



# Oversight of the child protection system

PERFORMANCE AUDIT | 06 JUNE 2024

NEW SOUTH WALES AUDITOR-GENERAL'S REPORT

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# THE ROLE OF THE AUDITOR-GENERAL

The roles and responsibilities of the Auditor-General and the Audit Office, are set out in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

We conduct financial or 'attest' audits of state public sector and local government entities' financial statements. We also audit the Consolidated State Financial Statements, a consolidation of all state public sector agencies' financial statements.

Financial audits are designed to add credibility to financial statements, enhancing their value to end-users. Also, the existence of such audits provides a constant stimulus to entities to ensure sound financial management.

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We also conduct performance audits. These examine whether an entity is carrying out its activities effectively and doing so economically and efficiently and in compliance with relevant laws. Audits may cover all or parts of an entity's operations, or consider particular issues across a number of entities.

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In accordance with section 38EC of the *Government Sector Audit Act 1983*, I present a report titled '**Oversight of the child protection system**'.

A handwritten signature in blue ink, reading 'Bola Oyetunji'.

**Bola Oyetunji**  
Auditor-General for New South Wales  
6 June 2024



## RECONCILIATION COMMITMENT STATEMENT

We pay our respects and recognise  
Aboriginal people as the traditional custodians of the land in  
New South Wales.

We recognise that Aboriginal people, as custodians, have a  
spiritual, social and cultural connection with their lands and  
waters, and have made and continue to make a rich, unique  
and lasting contribution to the State. We are committed to  
continue learning about Aboriginal and Torres Strait Islander  
peoples' history and culture.

We honour and thank the traditional owners of the land on  
which our office is located, the Gadigal people of the Eora  
nation, and the traditional owners of the lands on which our  
staff live and work. We pay our respects to their Elders past  
and present, and to the next generation of leaders.

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## **Section one**

Oversight of the child  
protection system

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# Executive summary

The child protection system aims to protect children and young people under 18 years old from risk of abuse, neglect, and harm. In NSW, child protection services can include investigations of alleged cases of child abuse or neglect, referrals to therapeutic services for family members, the issuing of care and protection orders, or the placement of children and young people in out of home care if it is deemed that they are unable to live safely in their family home.

A key activity in the child protection process is to determine whether a child is at 'risk of significant harm' as defined by Section 23 of the *Children and Young Persons (Care and Protection) Act 1998*. The Act describes significant harm as when 'the child's or young person's basic physical or psychological needs are not being met or are at risk of not being met'. The Department of Communities and Justice (DCJ) has developed a process for determining risk of significant harm. It requires multiple assessments of child concern reports and at least two separate assessments of the child in the home. This process can take a number of months, and until all of these activities are complete, DCJ describes the child as *suspected* or *presumed* to be at risk of significant harm.

DCJ has primary responsibility for the child protection system in NSW. DCJ is both a provider of child protection services and a purchaser of child protection services from non-government organisations (NGOs). As system steward, DCJ has a role to establish the policy environment for child protection services and operations. In addition, DCJ is responsible for all governance and reporting arrangements for the commissioned NGOs that deliver services on its behalf, as well as for the governance and reporting arrangements of its own DCJ staff. DCJ must ensure that the child protection system is achieving its intended outcomes – to protect and support children in ways that meet their best interests - as described in legislation.

This audit assessed the effectiveness of DCJ's planning, design, and oversight of the statutory child protection system in NSW. We assessed whether DCJ was effective in ensuring:

- there is quality information to understand and effectively plan for child protection services and responses
- there are effective processes to manage, support, resource, and coordinate child protection service models and staffing levels
- there is effective oversight of the quality and outputs of child protection services and drivers of continuous improvement.

To do this, the audit assessed the statutory child protection system with a particular focus on:

- initial desktop assessments and triaging of child protection reports
- family visits and investigations of child protection reports
- case management services and referrals to services
- the management of all types of care and protection orders
- the assessments and placements of children in out of home care.

The audit also assessed the performance of five NGOs that provide commissioned child protection services. Collectively, in 2021–2022, the five audited NGOs managed approximately 25% of all out of home care services in NSW. The policies, practices, and management reporting of the five NGOs was assessed for effectiveness in relation to the following:

- quality of data used to understand service requirements
- arrangements for operational service delivery to meet identified needs
- governance arrangements to deliver safe and quality out of home care services under contract arrangements with DCJ.

This audit was conducted concurrently with another audit: Safeguarding the rights of Aboriginal children in the child protection system.

## Conclusion

**The NSW child protection system is inefficient, ineffective, and unsustainable. Since 2018–2019 there have been increasing child protection reports, escalating out of home care costs, insufficient placement options for children with complex needs, and limited services or support for children and families engaged in the child protection system. Despite numerous reviews into these issues, DCJ has failed to make the necessary changes to ensure its child protection service model meets the needs of children and families.**

In 2022–2023 DCJ received more than 400,000 child protection reports and identified 112,592 children that met a threshold for presumed 'risk of significant harm'. However, 75% of these children did not receive a home-based safety assessment by a DCJ caseworker to confirm these risks. Their cases were closed without any follow up services from DCJ, and DCJ does not know the outcomes for these children.

While DCJ has legislative obligations to support children and families during child protection processes, the agency does not provide services or support to the majority of children presumed to be at risk of harm. In 2022–2023, DCJ data shows that of the 112,592 children presumed to be at risk of significant harm, 10,059 children received some form of family support service. DCJ was not able to provide a breakdown of the types of services available to these families in 2022–2023, due to 'data quality issues'. The effectiveness of these limited services is not evaluated or known.

DCJ is not meeting its legislative requirements under the *Children and Young Persons (Care and Protection) Act 1998* (the Care Act) to ensure that:

- '...children and young persons receive such care and protection as is necessary for their safety, welfare and well-being'
- '...appropriate assistance is rendered to parents and other persons ... in the performance of their child-rearing responsibilities in order to promote a safe and nurturing environment'.

DCJ dedicates significant human resources to repetitious desktop assessments of child protection reports, but does not allocate sufficient resources to support families and children. While DCJ refers children and families to a range of different services, DCJ does not collect or collate any referral data for the purposes of planning a responsive service sector. DCJ does not have reliable information to understand the demand for therapeutic services, and therefore cannot plan or commission a relevant service profile. Every year, more than a third of children are re-reported.

DCJ's poor service planning means that most families in the child protection system do not have access to services to address child protection risks. Families in the child protection system may need support to address untreated mental illnesses, domestic and family violence, or drug and alcohol misuse. The Care Act requires that DCJ take the 'least intrusive action' to protect a child from harm. This means that DCJ must provide 'appropriate assistance' to parents to mitigate risks in the home before a child is removed to out of home care. DCJ has limited evidence to show that it is meeting this legislative requirement.

Successive independent reviews into the child protection system have recommended that DCJ redirect its resource profile to an early intervention, therapeutic model of care. The reviews recommended that DCJ proactively address risks to children through effective support for families. DCJ's unchanged expenditure profile over the past five years, shows that the agency has made minimal progress in redirecting its resources to this model.

**DCJ has not monitored, assessed, or reported on the mental health and wellbeing of children in out of home care.**

The Care Act requires that agencies consider the 'safety, welfare and wellbeing of the child' as 'paramount' in any action or decision affecting the child. In order to meet this duty of care, DCJ must measure the wellbeing of children in out of home care, and make decisions about appropriate services and support for their wellbeing.

DCJ does not conduct routine mental health assessments of children in out of home care, and the agency does not know whether the wellbeing of children is improving or declining. Many children experience trauma, before, during, and after being removed from their families of origin.

DCJ has failed in its duty of care by not assessing these children, and by not understanding how the agency's actions and decisions are affecting them over time.



**In August 2023, there were 471 children living in emergency care environments in NSW, with 30% of these children living in hotels, motels, and serviced apartments. The average cost per child in hotels, motels, or apartment accommodation was \$829,000 per annum.**

From 2018–2019 to 2022–2023, the overall costs of out of home care increased from \$1.35 billion to \$1.9 billion, largely due to increasing emergency care costs. The use of emergency placements is due, in part, to a lack of available home-like options for children who require intensive therapeutic support. Most of the care in emergency placements is delivered by private, third-party service providers under contract arrangements with DCJ and NGOs. Most of these third-party services are delivered by shift workers with no specific child protection qualifications. DCJ lacks systems and reporting processes to understand the quality of services in these environments.

**The number of children returned to their parents from out of home care has declined over the past five years.**

One of DCJ's objectives for children who are in out of home care is to restore them to their parents when it is safe to do so. However, the number of children returned to their parents is declining. In the five years between 2018 and 2023, the number of children restored to their parents decreased by approximately 27%. Over the same timeframe, the number of children placed with extended family members or kin, has remained relatively stable. An independent evaluation commissioned by DCJ found that limited access to restoration services and support, was contributing to lower numbers of children being restored to their parents.

## 1. Key findings

### **DCJ has not succeeded in reorienting the child protection system to focus on early intervention support for families as recommended by multiple reviews**

Successive independent reviews into the child protection system have recommended that DCJ redirect its resource profile from a 'crisis driven' model of service intervention—predominantly focused on out of home care—to one that is oriented to early intervention services with support for 'vulnerable children and their parents'. The independent reviews recommended that appropriate services and support be available to families so they can address risks in the home at the earliest opportunity.

DCJ has made minimal changes to its resource profile or its service model to implement the recommendations of various child protection reviews. Since 2018–2019, DCJ's expenditure on the child protection system shows an expansion of resources to the out of home care sector and no expansion of resources to early intervention services.

In 2018–2019, DCJ dedicated 13% of its child protection budget to family support services. Five years later in 2022–2023, DCJ allocated a similar proportion of its child protection budget to family support. Since 2018–2019, most of DCJ's additional funding for child protection has been used to address budget shortfalls for out of home care.

DCJ has a legislative responsibility to provide support services for families engaged in the child protection system. This means assessing the availability of services, and commissioning new services to meet demand. A range of government agencies provide universal health and welfare services, some of which are appropriate for families in the child protection system. DCJ has a role to work with these agencies to establish an appropriate and responsive service sector, and to ensure that services are available for families in all of its Districts. DCJ currently commissions services from NSW Health, the Department of Education, and from a range of NGOs. DCJ does not collect data that would indicate whether these services are sufficient to meet service demands.

In 2015, the *Independent Review of Out of Home Care in New South Wales* recommended that DCJ work with partner agencies to secure cross-portfolio cooperation in service planning. The Independent Review recommended a range of activities to achieve this goal, including that DCJ 'establish local cross-agency boards in each ... District to provide local advice, and commission services in line with its priorities and defined outcomes.' In response, DCJ developed a program known as Their Futures Matter.



In 2020, the NSW Audit Office assessed [Their Futures Matter](#) and found that DCJ had not given cross-agency boards the powers to commission services. At the time of this audit, there is minimal evidence that DCJ has addressed the recommendations of the Audit Report or the *Independent Review of Out of Home Care in New South Wales*.

### **DCJ's organisational structure and governance arrangements are not enabling system reform**

DCJ's organisational structure reflects multiple operational and policy functions across its three branches - the Commissioning Branch, the Operational Branch, and the Branch responsible for Transforming Aboriginal Outcomes. These branches have responsibility for similar functions, and it is not clear where overall executive-level accountability resides for system reform.

All three branches have a policy function, and DCJ's organisational structure does not show where organisational responsibility resides for the overall policy direction of the agency. DCJ cannot demonstrate how it manages consistency of purpose, or policy outcomes with its different operating arms across the organisation.

DCJ has over 30 governance committees and working groups with responsibilities for leadership and oversight of the statutory child protection and out of home care system. DCJ's governance arrangements include forums to provide corporate and operational direction, forums for financial and resourcing decisions, and forums for leadership and oversight of the different child protection programs and functions. Some committees and working groups oversee DCJ's activity to meet government strategic priorities and respond to the findings and recommendations of child protection and out of home care reviews and commissions of inquiry.

Much of DCJ's work in child protection and out of home care is interdependent, but its governance arrangements are not structured to show how agency-wide decisions are made. While DCJ has three large branches with responsibility for child protection, there is no roadmap for cross-divisional decision-making. This has implications for the management of systemwide reform.

### **DCJ does not collate data about the therapeutic service needs of children and families, and as a result, has limited evidence to inform investments in family support services**

DCJ refers families to support services during different stages of the child protection process. However, DCJ does not collect, collate, or report on this family referral activity. DCJ does not record the types of therapeutic services that are needed for children and families in different geographical locations. This lack of demand data means that DCJ's commissioning activity is not informed by a reliable evidence base.

Referral data is essential to guide DCJ's own investments in commissioned child protection services, and the investments of other relevant family support agencies. At the time of this audit, DCJ lacked reliable information about whether there was an available or equitable supply of family support services in each of its service Districts. There are risks in not collecting this information. DCJ does not know whether families are able to address child protection risks in the home, or whether a lack of services is leading to poorer outcomes for children.

DCJ has not established routine meetings with relevant government agencies to coordinate services for children and families. DCJ has not established system-level arrangements with health agencies or other government departments to plan for child protection support services. Any efforts to establish arrangements with other government agencies have been piecemeal. For example, one DCJ District has developed a localised partnership with NSW Health to give priority access to children connected to the statutory child protection system. DCJ has not assessed the viability of this project to be expanded to other Districts.

Despite this, the availability of health services is a critical element in assisting families to keep their children safe. Section 23 (1)(b) of the Care Act identifies that a child may be at risk of significant harm if '*the parents or other caregivers have not arranged and are unable or unwilling to arrange for the child or young person to receive necessary medical care*' (emphasis added).

DCJ's knowledge of the utilisation rates of family support services in each District is limited. Fifteen of DCJ's 16 Districts lack vacancy dashboards to indicate when family support services are available in local services. This means that most caseworkers do not have information about whether local services have vacancies or are full. This information is essential for successful referral processes.

In 2022–2023, DCJ caseworkers screened more than 400,000 child concern reports. From these reports, 112,592 individual children were presumed to be at risk of significant harm based on multiple desktop assessments of their circumstances. Of this cohort, 10,059 received a 'family preservation package'. Most of the 'family preservation' services were in the form of additional visits from caseworkers. Only a small proportion of the families receiving family preservation services were offered a therapeutic or clinical service component. DCJ was not able to provide a breakdown of the types of family service available in 2022–2023, due to 'data quality issues.' In previous years, approximately 1,000 children and families had access to clinical, therapeutic services through the family preservation program.

