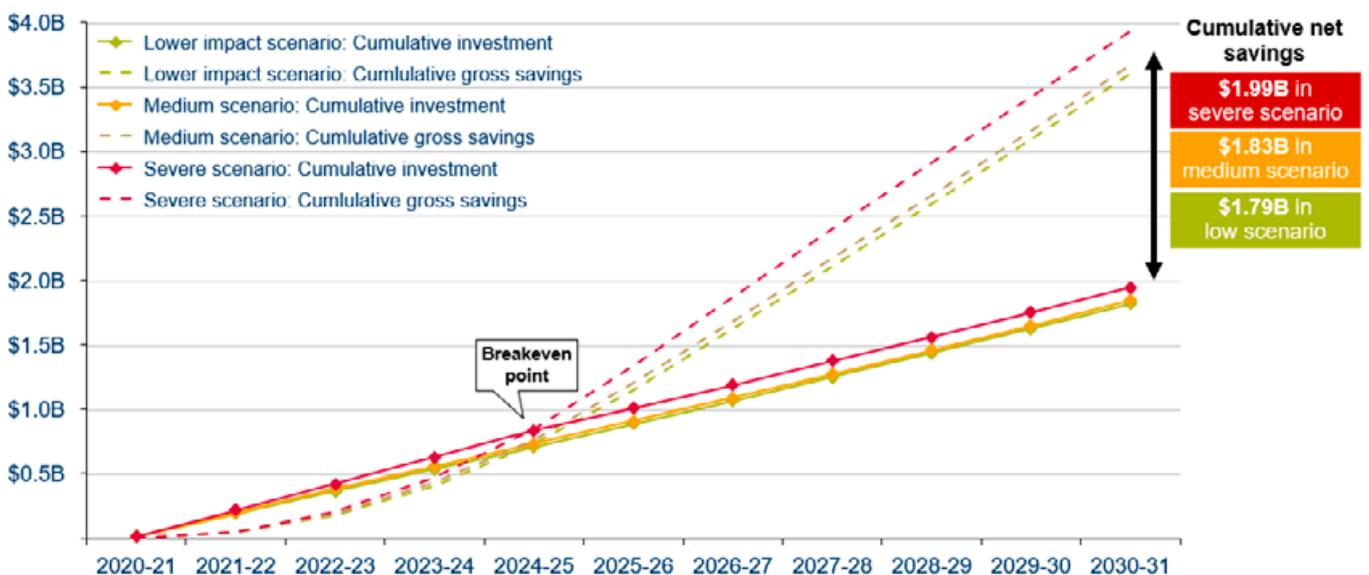
3 Based on the rate of Victorian children in out of home care increasing 20% above projected figures in FY21 to FY25, then continuing to grow at historical rate of 8% per year

Benefits of investment in early intervention⁴

The Report shows additional, sustained investment in early intervention programs can assist families before issues escalate and result in family breakdown, separation and children entering out-of-home care. The result is significant cost savings to the child protection and out-of-home care systems and, most importantly, keeping families safely together.

	Lower impact scenario	Medium impact scenario	Severe impact scenario
Additional investment average per year over 10 years	\$181M	\$183M	\$193M
Cumulative net savings in child protection and out-of-home care system costs over 10 years	\$1.79B	\$1.83B	\$1.99B
Improved outcomes: Additional families supported evidence-based programs and children avoiding out-of-home care	8,000 children in evidence-based programs per year	8,400 children in evidence-based programs per year	9,150 children in evidence-based programs per year
	1,280 children avoid OOHC	1,340 children avoid OOHC	1,460 children avoid OOHC

Savings from investment in evidence-based early intervention programs – future scenarios



⁴ Assumes a 10-year investment commencing in the second half of FY20-21 with an initial establishment period of 6 months. Service delivery of the additional early intervention programs is assumed to start in FY21-22 for a duration of 10 years. Costs and savings are based on FY18-19 system costs and program costs in FY19-20 dollars indexed at 1.9% annually. Savings assume FY18-19 system costs are constant over the 10 years, i.e. do not factor in any projected growth in the number of children or costs in the child protection and out-of-home care system over time.



Opportunity for significant reform through early intervention

The report shows the significant impact that additional investment in targeted early intervention can deliver to Victorian children and families. This investment in targeted early intervention must sit alongside and in addition to ongoing investment and reforms aimed at strengthening the foundations and addressing gaps in the child and family services system, including family services, kinship care and leaving care supports. These reforms must also strengthen efforts to address the over-representation of Aboriginal and Torres Strait Islander children in out-of-home care, which is a result of continued institutional racism and perpetuates intergenerational trauma of child removal.

Additional, sustained investment in culturally informed targeted early intervention will deliver broader social and economic impacts for Victorian children and families. The social benefits for children, young people and families include improved participation in education and employment, improved health and wellbeing, reduced risk of homelessness and involvement with the justice system and, for Aboriginal families, stronger cultural connection and cultural healing to address intergenerational experiences of racism, trauma and disadvantage. These are important contributors to ending the intergenerational cycle of adversity and disadvantage experienced by many families. The investment will also drive immediate creation of between 740-850 new jobs in early intervention services.

The implementation of additional early intervention programs needs to be purposeful and planned by both government and the child and family services sector for it to be set up for success. This must encompass coordinated planning of recruitment, training, and capacity building of the workforce, a managed approach to ramping up service delivery, and putting in place robust monitoring and evaluation mechanisms. Support for cultural change across the child protection and out-of-home care workforces to better respond to children and families experiencing adversity will also be needed.

The time and effort involved in getting implementation right must be recognised and funded. Existing structures and actions, such as the Centre for Excellence in Child and Family Welfare's Outcomes Practice Evidence Network, Sector Capability Framework and the Child and Family Services Industry Plan 2018-2021, could provide a strong basis for implementation efforts. This will ensure that additional and sustained investment in early intervention is effective and drives significant reform so that Victorian families and children receive the support they need to thrive.

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.