DCJ does not collect data about its service interventions, to know whether the level of service support achieved its intended outcomes for children and families.

It is a requirement of the Care Act that DCJ assist families to receive appropriate support and services. The Act requires that 'appropriate assistance is rendered to parents and other persons ... in the performance of their child-rearing responsibilities in order to promote a safe and nurturing environment', and that any intervention 'must ... promote the child's or young person's development.' DCJ is not meeting this statutory requirement.

### **Seventy-five per cent of children presumed to be at risk of significant harm do not receive a home-based safety and risk assessment, and DCJ does not know the outcomes for these children**

DCJ is the sole entity responsible for assessing the safety of children after a child protection report has been made. After a report is received, DCJ caseworkers conduct multiple desktop assessments of the child and family context, and determine whether the child meets a range of risk factors that indicate a presumed risk of significant harm. The threshold for risk of significant harm is described at Section 23 of the Care Act. DCJ's process for reaching this decision requires a desktop assessment of each report by at least five different caseworkers and managers across DCJ's Helpline and DCJ's Community Service Centres.

When the desktop assessments are complete, DCJ only has staffing capacity to visit approximately 25% of children who are presumed to be at risk of significant harm. DCJ caseworkers make decisions about the children they will visit at staff meetings where they discuss the risks of each case, and the availability of staff to make home visits. The remaining 75% of children that are presumed to be at risk of significant harm, do not receive a follow-up visit from DCJ to determine their safety in the home. DCJ does not know the outcomes for these children.

DCJ advises that the statutory threshold of risk of significant harm can only be confirmed once a caseworker has visited a child in the home and conducted both a safety assessment, and a follow up risk assessment. However, there is some confusion amongst the DCJ workforce about the point when this determination occurs. Some Helpline personnel understand that risk is determined after the Helpline report assessment process. This view is corroborated by DCJ's public facing dashboards that publish data about the numbers of children at risk of significant harm after Helpline report assessments. However, in response to this audit, DCJ managers confirmed that risk of significant harm can only be determined after a child has had two visits by a caseworker.

In 2022–2023, DCJ closed 63% of the cases of children who were presumed to be at risk of significant harm, due to the 'competing work priorities' of caseworkers. There were over 112,500 children presumed to be at risk of significant harm in 2022–2023. While around 27,800 children were visited by a caseworker at home, around 85,000 children had their cases closed without a home-based risk and safety assessment. Approximately 71,000 children had their cases closed because there were no available caseworkers to assess them in the home. The reason given for these case closures was 'competing work priorities'.

The multiple and repetitious stages of DCJ's desktop assessments and review, significantly reduce the availability of caseworkers to provide services to children and families. DCJ's five mandatory desktop assessments consume the time of many caseworkers and managers. While DCJ does not have reliable caseworker time and motion data, the high numbers of closed cases due to 'competing work priorities' tells a story of caseworker activity.

### **DCJ is not meeting most of its timeframes to assess child protection reports and visit children who are presumed to be at risk of significant harm**

DCJ has set urgency timeframes for processing reports of children who are presumed to be at risk of significant harm. The most urgent cases require a completed Helpline assessment and a completed triage process at Community Service Centres within 24 hours. The next category of urgency requires that this process be completed within three days. A further category requires that triage be completed within ten days.

In 2022–2023, on average, the most urgent reports were transferred from the Helpline and triaged at a Community Service Centre within the required 24 hour timeframe. However, of the 95,000 reports that required Helpline transfer and Community Service Centre triage in under three days, on average, the Helpline took 5.6 days to process these reports. This was almost twice the required timeframe. The Helpline took an average of 13.9 days to transfer reports requiring a response in under ten days. In 2022–2023, almost one-quarter (23.4%) of all Helpline reports were not assessed and transferred to Community Service Centres within the statutory 28 day timeframe.

While DCJ has data to determine the timeframes for child protection reports to be transferred from the Helpline and triaged at the Community Service Centres, DCJ does not monitor the average time it takes for a child to receive a service. In particular, there is no regular District-level and State-wide reporting to show senior managers the average time it takes from the point when a child protection report is made, to the point where the child receives a visit from a caseworker, a service referral, or the case is closed. Therefore, it is not possible to determine whether children presumed to be at risk of significant harm are receiving a timely service intervention.

DCJ has high re-report rates of children who receive caseworker support. Of the children who received a home-based assessment and were confirmed as being at significant risk of harm, approximately a third were re-reported within 12 months. Each year for the five years from 2018–2019 to 2022–2023, the re-report rates of children who are assessed in the home have remained at over 33%.

The re-report rates indicate that DCJ's interventions are not fully successful in keeping children safe. Re-reports can be due to a number of factors. These can include a lack of timely service interventions, a lack of appropriate therapeutic care or services, or over-reporting. DCJ has not dedicated sufficient resources to make improvements in any of these areas and does not have sufficient information to pinpoint the areas where most improvements can be made. As a result, children remain locked in a child protection risk assessment cycle, with limited opportunities for an effective or timely service intervention.

### **NSW's out of home care system is unsustainable, with increasing numbers of children in emergency high cost accommodation, including hotels, motels, and serviced apartments**

The overall cost of the out of home care sector is increasing. From 2018–2019 to 2022–2023, the costs of out of home care increased from \$1.39 billion annually, to \$1.9 billion annually. This is a 36% increase in the five year period, or an average increase of just over seven per cent each year. These increases are unsustainable, and it is emergency care costs that account for much of the overall increase in the out of home care expenditure.

In August 2023, there were 471 children living in high cost, emergency arrangements. Expenditure on emergency accommodation has grown from approximately \$100 million in 2018–2019, to an estimated annual cost of \$300 million in 2022–2023.

Of the 471 children in emergency care arrangements, 142 children were housed in hotels, motels, or serviced apartments. In 2022–2023, this type of emergency care cost approximately \$829,000 per annum, per child, with some placements costing in excess of \$1 million per annum, per child. For example, in one case that this audit reviewed, \$530,000 was spent on staffing, \$84,000 on accommodation, and \$22,000 on food and activities for the child over a year long period in 2022–2023.

The average time that children spent in hotels, motels, or serviced apartments has increased from around two and a half months (80 nights) in July 2022, to just over four months (122 nights) in July 2023. Some children live in hotel-like accommodation for years. In April 2023, of the 48 organisations managing these emergency care placements, 41 of them, or 85% were private, commercial providers that do not require accreditation to provide out of home care services.

Both DCJ and NGOs subcontract most emergency care to commercial, labour-hire companies who in turn employ casual staff to supervise children in shifts. Children are usually supervised by multiple staff each week, with limited consistency in carers. The children in emergency placements are not living in home-like environments. DCJ does not use a clinical assessment process to routinely assess the wellbeing of children in these emergency environments.

### **There are insufficient out of home care options for children with complex needs, especially children under the age of 12**

Some children in out of home care require extensive support. These can be children with disabilities, or children who have experienced significant trauma. In June 2022, when data was available, there were 509 children in intensive, therapeutic care placements in NSW. The demand for intensive therapeutic accommodation options for these children is higher than available placements. In March 2023, the demand for therapeutic care was estimated to be 40% higher than DCJ predicted when it introduced its intensive therapeutic housing model in 2018. This has put pressure on the placement options for children with complex needs, and is leading to increasing numbers of children being placed in emergency accommodation, such as hotels, motels, and serviced apartments.

DCJ's intensive therapeutic care model was not designed to accommodate children younger than 12 years of age. DCJ identified that home-based foster care is the most appropriate option to meet the developmental needs of younger children. While this is the position of DCJ, not all children under 12 are able to be placed in foster homes. Between 30% to 40% of all children in out of home care have high care needs, including many children under 12 years. Providers of child protection services advise that finding appropriate carers for children with complex needs is increasingly difficult.

A lack of intensive therapeutic placement options for children with complex needs is one of the factors that leads to children being placed in emergency care. NGO service providers advise that the current therapeutic housing models are not appropriate for the service needs of all children in out of home care. Most therapeutic houses are designed to accommodate multiple children, but increasingly, children require one-on-one service support, and cannot be successfully accommodated with other children. This is leading to vacancies in some therapeutic houses, and a perception that these therapeutic houses are underutilised. NGO providers advise that to take additional children into these placements would risk the success of the original placement.

### **DCJ and NGOs have not been successful in matching foster carers to all children in out of home care, especially carers for children with complex needs**

In June 2023, the Office of the Children's Guardian reported that the total number of Authorised Carers (foster carers and relative or kinship carers) was 17,121, a significant drop of 15% from the 20,137 Authorised Carers in June 2018. DCJ advises that there has been an increase in the total number of foster carer applications over the past four years (to 30 June 2023), from 2,667 to 3,057 applications. The increased applications have not translated into an increase in authorised carers.

Foster care allowances vary according to the age and needs of the child, from \$540 per fortnight to \$817 per fortnight. This allowance is expected to fund all routine, child related expenses, including a separate bedroom for each child. A separate bedroom is a requirement for out of home care. The foster care allowance is expected to cover the child's housing, food, clothing, hobbies and activities, daily travel, holidays, gifts, general education, and routine health expenses. Foster carers reported that the carer allowance does not adequately cover the rising cost of living expenses, including challenges in finding appropriate housing.

DCJ and its commissioned NGOs report that they face challenges in recruiting foster carers who can provide short-term respite care. These carers provide breaks for long-term foster carers. Respite foster carers can provide a circuit-breaker when there are problems with a foster placement. They can assist in maintaining foster placements. Data on new child entries to emergency care show that breakdowns in foster care placements are the most common reason for children entering emergency care. In 2022, 60% of the children who were placed in emergency accommodation, were moved there because of foster care breakdowns.

Some NGOs have proposed a professionalised model of home-based care whereby trained foster carers are paid to provide care for children with complex needs. There have been limited trials or evaluations of this model to date.

A 2022 survey reported that foster carers are under pressure. The survey results indicate that carers do not receive the financial or practical support they need. Foster care allowances do not cover the costs of lost income or compensate for increased cost of living expenses. Carers raised concerns about a lack of access to counselling or psychological services, behaviour support, and specialist medical care to address the complex trauma of children in their care.

### **DCJ has not measured the wellbeing impacts of out of home care on children and lacks systemwide data about their wellbeing or about the outcomes of care provided to them**

DCJ has not developed an effective system to collect information or to report on the wellbeing of children in its out of home care system. DCJ does not collate or report systemwide data about:

- the welfare and wellbeing of children in out of home care
- the quality and safety of care for children requiring emergency placements
- the outcomes of out of home care case management interventions and therapeutic service interventions.

While some NGOs independently assess aspects of their service performance and monitor outcomes, these assessments are isolated, and not reported across the system. This means that there is limited systemwide data about the quality, impacts, or outcomes of out of home care for children in the care of DCJ and the commissioned NGOs. DCJ cannot determine whether, overall, children are better off in out of home care, or whether their wellbeing is declining as a result of child protection interventions.

Between 2015 and 2021 DCJ developed and trialled a Quality Assessment Framework that was intended to provide strategic and qualitative insights into the efficiency and effectiveness of the child protection system. However, DCJ advised it was unable to report on the qualitative insights, due to an inability to aggregate data from child wellbeing questionnaires using the ChildStory system.

DCJ has limited systemwide measures to monitor and report on the services provided to children in emergency care. There is arguably a higher requirement for reporting on these children because a quarter of them are not directly cared for by social workers employed by DCJ or NGOs. DCJ does not collect data on the qualifications of shift workers providing care to children in emergency placements.



DCJ issues more than 850 contracts for a range of child protection services. The majority of these are for casework services, with a smaller number for therapeutic services. DCJ does not consistently measure and report on the outcomes from its casework or its therapeutic service interventions, nor those of its NGO providers. For example, from 2018–2019 to 2020–2021, DCJ did not collect consistent data on one of its programs known as Brighter Futures. This program cost approximately \$50 million per annum during its years of operation. Up until 2022, DCJ collected quarterly data through separate spreadsheets from each NGO provider. DCJ did not consolidate this data to provide a statewide view of the locations or the effectiveness of Brighter Futures. DCJ has not developed consistent processes for collating or analysing the data across its various programs. As a result, DCJ lacks historical data or trends to show how its programs and its services are performing.

Until 2022–23, DCJ did not provide a full suite of child protection data to a national research institute for online reporting. Since 2014–2015 or earlier, Australian states and territories have provided anonymised child-level data to the Australian Institute for Health and Wellbeing (AIHW). DCJ did not provide this form of data, and instead provided aggregated data tables. This meant that some information could not be extracted for public reporting purposes.

### **Over the past five years, there has been a decline in the number of children returning to their parents after being placed in out of home care**

One of DCJ's objectives for children who are in out of home care is to restore them to their parents when it is safe to do so. While restoration is DCJ's preferred outcome for children in out of home care, the numbers of children being restored to their parents has been declining over the past five years.

In 2018–2019, 569 children were restored to their parents. This number decreased to 417 children in 2022–2023. The restoration rate for Aboriginal children is lower than for non-Aboriginal children. It decreased from 202 children in 2018–2019 to 164 children in 2022–2023.

A number of factors can impact on the successful restoration of children to their parents. One of the necessary inputs for successful restoration, is access to family support services. These services are needed so that parents can address any harmful behaviours that have been identified by DCJ caseworkers. Restoration support services are offered to some parents after a child or sibling group has been removed to the out of home care system. If a family is deemed eligible, they should receive services from either DCJ or an NGO service provider.

Restoration support services are a form of caseworker support for families. Caseworkers provide mentoring and advice to parents to assist them in actions that may lead to their children being restored to their care. Caseworkers may also refer parents and other family members to external services. Parents may be referred to mental health or drug and alcohol services if these services are available.

In 2023, an independent evaluation of the programs for out of home care found that a lack of restoration support for parents contributed to 'a low rate' of children being restored to their care.

The providers of out of home care services are required to assist parents in restoration processes when the families meet the eligibility criteria. The Care Act requires that service providers make 'active efforts to restore the child or young person to the child's or young person's parents'.

While restoration to parents is the most desirable goal when it is safe to do so, placing children with extended family and kin is the next best option. Over the past five years, the proportion of children placed with relatives and kin has been stable. In June 2019, 8,949 of the 16,884 children in out of home care (53%) were placed with relatives and kin. In March 2023, 7,933 of the 14,756 children in out of home care (54%) were placed with relatives and kin.

### **DCJ has created an uncertain contracting environment for NGOs and does not have effective forums for resolving contract and system inefficiencies with its NGO partners**

DCJ does not have efficient systems or processes for managing its contract and reporting arrangements with commissioned NGO providers. DCJ has not established an effective integrated business to business system interface with NGOs. NGOs have their own data systems, and must duplicate data into DCJ's ChildStory database to meet contract requirements. This duplicated data entry process adds time and effort to administrative workloads, and can lead to data errors. The result is prolonged reconciliation processes, and delays in finalising expenditure against contract requirements.

DCJ's arrangements for contract management are overly complex and confusing. Over the past five years, DCJ has made changes to program names, rules, and guidelines - in some instances, without notifying contracted NGOs. This has led to delays in payments and confusion over the contract arrangements. NGO contractors must routinely reconcile different bundles of funding with different contract managers across DCJ, and this extends the time and the resources for contract reconciliations.

DCJ requires its commissioned NGOs to report on early intervention programs through one system, and reporting on out of home care services through another. This increases the administrative workloads for both DCJ and NGO contract managers. While in recent years there have been minor improvements to administrative processes, for the most part, the administrative difficulties are ongoing.

DCJ's onerous acquittal processes for emergency care funding have delayed contract payments to NGOs. All five of the NGOs that we audited, reported that there were delays in receiving payments for services associated with emergency care placements. Some of the delays have been significant, with individual NGOs carrying debt burdens of more than a million dollars. Data from one NGO shows that ten per cent of its emergency care payments took at least 90 days to be finalised, with some payments outstanding for over a year. Staff at both DCJ and at the audited NGOs advise that the delays are 'due to the layers of DCJ sign offs' and the 'time it takes for NGO caseworkers to develop briefings' regarding their expenditure.

In 2019, DCJ set up a taskforce, to improve the administrative and contract arrangements associated with NGO payments and contract reconciliations. While the contracting problems were well known by the taskforce, DCJ did not authorise its representatives with sufficient decision-making powers to effect the required system changes through this forum. As a result, progress was minimal.

The taskforce includes personnel from DCJ, peak body representatives, and some representatives from NGOs. Not all NGOs are able to participate in meetings, meaning that many operate in isolation without consistent guidance, or opportunities to participate in problem solving. There are no alternate forums for NGOs to provide input into contract inefficiencies and potential fixes.

This creates an uncertain and unstable contract environment, and does not provide the right preconditions to encourage the growth of an Aboriginal Community Controlled Organisation sector in the child protection space.

### **DCJ and NGOs did not meet the timeline to transition the case management of Aboriginal children in out of home care to Aboriginal Community Controlled Organisations**

In 2012, the NSW Government made a policy commitment to ensure the transfer of all Aboriginal children in out of home care to Aboriginal Community Controlled Organisations. Over the past 12 years, there has been limited progress in this transition.

As at June 2023, 1,361 children were managed by Aboriginal Community Controlled Organisations across NSW, but 5,202 Aboriginal children were yet to be transferred. DCJ planning documents show that the full transition process should have been finalised over a ten year timeframe, from 2012 to 2022, but DCJ has since revised its timeframes, and now aims to see the 'majority' of transfers by June 2026.



NGO contract requirements should have been one of the drivers of the transition of Aboriginal children to Aboriginal Community Controlled Organisations. It is only with the most recent NGO contracts, issued in October 2022, that NGOs have been required to develop a transition plan, with an initial due date of 31 December 2022. This timeframe was further extended to 30 June 2023. All of the NGOs consulted for this audit have developed a plan, but NGO managers advise that the transition process is impeded by factors outside of their control, including the willingness of carers to transfer to Aboriginal Community Controlled Organisations. There is limited information to verify this impediment.

In July 2023, DCJ wrote to carers of Aboriginal children who receive case management services from organisations that are not Aboriginal Community Controlled. DCJ advised these carers about the timelines and the need to transition their case management services to Aboriginal Community Controlled Organisations. The purpose of this correspondence was to indicate the Department's explicit support for this transfer process, which had previously been lacking.

## 2. Recommendations

This audit does not seek to reiterate recommendations from prior reviews and inquiries, but we note that DCJ retains an ongoing obligation to systematically address, acquit and report on all unaddressed recommendations from these prior investigations into the NSW child protection system.

### **As an urgent priority, the Department of Communities and Justice should:**

1. implement structured measures to understand the experiences of children who are in out of home care (under the care of the Minister), in relation to their physical safety and psychological wellbeing. Collect, aggregate, and publicly report this data by location and vulnerable cohorts on an annual basis.

### **By June 2025, the Department of Communities and Justice should:**

1. identify the Departmental roles and responsibilities for enacting system reform and ensure that governance and decision-making processes are communicated and published.
2. address inefficiencies and duplications in child protection reporting and risk assessment processes by:
  - enhancing information and training for mandatory reporters
  - fixing delays in the processing of the online child concern reports that are received and processed by the child protection Helpline
  - reducing the replicated risk assessments from the child protection Helpline through to the Community Service Centres
  - reviewing the financial delegations of Community Service Centre managers to streamline permissions and decisions about routine child support and resource requirements.

3. establish protocols to ensure that all families engaged in the child protection system have a guaranteed place at an appropriate and effective therapeutic service, and monitor service outcomes by:
  - establishing arrangements with clinical service providers to ensure that families engaged in the child protection system have priority access to clinical care assessments and clinical services as required by Section 17 of the *Children and Young Persons (Care and Protection) Act 1998*
  - collecting referral data in each District to monitor the therapeutic service requirements of children and families, and use this data to inform localised resourcing, staffing, and commissioning of therapeutic services to match referral requirements
  - formalising arrangements with relevant government agencies to enhance access to therapeutic services and support
  - developing a framework to resource, support, and train DCJ personnel to provide therapeutic support for children and families to match local service needs, in particular, in locations where funded therapeutic services do not meet service needs
  - measure and report on systemwide service access and service outcomes for children and families as a result of casework and therapeutic interventions.
4. develop and implement a strategy to end the use of hotels, motels, and serviced apartments for children in out of home care
5. develop a model to accredit and train foster carers to support children with complex needs
6. ensure that foster carers are surveyed annually, with opportunities to identify the pressures of caring, and describe their ongoing support requirements. Use this information to improve resources and support to the foster carer workforce
7. develop an effective business to business interface with contracted NGO providers to reduce the administrative burden for all agencies
8. establish an effective mechanism to communicate changes to policy, administrative or system processes so that all NGOs have timely access to changes in expectation, process or practices
9. continue to contribute all data requirements to national research and reporting on child protection activity and outcomes by sending child-level data records to the Australian Institute of Health and Welfare in line with other Australian states and territories
10. ensure that all eligible children and families have access to targeted, support services so that every child has the chance to be restored to their parents when it is safe to do so
11. annually report on the 'Active Efforts' made by DCJ and its commissioned NGOs in restoring children to their parents, and report on progress and outcomes over time.

# 1. Introduction

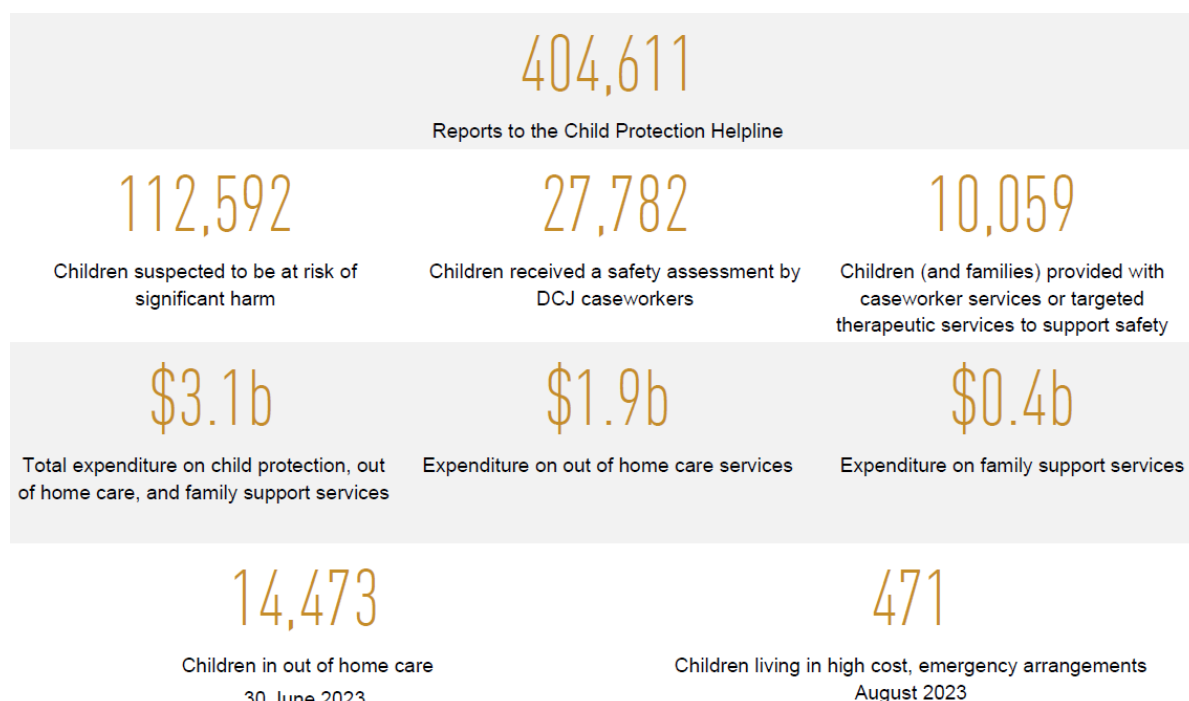
The child protection system aims to protect children and young people (aged less than 18 years) from the risks of abuse, neglect, and harm. Child protection services can include investigations, (which may or may not lead to substantiated cases of child abuse or neglect), care and protection orders, and out of home care placements.

The Department of Communities and Justice (DCJ) has statutory responsibility for assessing whether a child or young person is in need of care and protection. DCJ's Child Protection Helpline receives and assesses reports of possible child abuse or neglect. If the information in the report is assessed as meeting a threshold for risk of significant harm, DCJ caseworkers at Community Service Centres investigate the report and decide on a course of action. Follow-up actions can include referring the family to services, visiting the family to conduct ongoing risk and safety assessments of the child, or closing the case. If a child is determined to be unsafe, the child may be removed from the family home and placed in out of home care.

Non-government organisations (NGOs) are funded by the NSW Government to provide services to children and young people who require out of home care and other support services. NGOs provide approximately half of all out of home services in NSW, and DCJ provides the other half.

Government agencies such as Health, Education and Police also play a role in child protection processes, particularly in providing support for children and families where there are concerns about possible abuse or neglect. NSW Health provides some support services for families, along with the Department of Communities and Justice. Exhibit 1 shows some headline child protection statistics for NSW in 2022–2023.

## Exhibit 1: Child protection statistics in 2022–2023



Source: Audit Office summary of DCJ data on child protection statistics.

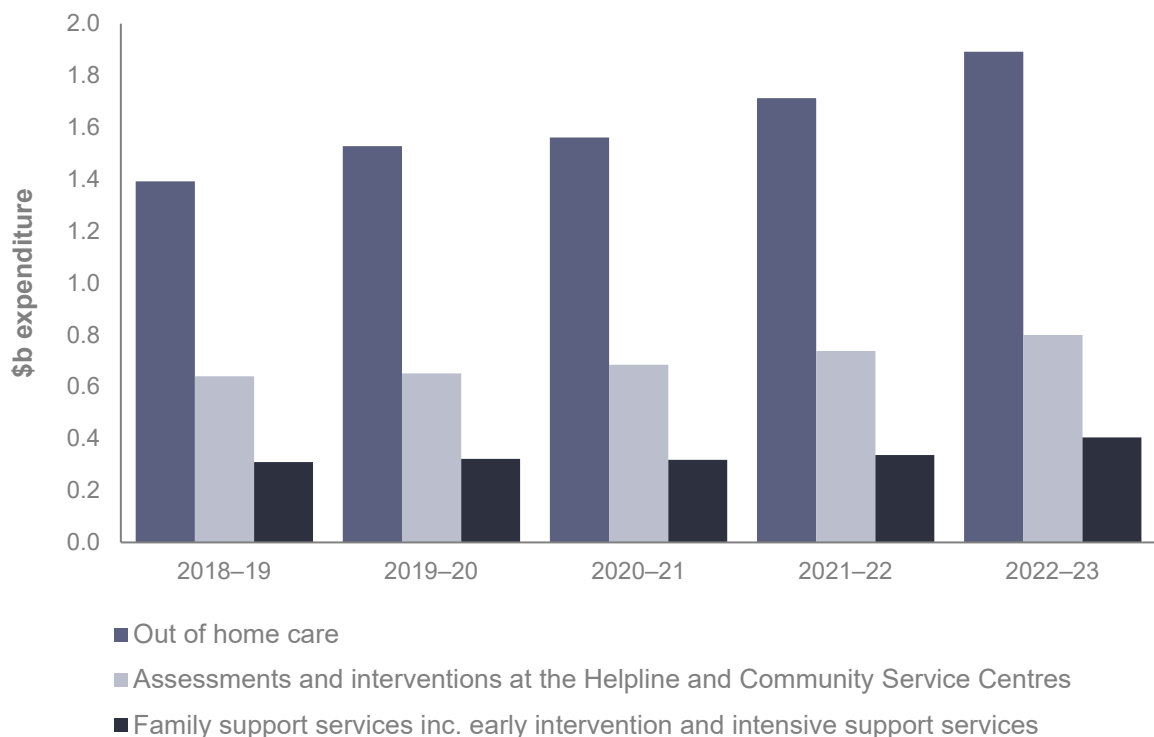
## 1.1 Child protection and out of home care expenditure

Over the five years from 2018–2019 to 2022–2023, DCJ’s expenditure on child protection services increased across all of its service areas. The most significant increases were for out of home care services.

In 2018–2019, DCJ’s expenditure on out of home care was \$1.39 billion. Five years on, in 2022–2023, expenditure had increased to \$1.9 billion. In 2018–2019, DCJ’s expenditure on assessments and interventions at the Helpline and Community Service Centres was \$0.64 billion, and by 2022–2023 this had increased to \$0.8 billion. In 2018–2019 DCJ spent \$0.31 billion on family support services, including early intervention and intensive support services, and five years later in 2022–2023, DCJ expenditure had increased to \$0.41 billion.

Exhibit 2 charts DCJ expenditure on key aspects of child protection work for the five year period from 2018–2019 to 2022–2023. Expenditure on assessments and interventions at the Helpline and Community Service Centres was lower in 2020–2021, partly due to COVID restrictions on home visits.

**Exhibit 2: Expenditure on child protection services, 2018–2019 to 2022–2023**



Source: Audit Office analysis of Productivity Commission data published in Reports on Government Services 2024, Table 16A.8.

In percentage terms, DCJ’s expenditure on out of home care increased by 36% over the five years from 2018–2019 to 2022–2023. This was the highest percentage increase for any of DCJ’s service areas over the five years. Expenditure on family support services increased by 31%, and expenditure on assessments and interventions at the Helpline and Community Service Centres, increased by 25%. Exhibit 3 shows the percentage increases in DCJ’s child protection expenditure over the five years, by the main child protection service types.

### Exhibit 3: Expenditure on child protection services by service type, 2018–2019 to 2022–2023

Expenditure (\$b)	2018–19	2019–20	2020–21	2021–22	2022–23	Increase 2018–19 to 2022–23 (%)
Out of Home Care	1.392	1.527	1.561	1.713	1.892	36
Risk and safety assessments & interventions at the Helpline & Community Service Centres	0.640	0.651	0.685	0.737	0.800	25
Family support services inc. early intervention and intensive support services	0.309	0.322	0.319	0.338	0.405	31
<b>Total</b>	<b>2.342</b>	<b>2.501</b>	<b>2.565</b>	<b>2.788</b>	<b>3.097</b>	<b>32</b>

Note: Expenditure is actual spending in each year, not adjusted for inflation. Totals may be more than the sum of components due to rounding.

Source: Audit Office analysis of Productivity Commission data published in Reports on Government Services 2024, Table 16A.8.

Over the five years from 2018–2019 to 2022–2023, DCJ spent between 59% to 61% of its annual child protection budget on out of home care services. Expenditure on assessments and interventions at the Helpline and Community Service Centres was approximately 26% of the annual child protection budget, and expenditure on family support services amounted to approximately 13%. DCJ's proportional expenditure on the different components of child protection services has remained relatively unchanged over the five years from 2018–2019 to 2022–2023 as shown in Exhibit 4.

### Exhibit 4: Proportion of annual child protection budget spent on different service types, 2018–2019 to 2022–2023

Expenditure %	2018–19 (%)	2019–20 (%)	2020–21 (%)	2021–22 (%)	2022–23 (%)
Out of Home Care	59	61	61	61	61
Risk and safety assessments & interventions at the Helpline & Community Service Centres	27	26	27	26	26
Family support services inc. early intervention and intensive support services	13	13	12	12	13
<b>Total</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Note: Expenditure is actual spending in each year, not adjusted for inflation. percentages may not sum to 100 due to rounding.

Source: Audit Office analysis of Productivity Commission data published in Reports on Government Services 2024, Table 16A.8.

## 1.2 Governing legislation

### ***Children and Young Persons (Care and Protection) Act 1998***

The *Children and Young Persons (Care and Protection) Act 1998* (the Care Act) guides and directs administrative actions so that 'children and young persons receive such care and protection as is necessary for their safety, welfare and well-being'.

The legislation emphasises that the care of children and young people is a responsibility shared by families, government and the agencies working in partnership. It requires that 'appropriate assistance is rendered to parents and other persons responsible for children and young persons... in order to promote a safe and nurturing environment', and that any intervention 'must be the least intrusive' and 'promote the child's or young person's development.'

### **Care and Protection Orders**

In NSW, the Children's Court can make a range of orders under the Care Act. These orders are usually referred to as 'Care Orders'. Care Orders are made in response to applications brought before the Children's Court by DCJ. DCJ makes applications when it is deemed that a child is 'in need of care and protection.' These orders allocate parental responsibility to the Minister or another suitable person on either an interim or final basis.

In situations where there is an urgent need to protect a child, DCJ can apply for an emergency care and protection order. While in force, the order places the child or young person under the care and responsibility of the Secretary (of DCJ) or another person specified in the order.

Applications to the Children's Court can also be made to vary or rescind a care order. These can be initiated by DCJ, the child, the child's parents, or another person who has a significant relationship with the child. The Court can only vary, rescind, or replace existing orders if it can be shown that there has been a significant change in circumstances since the final orders were made or last varied.

## 1.3 Roles and responsibilities

### **Department of Communities and Justice**

DCJ has primary responsibility for designing, monitoring, and implementing child protection policies and practices in NSW. DCJ is both a provider of child protection services, as well as a purchaser of child protection services from non-government organisations. As system steward, DCJ has a role to develop systemwide governance arrangements for all child protection services and operations. This includes the design and the monitoring of reporting arrangements that apply to commissioned non-government organisations and DCJ staff. The organisational structure of DCJ reflects these roles:

- the Deputy Secretary (Child Protection and Permanency, District And Youth Justice Services) controls the operational arm of the child protection system as well as practice leadership: the office of the senior practitioner
- the Deputy Secretary (Strategy, Policy and Commissioning) coordinates the commissioning of child protection and out of home care services and develops policy for the child protection system
- the Deputy Secretary (Transforming Aboriginal Outcomes), is responsible for the implementation of NSW's commitments to protect Aboriginal children and to implement the national agreement to Close the Gap.

See Appendix two for the Department of Communities and Justice organisation structure.

DCJ has sole responsibility for assessing child protection reports and determining whether children are at risk of significant harm. This assessment occurs at DCJ's Helpline in the first instance, and then at DCJ's Community Service Centres where further assessment processes occur.

DCJ's child protection administrative structure comprises seven Cluster Districts that sit above 16 Districts. The Districts have administrative and operational responsibilities for child protection and out of home care services. Their roles include contract management, resource allocation and the coordination of performance reporting of both Community Services Centres and NGOs. Within the Districts there are 79 local Community Services Centres. Child protection case managers are located in Community Services Centres, and this is where most of the frontline child protection work occurs.

## Non-government organisations

DCJ develops contract arrangements with non-government organisations for the delivery of child protection services and programs. There are two main service types that non-government organisations can be contracted to deliver in the child protection space. The first is out of home care services. In 2022–2023, approximately half of all children in out of home care were under the management of non-government organisations. Fifty-two non-government organisations provided the management of out of home care under the 'Permanency Support Program' contract arrangements with DCJ.

The second service type that non-government organisations are funded to deliver is family support services for children and families engaged in the child protection system. The largest support programs are the 'Targeted Early Intervention' program and the 'Family Preservation' program. In 2022–2023, 464 non-government organisations each received more than \$10,000 under contract arrangements to deliver the 'Targeted Early Intervention' program. Fifty-one non-government organisations received more than \$10,000 in funding to deliver the 'Family Preservation' program.

Some non-government organisations receive funds to deliver both out of home care services and family support services, and some deliver only one service type.

Funding to non-government organisations for both out of home care services and family support services, totalled \$1.59 billion in 2022–2023. This was an increase of 12.7% from 2021–2022, when non-government organisations received \$1.41 billion in funding. Some non-government organisations have multi-million dollar contracts with DCJ, and others have very small contracts.

## The Office of the Children's Guardian

The Office of the Children's Guardian has a role to accredit the organisations that provide child protection services in NSW. The responsibilities of the Office of the Children's Guardian include:

- promoting the quality of child safe practices
- overseeing the operations of organisations providing child-related services
- accrediting providers of out of home care and adoption services, including DCJ
- conducting Working with Children Checks
- maintaining the NSW Carers Register and the NSW Residential Care Workers Register.

## Government agencies

A number of government departments provide universal support services to children and families, including therapeutic services that may assist in keeping children safe at home. For example, NSW Health delivers an early intervention mental health program in selected schools for children who display challenging behaviours, and operates a network of specialist counsellors. NSW Health is responsible for commissioning and delivering alcohol and other drug rehabilitation services to people across NSW, including residential rehabilitation services.

Therapeutic services are highly rationed in NSW and are not always available to the children and families who need them. There are 30% fewer General Practitioners for people living in outer regional, remote and very remote NSW compared with availability in major cities. Major cities and inner regional areas have more than twice as many public psychologists compared with outer regional, remote and very remote NSW. The Special Commission of Inquiry into the Drug 'Ice' reported in January 2020 on 'the critical lack of available and effective treatment pathways, particularly [for] people living in rural, regional and remote NSW.'



The NSW Department of Education plays an important role in identifying child protection issues and providing support to families. In 2022, over 60% of all NSW school-aged children were enrolled in government schools. Education initiatives can include support and resources for parents, school counselling services, and support for families from culturally and linguistically diverse communities.

## 1.4 Previous reports and reviews

In the last decade there have been 12 major reviews and reports into the child protection system in NSW, making just over 200 recommendations to the NSW Government and to the Department of Communities and Justice on child protection matters.

Inquiries into the child protection system have informed child protection service models. The *Keep Them Safe* report in 2009 led to increased funding for a 'universal service system' and early intervention services, and aimed to improve collaboration across government agencies. The *Safe Home for Life* reforms announced in 2014 provided additional funds for early intervention programs and IT systems, and introduced new casework interventions.

The 2015 *Independent Review of Out of Home Care in NSW* investigated drivers for the growing demand for out of home care. It found that the out of home care system was ineffective, unsustainable, and failing to improve long-term outcomes for vulnerable children and families.

In 2016, the NSW government announced *Their Futures Matter* in response to the Independent Review. *Their Futures Matter* was allocated \$190 million over four years (2016–2017 to 2019–2020) for the design and commissioning of evidence-based pilots, data analytics work, staffing for the implementation unit and secretariat, and cross-agency collaboration.

In 2016 a NSW Parliamentary Inquiry into child protection recommended longer-term contracts for child protection prevention and early intervention services, changes to court processes, and improved staff training. The government response noted that *Their Futures Matter* initiatives would address many of the issues raised in the inquiry. A 2020 NSW Audit Office performance audit into [Their Futures Matter](#) concluded that governance arrangements were not effective and that the 'evidence base [was] insufficient to drive greater direction of resources from crisis to early intervention.'

In 2017, DCJ implemented a new case management system called ChildStory. ChildStory aims to place the child or young person at the centre of their story and provide 'a holistic view for informed decision-making to help ensure a child or young person has the best life outcomes.'

DCJ also implemented the NSW Government's service reform of child protection and out of home care titled the 'Permanency Support Program' in October 2017, with amendments to the Care Act passed in November 2018. This program aims to reduce the number of children and young people entering care, reduce the amount of time children spend in care and provide a better care experience to children. This program is delivered to children and families by non-government providers.

Between 2019 and 2022, the 'Centre for Evidence and Implementation' was contracted by DCJ to conduct an independent three-year evaluation of the 'Permanency Support Program.' This evaluation was published in 2023 and concluded that during the evaluation period, there were some improvements to service delivery and outcomes, but the program 'experienced significant implementation challenges and failed to demonstrate the larger positive impact on children that DCJ intended through this reform effort.'

## 1.5 The Child Protection System

### The child protection system

For the purposes of this audit, we use the term, 'the child protection system', to mean all aspects of child protection activity including:

- the processes that DCJ undertakes to assess any risks to a child when a child protection report has been made to the Helpline
- the processes that DCJ and NGOs undertake to manage, oversee, and deliver out of home care services to children
- the processes that DCJ and NGOs undertake to deliver support services to children and families
- the processes that DCJ and NGOs undertake to refer children and families to support services.

A range of actions and services form part of the child protection system. Practitioners often refer to child protection work as a continuum to reflect the fact that programs, interventions, and activities often overlap. Our audit assessed most aspects of the system, but we did not assess the quality of early intervention services, or any of the activity that occurs to support children when they exit out of home care.

For information about the steps between a child being reported to the Child Protection Helpline and entering out of home care see Appendix three.

### Reporting child protection concerns

Child protection concerns are usually reported to the Child Protection Helpline by 'mandatory reporters' or other members of the public. Mandatory reporters are professionals who are required by legislation to report children they suspect are at risk of significant harm. They include medical practitioners, psychologists, teachers, social workers, and police officers. Members of the public who report child protection concerns can include family members or neighbours.

DCJ's 'Mandatory Reporter Guide' may direct mandatory reporters to report their concerns to 'Child Wellbeing Units' if reports do not reach the threshold to warrant a report to the Child Protection Helpline. 'Child Wellbeing Units' are external to DCJ and were introduced in 2010 to provide support to mandatory reporters from Police, Health, and Education. These units help mandatory reporters gather information to determine the safety, welfare, and wellbeing of children, and provide advice on appropriate services and interventions to address any identified risks.

## Determining ‘risk of significant harm’

The fundamentals of child protection activity in NSW are governed by legislation: specifically, by the provisions of the Care Act. A key element in any child protection activity is to determine whether a child is at ‘risk of significant harm’. Exhibit 5 describes ‘risk of significant harm’ at Section 23 of the Act.

### Exhibit 5: ‘Risk of significant harm’ - Section 23 of the *Children and Young Persons (Care and Protection) Act 1998*

#### Child or young person at risk of significant harm

1. ...a child or young person is at risk of significant harm if current concerns exist for the safety, welfare or well-being of the child or young person because of the presence, to a significant extent, of any one or more of the following circumstances—
  - (a) the child’s or young person’s basic physical or psychological needs are not being met or are at risk of not being met,
  - (b) the parents or other caregivers have not arranged and are unable or unwilling to arrange for the child or young person to receive necessary medical care,
  - (b1) in the case of a child or young person who is required to attend school in accordance with the *Education Act 1990*—the parents or other caregivers have not arranged and are unable or unwilling to arrange for the child or young person to receive an education in accordance with that Act,
  - (c) the child or young person has been, or is at risk of being, physically or sexually abused or ill-treated,
  - (d) the child or young person is living in a household where there have been incidents of domestic violence and, as a consequence, the child or young person is at risk of serious physical or psychological harm,
  - (e) a parent or other caregiver has behaved in such a way towards the child or young person that the child or young person has suffered or is at risk of suffering serious psychological harm,
  - (f) the child was the subject of a pre-natal report under section 25 and the birth mother of the child did not engage successfully with support services to eliminate, or minimise to the lowest level reasonably practical, the risk factors that gave rise to the report.

Note —

Physical or sexual abuse may include an assault and can exist despite the fact that consent has been given.

2. Any such circumstances may relate to a single act or omission or to a series of acts or omissions.

Source: Section 23 of the *Children and Young Persons (Care and Protection) Act 1998*.

DCJ advises that the process for confirming that a child is at risk of significant harm can only occur after the following processes are complete:

- a child protection report has been made
- the risk report has been assessed by multiple caseworkers and managers
- the child has received a safety check in the home
- the child has had a follow up risk assessment in the home.

This process of assessment and review can take a number of months. Before DCJ confirms that a child is at risk of significant harm, the child is either *suspected* or *presumed* to be at risk of significant harm. In this report, we use the terms suspected and presumed to be at risk of significant harm interchangeably.

## Therapeutic services and support for families

In this report, the term ‘therapeutic’ services is used to refer to drug and alcohol services, domestic violence services, mental health services, and parenting courses and support. Access to these services can assist families to create safer environments in the family home so that children are not removed to out of home care. Therapeutic services can also assist parents after their children have been removed from their care. In these instances, therapeutic services may assist parents to address any identified harmful behaviours so that their children can be returned to the family home.

Both DCJ and commissioned NGOs can support children and families to access therapeutic services. Support services are usually provided by NGOs or other NSW Government Departments, such as health services.

Therapeutic services may be required for children who are in out of home care. These services may be required to assist children to address their trauma, to support children with disabilities, or to assist children with their developmental needs.

## Early intervention

DCJ funds NGOs to deliver ‘targeted early intervention’ services to parents and caregivers to support them to reduce safety concerns for children before they escalate to a statutory threshold of risk of significant harm. The primary objective of this program is to prevent children and families from entering the child protection system. Early interventions for children and families aim to address the early signs of any behaviours or problems that may impact on the safety of children.

## Family preservation

Family Preservation is DCJ’s intervention program that aims to assist the families of children who are at risk of significant harm. The goal is to prevent children being removed from their parents and entering out of home care. DCJ funds NGO service providers to deliver family preservation services to children and families. Service providers are expected to work with families to keep their children safe at home by addressing the risks that lead to children being removed to out of home care. The four objectives of the family preservation program are:

- more children remain safely at home in their communities
- more children are healthy, thriving and have improved long-term outcomes
- vulnerable families can access the right supports at the right time
- the system can respond to a variety of complex needs across all areas of safety and wellbeing.

Family preservation services are not always successful in helping families to address identified risks to children. In these cases, children may be re-reported to the Child Protection Helpline or re-assessed by caseworkers, and subsequently removed from their families.

## Out of home care

Out of home care is provided to children who have been removed from their families. There are a range of out of home care environments that include:

- home-based environments where care is provided by relatives and kin
- home-based environments where care is provided by foster carers
- home-like environments where care is provided by staff from accredited NGOs who assist children requiring intensive therapeutic care
- hotels, motels, or serviced apartments where care is mostly provided by rostered staff who are employed by unaccredited, labour hire agencies.

## Pathways for children in out of home care

DCJ and NGO providers of out of home care services are responsible for working with children and their families and carers to ensure that all children in out of home care have a legal pathway to achieve either restoration, guardianship, adoption, or long-term care.

‘Restoration’ describes the process of physically returning children who are in out of home care to their parents when it is safe to do so. The Children’s Court must consider whether restoration is a realistic possibility for all children who enter out of home.

If the NSW Children’s Court decides that there is no realistic possibility of restoring a child to their parents, the Court can make a guardianship order that allocates parental responsibility for a child to a suitable person until the child reaches 18 years of age.

Alternatively, the NSW Supreme Court can make an adoption order to legally transfer all parental right and responsibilities, guardianship, and custody from the child's parents (or person who has parental responsibility for the child) to the adoptive parents. An adoption order is made when guardianship is not possible, and the Court considers adoption to be in the 'best interests' of the child.

A long-term care order is made by the NSW Children's Court when restoration, guardianship and adoption are not possible options for non-Aboriginal children in out of home care. For Aboriginal children, the Care Act reflects that long-term orders should be considered before adoption orders. Long-term care orders allocate parental responsibility to the Minister until the child reaches 18 years of age.

## 1.6 About this audit

The objective of this audit was to assess the effectiveness of the planning, design, and oversight of the statutory child protection system in NSW.

In making this assessment, the audit examined whether:

- there is quality information to understand and effectively plan for child protection services and responses
- there are effective processes to manage, support, resource, and coordinate child protection service models and staffing levels
- there is effective oversight of the quality and outputs of child protection services and drivers of continuous improvement.

This audit reviewed the contract arrangements and the performance data of five NGOs that are contracted by DCJ to manage out of home care services. The NGOs were assessed on the effectiveness of the following:

- the quality data used to understand their service requirements
- the arrangements for operational service needs
- the governance arrangements to deliver safe and quality out of home care services under contract arrangements with DCJ.

This audit utilised the 'follow-the-dollar' audit powers. These powers came into effect in November 2022 through amendments to the *Government Sector Audit Act 1983*. The amendments gave the Auditor-General the ability to audit the activities of non-public sector entities that deliver programs or services on behalf of the NSW Government.

Five non-government organisations were selected for inclusion in this audit, including two Aboriginal Community Controlled Organisations. They are:

- Barnardos Australia
- Burrun Dalai Aboriginal Corporation (Aboriginal Community Controlled Organisation)
- KARI Ltd (Aboriginal Community Controlled Organisation)
- Life Without Barriers
- Wesley Community Services Limited.

In selecting these agencies, the Auditor-General considered the following criteria:

- A diversity of locations - ensuring that the selected NGOs operated in metropolitan, regional, and remote locations.
- A high volume of funding - ensuring that the selected NGOs operated with a high volume of funding in comparison to other NGOs.
- A high number of children in out of home care - ensuring that the selected NGOs accounted for a large proportion of children. Collectively, the five selected NGOs provided over 2,600 foster care places, or one-third of the total contracted foster care places in 2021–2022.
- Larger Aboriginal-specific organisations - KARI Ltd and Burrun Dalai Aboriginal Corporation are larger than many of the other Aboriginal community controlled organisations providing similar services. Collectively, they provided foster care to 751 children in 2021–2022, or approximately 20% of the total number of Aboriginal children in foster care during that year. KARI is based in South-Western Sydney and Burrun Dalai Aboriginal Corporation is in Kempsey.

The follow-the-dollar provisions are retrospective and allow the Auditor-General to audit activities of a related relevant entities that were carried out before the commencement of the amending legislation.

## **Audit methodology**

As part of this audit, the audit team undertook the following activities:

- visits to six of the 16 DCJ's administrative districts to observe child protection operations and conduct meetings with children protection personnel from DCJ and selected NGOs
- meetings with central policy and operations staff of both DCJ and selected NGOs
- assessments of documents and data from DCJ and NGOs.

For full information about the audit methodology, please see Appendix four.

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## 2. Governance and system reform

### **DCJ has not made progress in shifting the focus and resources of the child protection system to an early intervention model of care, as recommended by major system reviews**

DCJ has not readjusted its resource profile so that its operating model can take a more preventative approach to child protection. A preventative approach requires significant early intervention and support for families and children soon after a child has been reported as being at risk of significant harm. This approach has been recommended by a number of reviews into the child protection system.

In 2015, the Independent Review of Out of Home Care in New South Wales recommended an investment approach that uses client data and cost-effective, evidence-based interventions to reduce entries to out of home care and improve outcomes for families and children.

The NSW Government response to the Independent Review of Out of Home Care in New South Wales was a program entitled: Their Futures Matter. This program commenced in November 2016 and was intended to place vulnerable children and families at the heart of services through targeted investment of resources and services. A 2020 report from our Audit Office found that 'while important foundations were laid and new programs trialled, the key objective of establishing an evidence-based whole of government early intervention program ... was not achieved. The majority of \$380 million in investment funding remained tied to existing agency programs, with limited evidence of their comparative effectiveness.'

DCJ's expenditure since 2018–2019 shows that most additional funding has been used to address budget shortfalls for out of home care, and to expand the numbers of frontline case workers. Budget increases show that during the period from 2018–2019 to 2022–2023, DCJ's expenditure on out of home care increased by 36%, and expenditure on caseworkers increased by 26%. DCJ's expenditure on family support services, including early intervention and intensive support services, increased by 31% during the audit period.

These resourcing priorities indicate that DCJ has not shifted its focus or expenditure in ways which reorient the child protection system. DCJ has not dedicated sufficient resources to early intervention, and therapeutic support for families and children, in order to implement the recommended changes made by systemwide child protection reviews.

In 2019, the Family is Culture Review recommended increased investment in early intervention support services to prevent more Aboriginal children entering out of home care, with a preference for these services to be delivered by Aboriginal Community Controlled Organisations. Progress towards enhancing a culturally appropriate service profile has been limited. DCJ last published progress against the Family is Culture recommendations in August 2021, when it reported that projects to increase financial investment in early intervention services were under review.

Data from March 2023 shows that 89% of the DCJ-funded, family support service volume across NSW is delivered by mainstream providers compared with ten per cent provided by Aboriginal Community Controlled Organisations, and one per cent by culturally specific providers. Given that Aboriginal children make up approximately half of all children in out of home care, there is still significant work required to shift the service profile.

### **DCJ's governance arrangements are not structured in a way that ensures transparency and accountability for system reform activity and service improvements**

DCJ's organisational structure reflects multiple operational and policy functions across its three branches - the Commissioning Branch, the Operational Branch, and the branch responsible for Transforming Aboriginal Outcomes. Some branches have responsibility for similar functions, and it is not clear where overall executive-level accountability resides for system reform. For example, all three branches have a policy function, and there is no single line of organisational responsibility for this function, and no indication about which branch is responsible for driving system reform.



DCJ has over 30 governance committees and working groups with responsibilities for leadership and oversight of the statutory child protection and out of home care system. DCJ's governance committees include forums to provide corporate and operational direction, to make financial and resourcing decisions, and to provide leadership and program oversight over the different functions of child protection and out of home care. Some committees and working groups oversee DCJ's activity to meet government strategic priorities and respond to the findings and recommendations of child protection and out of home care reviews and commissions of inquiry.

Much of DCJ's work in child protection and out of home care is interdependent, but its governance arrangements have not been structured in a way that show the lines of communication across the Department. There is no roadmap to show the ways in which decisions are communicated across the various operational and corporate segments of DCJ's child protection and out of home care business operations.

In 2022, DCJ commenced activity to reorganise its operational committees into a four-tier structure, with each tier representing a level in the hierarchy of authority, decision-making and oversight. Draft documents indicate the ways in which the new organisational structure will facilitate communication through the different business areas of DCJ to the Operations Committee where most of the high-level decisions are made or authorised before being referred to the Executive Board for sign off. The new governance arrangements indicate a more transparent process for identifying Department and divisional priorities across policy and programs, though the process for reforming governance processes was not complete at the time of this audit.

DCJ's strategic planning documents do not contain plans to address the pressure points in the child protection system or address the increasing costs of out of home care. After the merger of the Department of Family and Community Services (FACS) and the Department of Justice, DCJ's Strategic Directions 2020–2024 document sets out the direction for the expanded Department in generalised terms. While it describes DCJ's values, and describes an intention to improve outcomes for Aboriginal people and reduce domestic and family violence, it does not contain enough detail to describe a blueprint for Departmental action.

In April 2023, DCJ published a Child Safe Action Plan for 2023 to 2027. This plan includes a commitment to hear children's voices and to 'improve organisational cultures, operations and environment to prevent child abuse'. In September 2023, the NSW Government committed to develop 'long-term plans to reform the child protection system and repair the budget, as part of its plan to rebuild essential services and take pressure off families and businesses'. Any activity to implement these commitments was not able to be audited, as it was too soon to assess progress at the time of this report publication.

### **DCJ's expenditure priorities predominantly reinforce its longstanding operating model – to focus on risk assessments and out of home care services rather than early intervention**

More than 60% of DCJ's budget for child protection is spent on out of home care. In the five years from 2018–2019, DCJ's expenditure on out of home care increased by 36% from \$1.39 billion in 2018–19 to \$1.9 billion in 2022–23.

During the same timeframe, DCJ's expenditure on risk report assessments and interventions at the Helpline and Community Service Centres increased by 25%. It grew from \$640 million in 2018–2019 to \$800 million in 2022–2023. This not only reinforced the existing model of child protection, it expanded upon it, at the expense of other activity.

While DCJ's expenditure on family support services increased by 31% from \$309 million in 2018–2019 to \$405 million in 2022–2023, it remains a small component of DCJ's overall expenditure at 13% of the total budget spend in 2022–2023, as shown at Exhibit 6.

## Exhibit 6: Report on Government Services - Productivity Commission

Expenditure (\$b)	2018–19	2019–20	2020–21	2021–22	2022–23	% of total 2022–23	Increase 2018–19 to 2022–23 (%)
Out of Home Care	1.392	1.527	1.561	1.713	1.892	61	36
Risk and safety assessments & interventions at the Helpline & Community Service Centres	0.640	0.651	0.685	0.737	0.800	26	25
Family support services inc. early intervention and intensive support services	0.309	0.322	0.319	0.338	0.405	13	31
<b>Total</b>	<b>2.342</b>	<b>2.501</b>	<b>2.565</b>	<b>2.788</b>	<b>3.097</b>	<b>100</b>	<b>32</b>

Note: Expenditure is actual spending in each year, not adjusted for inflation. Totals may be more than the sum of components due to rounding. percentages may not sum to 100 due to rounding.

Source: Audit Office analysis of Productivity Commission data published in Reports on Government Services 2024, Table 16A.8.

### DCJ has not done enough to support the transition of Aboriginal children to the Aboriginal community controlled sector as planned

In 2012, the NSW Government made a policy commitment to ensure the transfer of all Aboriginal children in out of home care to Aboriginal Community Controlled Organisations. DCJ acknowledges that over the past 12 years, the NSW Government has made limited progress in facilitating this transition.

In June 2023, a total of 1,361 children were managed by Aboriginal Community Controlled Organisations across NSW. At the same time, 1,746 Aboriginal children were being case managed by non-Aboriginal NGO providers, and 3,456 Aboriginal children were case managed by DCJ. In total there were 5,202 Aboriginal children waiting to be transferred to Aboriginal Community Controlled Organisations in June 2023.

The transition process was planned and intended to occur over a ten year timeframe from 2012 to 2022. This has not been successful. DCJ has revised its timeframes for the transition process, and now aims to see the transfer of the 'majority' of Aboriginal children to Aboriginal Community Controlled Organisations by June 2026. At the current rate of transition, it would take over 50 years to transfer all 5,202 children to Aboriginal Community Controlled Organisations, so this timeframe is ambitious and will require close monitoring by DCJ.

The cost of transitioning all 5,202 Aboriginal children from DCJ and the non-Aboriginal NGOs to the Aboriginal Community Controlled sector will add close to \$135 million to the NSW Government out of home care budget. The increased costs are due to the higher costs of administration, accreditation, and oversight of services provided by the Aboriginal Community Controlled sector.

DCJ has prioritised the transfer of Aboriginal children from non-Aboriginal NGOs to Aboriginal Community Controlled Organisations before the transfer of Aboriginal children from DCJ's management. This prioritisation is due, in part, to the fact that most of the non-Aboriginal carers of Aboriginal children are with NGOs. NGO contract requirements should have been one of the drivers of the transition of Aboriginal children to Aboriginal Community Controlled Organisations.

The most recent NGO contracts, issued in October 2022, required that NGOs develop an Aboriginal Community Controlled transition plan by 31 December 2022. This timeframe was extended to 30 June 2023. All of the NGOs we audited have now prepared detailed transition plans for the transition of Aboriginal children, including service plans that identify risks and document collaborative efforts with Aboriginal Community Controlled Organisations.

One important requirement in the success of the transitions, is the willingness of carers to switch from their existing NGO provider to an Aboriginal Community Controlled Organisation. During the period of this audit DCJ failed to provide sufficient information to carers, to assure them of the NSW Government's commitment to the transition process. Since July 2023 DCJ has written to carers of Aboriginal children case managed by non-Aboriginal Community Controlled Organisations and provided them with more information about the transition process.

**NGOs have had limited success in transitioning Aboriginal children to Aboriginal services, and can do more to report on activity, so that system improvements can be made**

Non-Aboriginal NGOs have had limited success in transferring Aboriginal children to the Aboriginal-controlled out of home care sector. For example, of the approximately 1,700 Aboriginal children that were managed by non-Aboriginal providers in 2022–2023, 25 Aboriginal children were transferred from non-Aboriginal NGOs to Aboriginal Community Controlled Organisations in that year. While DCJ controls the key drivers in this transition, there is limited evidence that NGOs have initiated consultations with Aboriginal Community Controlled Organisations during the audit period.

NGOs advised that some of their carers do not want to transition to Aboriginal Community Controlled Organisations, and this is slowing the transfer process. NGO contracts in force until September 2022 required that: 'The express agreement of carers must be sought prior to the transfer of an Aboriginal Child to an Aboriginal Service Provider.' This audit was not able to verify the extent to which carers have resisted the move to Aboriginal Community Controlled Organisations.

DCJ did not provide NGOs with sufficient direction, coordination, or governance through its contract arrangements to effect transitions from non-Aboriginal NGOs to Aboriginal NGOs. DCJ has established a project control group with representatives from NGO peak bodies and has set up an internal program management office to manage the transition.

**There are limited drivers for the transition of Aboriginal children to Aboriginal-controlled services, and financial risks for both Aboriginal Community Controlled Organisations and non-Aboriginal NGOs in the process**

Aboriginal Community Controlled Organisations and non-Aboriginal NGOs are carrying significant financial risk due to a lack of certainty in the transition process of Aboriginal children to the Aboriginal Community Controlled sector. These agencies are responsible for planning and making changes to their business models in order to facilitate the transition process. DCJ does not provide funds for this activity.

Some non-Aboriginal NGOs have high numbers of Aboriginal children in their care. These agencies risk financial viability if children and their carers are transitioned in a short space of time. There is a degree of uncertainty about the timelines for transitions to Aboriginal Community Controlled Organisations, and the numbers of children that will be transitioned at any given time.

Non-Aboriginal NGOs are not in a position to require Aboriginal Community Controlled Organisations to take Aboriginal children. Similarly, Aboriginal Community Controlled Organisations cannot compel the transition of children to their care. There are no real system drivers for this activity, and some financial disincentives for NGOs supporting large Aboriginal caseloads.

Throughout 2023, some Aboriginal Community Controlled Organisations have been upscaling their businesses to prepare for the transition of Aboriginal children to their care. They have employed additional caseworkers and enhanced administrative and infrastructure arrangements to take on new children, without receiving new intakes. They report that they have been financially disadvantaged by the failure of the transition process. Aboriginal Community Controlled Organisations advise that they don't expect confirmation of the child transition process and timelines until 2024 and must carry the financial consequences of upscaling.

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## 3. Service quality and monitoring of outcomes

### **DCJ does not collect sufficient data to assess the effectiveness of its child protection service interventions and does not know whether they lead to improved outcomes**

DCJ does not collect sufficient information to understand whether its child protection risk and safety interventions are effective in protecting children from abuse, neglect, exploitation, and violence.

DCJ is the sole entity with responsibility to make assessments of children after there has been a child protection report. After a child has been reported, DCJ caseworkers conduct a range of assessments of the child and family context, to determine whether the child is at risk of significant harm. If DCJ caseworkers determine that a child is 'in need of care and protection,' Section 34 of the Care Act requires DCJ to 'take whatever action is necessary to safeguard and promote the safety, welfare and well-being of the child or young person', including 'providing, or arranging for the provision of, support services for the child or young person and his or her family'.

DCJ has limited measures to assess the effectiveness of its service interventions. DCJ monitors and reports on the number of children who are re-reported within 12 months after receiving a DCJ caseworker intervention. However, DCJ does not monitor or report any comparative data that would potentially demonstrate the effectiveness of its service interventions. For example, DCJ does not collate and publish data on re-report rates of children who do not receive a DCJ service intervention. This comparative data would give DCJ greater understanding about the effectiveness of its service interventions.

In addition, DCJ's re-report data does not differentiate between re-reports of children that are substantiated, from those that are not. Children can be re-reported for a variety of reasons. Some re-reports are of children who are not at increased risk of significant harm. Therefore, the current re-report data is a limited measure of the effectiveness of DCJ's service interventions.

DCJ does not collect data or compare outcomes based on the kinds of services that are accessed by children and families. For example, DCJ does not report on instances where families were denied service interventions because support services were full, or did not exist in their region. DCJ does not collect data or report on children who were taken into out of home care in areas where there were no available services to support the family.

DCJ caseworkers can support families by making referrals to drug and alcohol rehabilitation services, family violence services, parenting support courses, or mental health services. It is not known whether families receive services that are relevant to their needs. Some services are offered as additional DCJ caseworker support, some are NGO funded support packages, some offer therapeutic interventions, and some are provided via external government agency services, such as NSW Health. Support services are highly rationed in NSW, and many families engaged in the child protection system do not have access to them.

Limited outcomes data and reporting means that DCJ cannot demonstrate how its actions and service interventions are reducing risks and harms to children, and promoting their safety, welfare, and wellbeing in line with the Care Act.

### **While child protection reports have significantly increased over the past ten years, around 40% do not meet the threshold for suspected abuse and neglect to warrant a response**

The overall number of child protection reports received by the Helpline has increased significantly over the past ten years. Reports to the Helpline ensure that children at risk of significant harm come to the attention of DCJ, but around 40% of reports do not meet the threshold of abuse and neglect to warrant a child protection report and response from child protection caseworkers. DCJ has finite resources, and responding to reports that do not require intervention reduces the capacity of DCJ to effectively respond to children who are at risk of significant harm.

In 2022–2023, the Helpline received 404,611 concern reports, an increase of over 60% since 2012–2013 when there were 246,173 reports. Between 2012–2013 and 2017–2018, reports grew slowly, then increased rapidly for three following years up until 2021. While the number of Helpline reports fell in 2021–2022, this reduction was partly due to a drop in reports by teachers during COVID school closures, and was not maintained in 2022–2023.

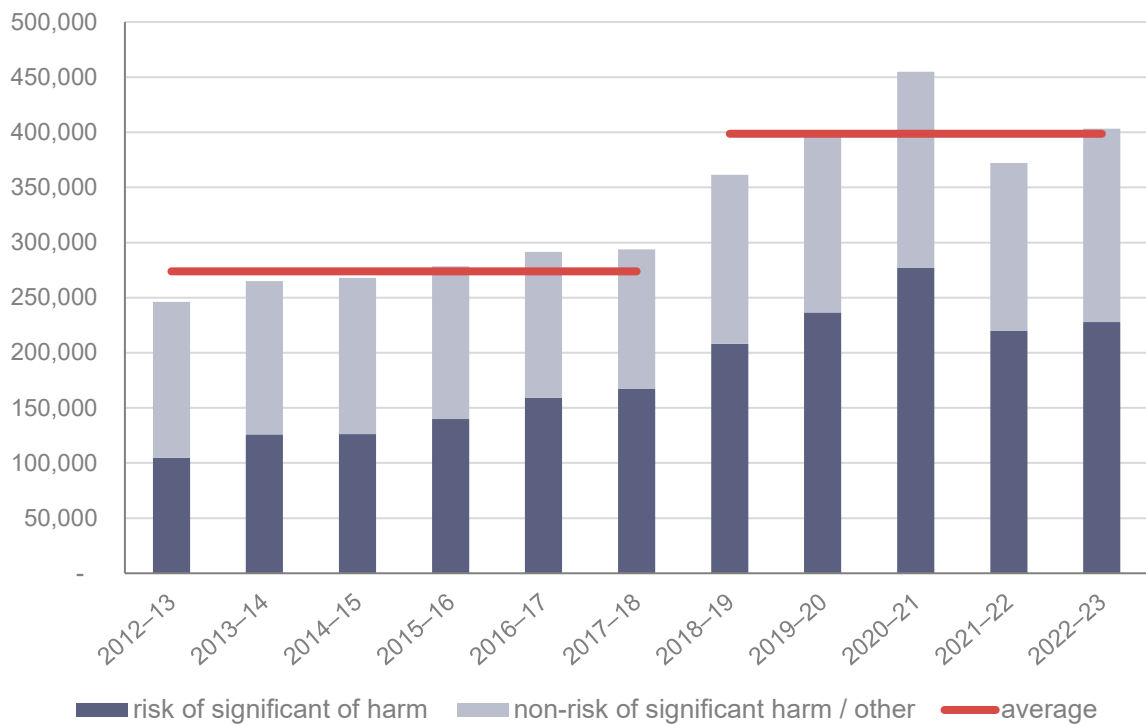
DCJ attributes the rapid growth in child protection reports to increasing awareness amongst mandatory reporters about their statutory responsibilities to report, along with the introduction of the online reporting option. Mandatory reporters include medical practitioners, psychologists, teachers, social workers, and police officers. These personnel are legally required to report children that they suspect are at risk of significant harm. In one 3-month period from April to June 2021 there were over 40,000 reports from mandatory reporters that did not meet the threshold that activates a statutory child protection response from DCJ caseworkers. The assessment of these reports consumes significant resources, costing over \$4 million during the three month period in 2021, which equates to over \$15 million per annum.

In 2010, Child Wellbeing Units were established so that mandatory reporters from Education, Police and Health could be assisted in child protection reporting. The units were established in response to recommendations made by the Wood Special Commission of Inquiry into Child Protection Services. They aimed to reduce the number of reports to the Helpline and to support mandatory reporters to assist children and families to receive an appropriate response. DCJ managers advise that the units are underutilised, and mandatory reporters continue to submit reports to the Helpline. The Child Wellbeing Units have not successfully reduced the overall number of reports to the Helpline.

DCJ advised that it is evaluating the Child Wellbeing Units and is developing new guidance for mandatory reporters that aims to address the culture of over-reporting.

Exhibit 7 shows the ten years of Helpline reports from 2012–2013 to 2022–2023.

**Exhibit 7: Helpline concern reports 2012–2013 to 2022–2023**



Source: Audit Office analysis of Helpline data provided by DCJ.

**DCJ's assessments of child protection reports are repetitive and ineffective, with 75% of children suspected to be at risk of significant harm not receiving a home safety check**

DCJ dedicates significant workforce resources to the task of assessing child protection risk reports. The report assessment process begins at the Helpline. Reports are assessed by at least three Helpline staff to determine if the child protection concerns are of a nature that could reach a threshold of risk of significant harm. The first action of the Helpline is to receive and log the details of the child protection concern report. This includes documenting the nature of the risks to the child, details about the child and family, and details about the reporter. This file is then transferred to a Helpline caseworker who collects additional information about the child and family where this is available, and makes a recommendation about whether the report meets the threshold for suspected risk of significant harm. The report is then transferred to a Helpline Casework Manager who re-assesses the report, and signs off on the caseworker decisions. The file is then transferred to a Community Service Centre.

At the Community Service Centre, reports are usually re-assessed by three levels of staff to determine the next stage of action. This process substantially replicates the activity of the Helpline with one difference, the personnel at the District Community Service Centres may have local knowledge about the family or the child, and this can affect the assessment of the report. A triage manager assesses the child protection report, and makes further decisions about whether to refer the child and family to services, allocate the child to a caseworker for a home visit, or to close the case. Urgent reports are assessed by caseworkers and managers and allocated to staff for action. All other reports are presented at weekly allocation meetings, where caseworkers make further decisions about actioning the reports.

These report assessment processes consume significant human resources. For example, DCJ estimated that in 2021, more than 120 Community Service Centre staff were exclusively dedicated to report assessment and triage functions, which represented six per cent of DCJ's total casework effort.

Despite the significant resources that are dedicated to report assessment, there is limited evidence that children and families receive a consistent, timely or equitable response from DCJ. Multiple re-assessments of reports prolong the time before the child and family receive any form of service response. This response period is not routinely assessed or monitored by DCJ. Ultimately DCJ closes the majority of suspected risk of harm cases due to a lack of workforce capacity. In 2022–2023, 75% of children assessed as being at suspected risk of significant harm did not receive a face-to-face assessment by a caseworker. More than 60% of this cohort did not receive a home-based assessment due to DCJ's lack of capacity to allocate a caseworker to the child.

In 2015, an independent review into the child protection system found that DCJ's report assessment processes were ineffective.

**DCJ is meeting target timeframes to assess the most urgent child protection reports, but is not meeting timeframes for all other reports, delaying the time before children are seen**

DCJ has urgency timeframes for processing child protection reports. The most urgent reports require a 24 hour turnaround. This turnaround includes the completion of a Helpline report assessment and the completion of a report triage process at Community Service Centres. On average, the Helpline is transferring the most urgent reports within timeframes. The next category of urgency requires a completed process within three days, and a further category requires that assessment be completed within ten days. All other reports must be transferred from the Helpline and assessed by Community Service Centre staff within 28 days to meet statutory timeframes.

While 24 hour reports are transferred within timeframes, the Helpline is not meeting target timeframes for all other report urgency categories. This delays the time between the report being made, and an assessment of the type of service that the child and family will receive. These delays prolong the time between the child protection report, and the family receiving a service response.



DCJ collects data about the time it takes for transferring reports from the Helpline to Community Service Centres. However, DCJ does not collect data about the time it takes for the Community Service Centre staff to assess and respond to each report. This is a significant oversight because when caseworkers have heavy workloads, they are not able to visit children in a timely manner. It can take extra days or weeks before a child is assessed at home after a caseworker is assigned to their case. As this timeframe is not measured, DCJ does not know the time it takes between a child report being made, and a child's risk level being assessed. This has potential safety implications for children presumed to be at risk of significant harm.

In 2022–2023, on average, the Helpline took 5.6 days to transfer reports requiring a response in under three days. This was almost twice the required timeframe. The Helpline took an average time of 13.9 days to transfer reports requiring a response under ten days. Almost one-quarter (23.4%) of the child protection reports received at the Helpline were not assessed and transferred to Community Service Centres within the statutory timeframe of 28 days in 2022–2023.

DCJ personnel use standardised assessment tools to assess reports. It takes at least 30 minutes to apply the tool and assess each report. This process is followed irrespective of the circumstances surrounding the report. For example, the same labour intensive process is followed multiple times, even if there are multiple reports about the same issue or concern. Similarly, the full report triage processes occur for many reports of children who are already receiving services from DCJ or NGO agencies. The ChildStory system does not allow Helpline staff to easily verify that multiple reports relate to an individual child, which means that each report is assessed as a unique case. These reports could be linked to existing cases, and prevent the need to conduct full re-assessments at the Helpline.

Overall, there are opportunities to create efficiencies in the report re-assessment processes. In particular, efficiencies could be made in limiting the number of Helpline and Community Service Centre staff who need to re-assess reports about children already receiving services. There could be reductions in the number of personnel who need to re-assess multiple reports that are related to a single incident.

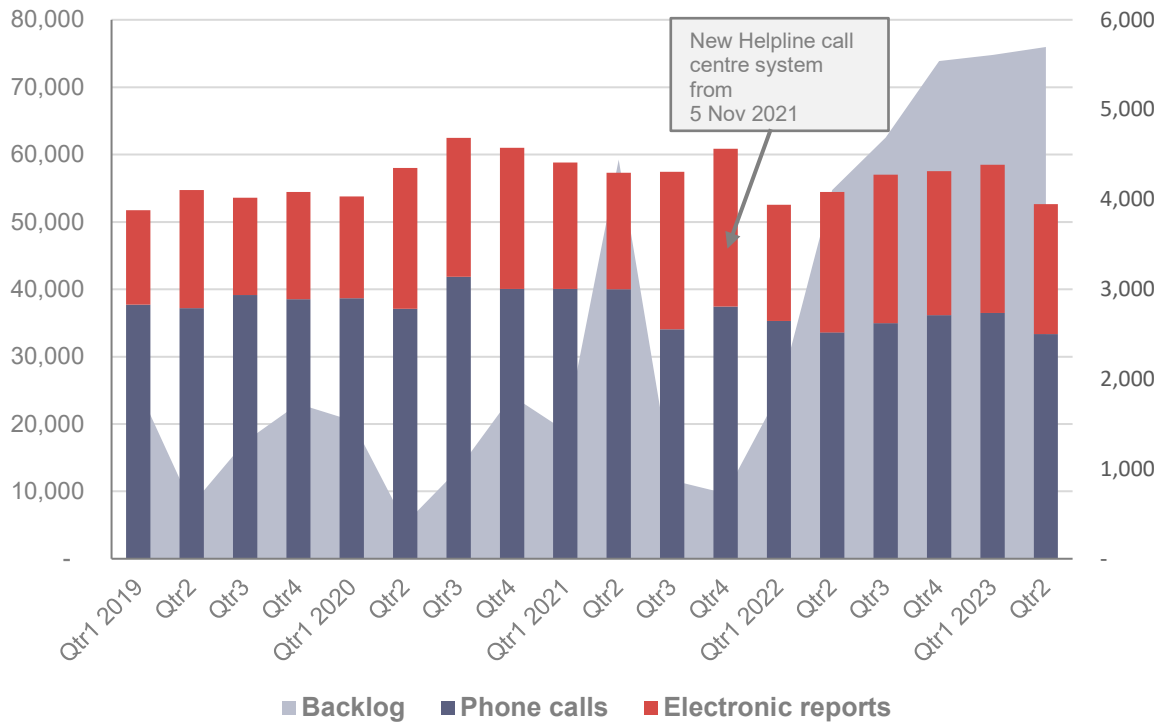
DCJ managers advise that a minimum level of documentation is required for each report, as this information can be requested for Children's Court or Family Court proceedings. While this Court documentation is necessary, there are opportunities for DCJ to provide the necessary Court information through a more efficient review process.

DCJ does not publish data about the average time it takes for the Helpline to process reports by urgency category. DCJ advises that this data is not readily available for publication, and to extract this information from Helpline systems would be labour intensive.



Exhibit 8 shows the quarterly numbers of Helpline reports from 2019 to 2023 and the backlog of reports that were waiting to be assessed at the Helpline.

**Exhibit 8: Quarterly numbers of reports and backlog at the Helpline from 2019 to 2023**



Source: Audit Office analysis of Helpline daily report volume data provided by DCJ.

Exhibit 9 is a case study that describes DCJ's process for assessing and responding to a child protection report. Information for this case study was sourced from audit observations of DCJ's report handling processes and based on average times for DCJ responses to child protection reports. Case details have been changed to protect the privacy of those affected.

## Exhibit 9: The time it takes to assess and respond to a child protection report

### Case study

The Helpline receives a call from a paediatrician making a mandatory report about a child who arrived at the hospital emergency department with serious medical complications. The paediatrician explains that the child has not been receiving appropriate medical care for a pre-existing condition. The child's parents are aware of her condition, but they have missed recent medical appointments because they cannot afford the cost of travel for routine check-ups and treatment.

On this occasion, the mother and daughter travelled to hospital on public transport after the child's health suddenly declined at home. The paediatrician confirms that the family have limited finances and are relying on charity and community support.

The paediatrician tells the Helpline that she discussed the problem of finances with the mother, and they both agreed that the situation could be resolved if the family were provided with travel vouchers for medical visits. The paediatrician explains that there are no other indications of child neglect, other than an inability to take the child to medical appointments.

The intake officer explains that the Helpline is not authorised to provide transport vouchers. The case will be sent to a Helpline caseworker who will conduct further investigations because this report meets the criteria for suspected risk of significant harm. Failure to provide appropriate medical care is grounds for risk of significant harm under the legislation. The intake officer records the details of the call, and places it in a queue for a caseworker to assess.

The Helpline caseworker and manager assess the report for its level of seriousness and decide that this case should be categorised as requiring investigation within ten days. However, due to the usual backlog at the Helpline, it will take approximately 14 days for this case to be fully assessed and recorded, before it is transferred to a Community Service Centre. This is the average time it takes for ten-day reports to be transferred from the Helpline.

At the Community Service Centre, the second phase of report assessment will commence. This will take another week, as the case cannot be presented for assessment until the Monday Weekly Allocation Meeting. It is now 21 days since the original report was made. The caseworkers at the Community Service Centre have a large number of cases to assess, and they are unable to allocate this case to a caseworker for a home-based safety assessment.

Twenty-two days after the child was presented at the hospital, the family receive a phone call from a DCJ triage officer, telling them that the child must be taken to medical appointments. The triage officer tells the parents that they must prioritise medical support for the child and seek further assistance from charities or services to help them with medical travel costs. The triage officer does not provide the family with travel vouchers. The case is then closed, along with 75% of all cases where children are suspected to be at risk of significant harm.

The details of this child protection report remain in the records of DCJ's child protection system. Should the child be re-reported, the child protection system will show that this child has already been reported, and the child's risk rating will be automatically escalated.

Source: Anonymised examples of Audit Office observations of caseworker activities at the Helpline and District Community Service Centres. Timeframes for report assessments and transfers are based on analysis of data provided by DCJ.

### DCJ faces challenges recruiting and retaining experienced caseworkers

Over the five-year audit period, there has been an increase in the number of DCJ caseworkers exiting the workforce. In 2021–2022 and 2022–2023, more than one in six caseworkers left the DCJ workforce. In September 2023, there were 192 vacancies in frontline caseworker positions across DCJ's Districts. The ongoing attrition of the caseworker workforce has led to increased numbers of inexperienced caseworkers in the workforce. In June 2023, 49% of caseworkers had been employed with DCJ for less than five years.

DCJ's survey data analysis shows that caseworkers are leaving the agency due to high workloads. Workload stress was identified as the greatest challenge for exiting staff and influenced their reason to leave. In 2022–2023, 17% of newly recruited caseworkers left DCJ during their first year of employment.

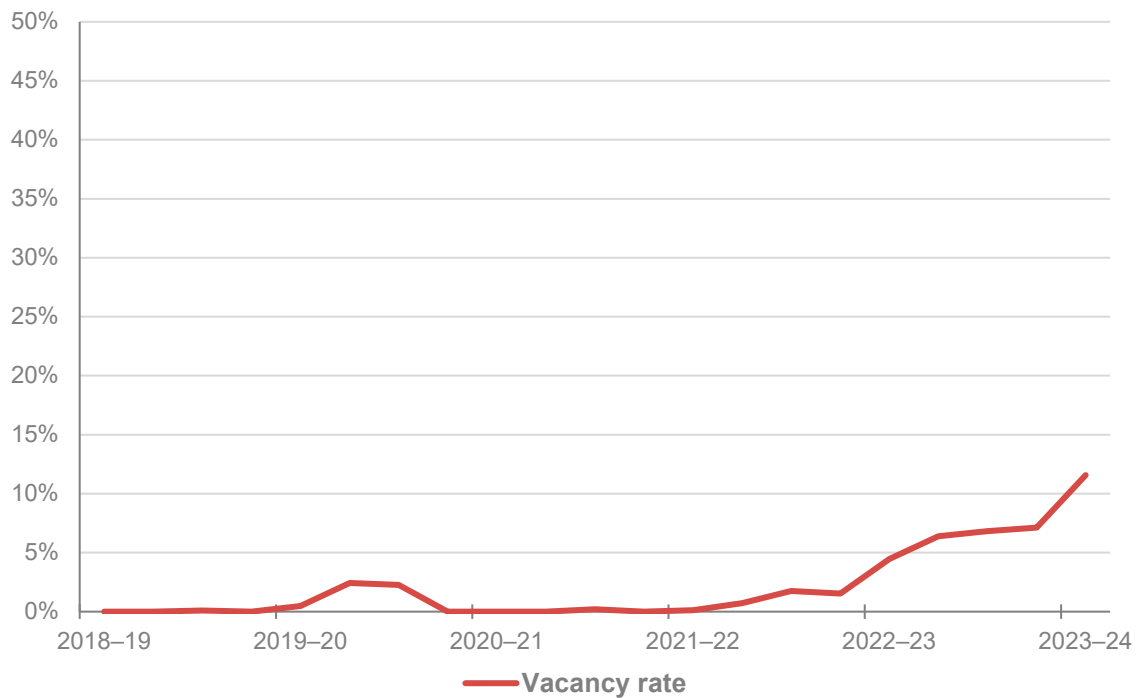
In response to the workforce exodus, DCJ increased support for new caseworkers. DCJ took action to reduce workloads, and provided more practical learning for new caseworkers, to assist them to work safely with children and families. Nevertheless, DCJ managers advise that caseworkers continue to leave DCJ to work for other government agencies or to NGOs that offer higher salaries and more manageable workloads.

Caseworker vacancies reduce DCJ's ability to respond to children who are at risk of significant harm. In the years 2018–2019 to 2022–2023, between 69% to 75% of children presumed as being at risk of significant harm, did not receive a safety check visit by a caseworker. This means that each year, caseworkers did not investigate the nature of risks to between 75,000 and 90,000 children.

Some of these children may have been referred to an external support service, but DCJ does not collect sufficient data to demonstrate that these children received an appropriate service response.

Exhibit 10 shows the caseworker vacancy rates over time, in particular the increase in vacancies from 2022 to 2024.

### Exhibit 10: Quarterly caseworker vacancy rates



Source: Audit Office analysis of Caseworker vacancy data published by DCJ.

### DCJ has developed performance targets to increase the number of children receiving home-based risk and safety assessments, but in most instances, Districts are not meeting targets

DCJ has a number of performance targets to measure the levels of caseworker activity in assessing and providing services to children suspected to be at risk of significant harm. DCJ reports on these performance targets through monthly dashboard reports that show the individual performance of Districts and their ranking against other Districts in the State.

A number of the performance measures are designed to encourage more home visits by caseworkers. One performance target measures the numbers and proportions of children in each District who receive an initial home-based safety assessment to determine whether the child is at risk of significant harm. A further target is focused on the numbers and proportions of children who have a follow-up visit to assess any ongoing risks in their home. This follow-up visit should occur within 30 days.

In 2021–2022 and 2022–2023, most DCJ Districts did not meet either of these performance targets, for the initial child safety assessment, or the follow-up field assessment.

District managers advise that the targets were unattainable at this time, due to high levels of staff turnover, and high proportions of new staff who were unable to take full caseloads while they completed four months of mandatory on-boarding training.

While the risk and safety performance targets measure activity, they do not capture caseworker efforts to provide a quality service. For example, there is no measurement and no incentive for caseworkers to conduct multiple visits to support the most vulnerable children and families. In 2021, an internal review found that existing targets pressured caseworkers to focus on volume-based activity, rather than quality casework. Multiple visits may be necessary for some families when there is a risk that the child may be removed to out of home care.

### **DCJ caseworkers do not have sufficient guidance to drive consistent and equitable decisions about children and families across NSW**

The Care Act requires DCJ to make significant and consequential decisions about children and families engaged in the child protection system. These decisions include whether children:

- meet the threshold for ‘risk of significant harm’
- are ‘in need of care and protection’ and therefore need oversight by DCJ
- should be removed from their parents and placed in out of home care.

DCJ does not have clear policies, mandates, and processes to ensure that practitioners make consistent and equitable decisions about the children and families who receive support. DCJ’s decision-making instruments do not always ensure that equitable decisions are made about children who are removed to out of home care.

DCJ’s ‘Structured Decision Making’ tools are its primary policy instrument for interpreting and applying legal thresholds for intervention by caseworkers to protect children and to assist families.

The first ‘Structured Decision Making’ tool, the ‘screening and response priority’ tool, guides Helpline caseworkers to decide if the information in a child protection report meets the statutory threshold for ‘risk of significant harm.’ DCJ advises that the threshold for risk of significant harm can only be confirmed once a DCJ caseworker visits the child and conducts a risk and safety assessment. However, DCJ’s external reporting does not reflect this advice. On DCJ’s public dashboards, children are counted as being ‘at risk of significant harm’ after they are assessed at the Helpline. This has created confusion amongst DCJ staff and mandatory reporters. The confusion is related to the point at which the ‘significant harm’ threshold is confirmed.

DCJ caseworkers decide whether to visit children at home during ‘weekly allocation meetings’ that vary in length from 30 minutes to 3 hours in some Districts. The format of these meetings is not standardised, and local Community Services Centres use different approaches to determine which children should be prioritised for a home visit. Both internal and external reviews of the decisions made during these meetings, found that they are not consistent, equitable or efficient.

Our audit observations of caseworker activity at different District Community Service Centres indicated that caseworkers can make different decisions about children and families with similar risk factors. This means that children and families can have different child protection outcomes depending on the availability of local services and resources. For example, in one District, almost all children reviewed at the weekly allocation meeting were allocated to caseworkers for an in-person assessment. In another District, only one child was allocated to a caseworker, due to a lack of available caseworkers.

During home visits, caseworkers apply the Structured Decision Making ‘safety and risk assessment’ tools to confirm that a child is at ‘risk of significant harm’ and determine whether they are ‘in need of care and protection.’ The determination that a child is ‘in need of care and protection’ enables DCJ to enact its legislative powers. These powers can require that parents attend support services. The powers also give DCJ the authority to file a care application in the Children’s Court to remove children from their parents.

Since at least 2017, DCJ has been aware of issues with the safety and risk assessment tools. The tools have been found to lack clearly defined legislative thresholds for intervention. They have been shown to have been implemented in ways that were not intended, and can be influenced by caseworker bias. The tools have not been updated for over a decade to reflect contemporary research on best practice approaches.

DCJ commenced work to review its Structured Decision Making tools between 2018 and 2019, more than ten years after they were introduced, but this work was suspended due to resource constraints. Work recommenced in January 2021. Additional resources were not allocated to the re-design of the tools, and this audit has seen limited evidence of progress to replace or improve them. DCJ advised the audit team that it plans to introduce the new tools progressively from 2024.

### **DCJ has not commissioned or coordinated sufficient therapeutic services to support children and families when there is a risk of harm**

DCJ's \$169 million 'family preservation' program intends to provide education, support, and resources to families where a child has been identified as being at risk of significant harm. Services are provided by NGOs and designed to support families so that they can keep their children safe at home. However, this funding is not being used effectively to meet the needs of the majority of families who require service support, and program places are highly rationed across NSW.

In 2022–2023, after multiple desktop assessments at the Helpline, 112,592 children were assessed as suspected at risk of significant harm. In the same year, a total of 10,059 children received family preservation services to mitigate risks. Of this cohort, the majority received extra visits from NGO caseworkers, with approximately 1,000 children receiving more targeted therapeutic services.

DCJ advises that there was under-reporting in 2022–2023 and that from 2018 to 2022, approximately 16,000 children received family support services in each year. However, the number of children receiving targeted therapeutic services remained around 1,000.

Some families are denied access to the family preservation services because there is domestic or family violence in the home. These families are considered too high risk. Eight of DCJ's nine family preservation service programs have exclusion criteria. These exclusions mean that families that are considered 'unsuitable' or 'too high' risk, do not receive a service. DCJ has not commissioned or provided sufficient specialist services with skilled staff that can work with families to address these risks, including domestic and family violence and sexual abuse. Most families engaged in the child protection system have high risk behaviours and require services to address alcohol and drug misuse, mental health issues, homelessness, or parenting issues. DCJ does not collect data to match its service interventions to these risk factors.

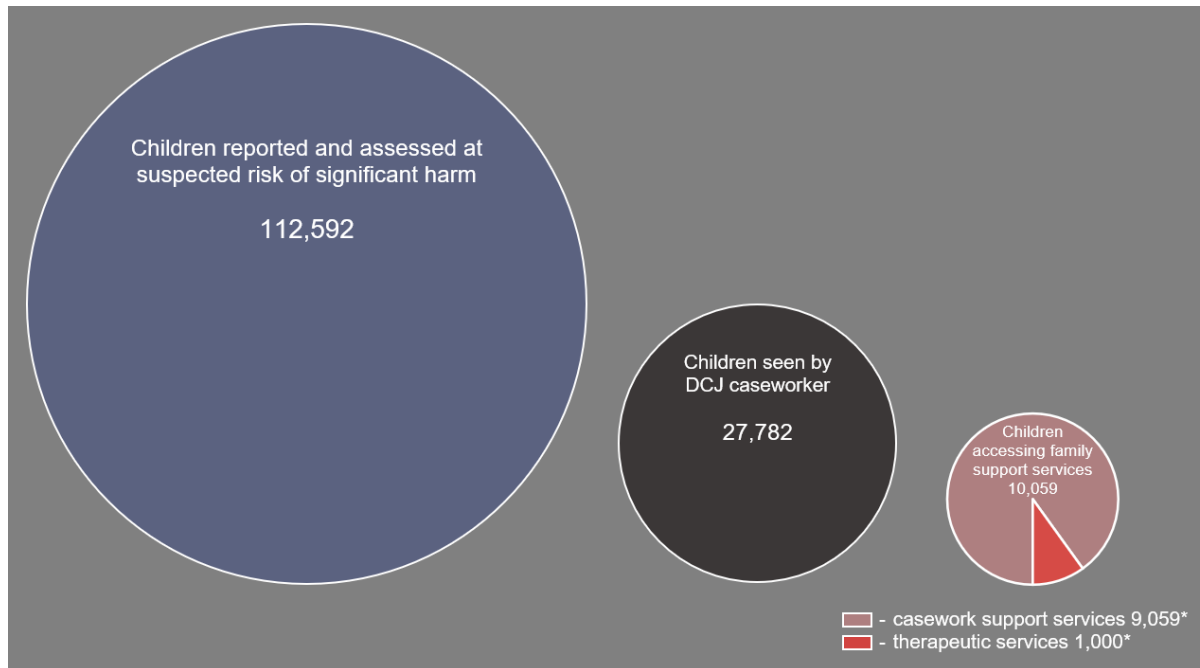
In some instances, families cannot access services because they are not culturally appropriate. The majority of the family preservation service models are not designed to be culturally appropriate for Aboriginal families or for families from culturally and linguistically diverse backgrounds.

Most of DCJ's 'family preservation' program is dedicated to generic 'casework support' rather than to therapeutic services. In general, this means that NGO caseworkers assist families to access external services. While DCJ mandates specific staff qualifications for some of its smaller therapeutic programs, there is no requirement for specific staff qualifications for caseworker support services. The NGOs we audited do not routinely collect and report on outcomes from the casework support model. As a result, NGOs and DCJ cannot assess whether their casework interventions are effective at keeping children safe at home with their families.

A small portion of DCJ's family preservation program provides families with direct access to therapeutic programs that are delivered by qualified personnel such as therapists and psychologists who can support families to address the risks that lead to children being removed from their family home. These therapeutic programs were introduced by DCJ as pilots in select locations in NSW. The sites are limited, meaning that not all families have equitable access to these services.

Exhibit 11 shows the numbers of children that DCJ assessed as being at suspected risk of significant harm in 2022–2023, and the subsequent service volumes and service types that were available to children and families to mitigate those risks.

**Exhibit 11: Children suspected at risk of significant harm and access to caseworker support or therapeutic support services in 2022–2023**



Note: Estimated data based on 10,059 children accessing family preservation services in 2022–2023. During the time period from 2018–2019 to 2021–2022, of the families who received family preservation services, around 1,000 children received a therapeutic component while the rest received additional caseworker support services.

Source: Audit Office analysis of DCJ data regarding family preservation services available to children and families in 2018–2023.

**DCJ cannot demonstrate that it is meeting its legislative requirement, to take the ‘least intrusive action’ in protecting children from harm**

A key objective of the Care Act is to ensure that ‘appropriate assistance is rendered to parents and other persons responsible for children and young persons in the performance of their child-rearing responsibilities in order to promote a safe and nurturing environment.’ DCJ has not defined or developed guidance about ‘appropriate assistance’ in its practice frameworks. As a consequence, DCJ has limited benchmarking to indicate that families have received appropriate assistance to mitigate risks in the family home.

The Care Act also requires that DCJ take the ‘least intrusive action’ to protect a child from harm. This means that DCJ should consider all alternative actions to mitigate risks in the family home, before taking a child into out of home care. DCJ does not have data to demonstrate that families have had access to appropriate services and support. DCJ has limited evidence to show that the agency has met the legislative requirement for the ‘least intrusive action’.

DCJ has a \$171 million ‘targeted early intervention program’ that aims to deliver services to children and families before they meet the statutory threshold for ‘risk of significant harm.’ Approximately 170,200 children accessed these services in 2022–2023. DCJ has not measured the demand for these services or the outcomes they deliver to children and families. As a result, DCJ does not know if these services are achieving their objective – to prevent children from meeting the ‘risk of significant harm’ threshold, so that they can remain safe at home.

Under the Care Act, DCJ has powers to require parents to access support services in order to mitigate risks or safety concerns regarding the child. For example, DCJ can make referrals to parenting courses or rehabilitation services. DCJ may make these referrals, even if these service types are limited or unavailable. In 2021, a DCJ internal review found that when services were unavailable, DCJ caseworkers were not able to provide the appropriate supplementary support to families to mitigate risks in home.

In most instances, when DCJ identifies risks to the safety of children, parents or carers are given 90 days to improve their safety and wellbeing. At the end of this timeframe, DCJ conducts a further review of the child's circumstances, and may recommend an additional 90 days to see improvement in the child's safety and wellbeing. A child can be taken into care if no progress has been made to address the risks to the child. During the period of this audit DCJ did not have to routinely demonstrate that they had exhausted all possible avenues for support, before a child was removed from the family and placed in out of home care.

DCJ advised that it is undertaking work to clarify instances where there is a lack of service availability, and the circumstances when a child can be determined to be 'in need of care and protection' and removed from their parents or carers. On 15 November 2023, amendments were made to the Care Act intended to make the child protection system more equitable, and accountable. This includes a provision that caseworkers must make 'Active Efforts' to demonstrate that they have taken steps to refer families to relevant services, supported their engagement, and monitored their progress before a child can be removed.

Exhibit 12 is a case study that describes different outcomes for children engaged in the child protection system due to differences in the levels of support services in their region. Information for this case study was sourced from audit observations of DCJ's responses to child protection reports and the subsequent outcomes for children and families. Identifying details have been changed to protect the privacy of those affected.



## Exhibit 12: Different child protection outcomes for families in regional and metropolitan areas due to a lack of service support

### Child protection outcomes for children in regional NSW

At a regional Community Service Centre, several caseworkers and managers are discussing whether three siblings should be removed from their family home. They are weighing up the risk factors to the children, acknowledging that while the children have never been physically harmed, they have been exposed to domestic violence and drug taking in the home. Their mother's new boyfriend has changed the household dynamic, and the children express their dislike for him. One of the children has a cognitive disability, and while his mother has been diligent in getting him the care he needs, in recent times, the child has missed a number of appointments.

Other than police visits to the home, the caseworkers are concerned that there have been no actions to reduce the domestic violence. There are no safe houses or family support services in the region, and the caseworkers believe that the mother's boyfriend would make it difficult for the mother to access any services if they were available. The mother was herself in foster care during her teen years and has been living semi-independently since the age of 16, when she had her first child. While the mother makes every effort to assist her children, she lacks some basic parenting skills. The caseworkers discuss that there are no parenting support services in the region.

The caseworker discussion concludes with a decision to relocate the children to a metropolitan area where they can stay with the father of one of the children. A grandmother also lives nearby and may be able to help.

### Child protection outcomes for children in a metropolitan area

At a metropolitan Community Service Centre, several caseworkers, managers, and non-government service providers are discussing the case of two children who have been identified as being at risk of significant harm. The caseworkers are deciding whether the children are safe to remain in the family home.

The mother of the children is a single parent with extreme hoarding behaviours. She has been diagnosed with obsessive compulsive disorder and anxiety. The children have experienced ongoing issues associated with neglect, including health impacts that are caused by poor hygiene practices. Numerous reports have been made about the children in relation to untreated skin conditions including chronic impetigo, along with significant gaps in their school attendance.

The family have had multiple service interventions. The latest support included a thorough house clean, counselling and support for the mother, respite care for the children with relatives, and finally, ongoing support for the family from a social worker who has been making twice weekly visits to support healthy family functioning.

The caseworkers and other NGO service providers discuss the significant improvements in the wellbeing of all three family members over recent months. The children remain very attached to their mother and do not want to leave the family home.

The caseworkers decide that the family is safe with the ongoing level of support, and agree to review the case after 90 days.

Source: Anonymised examples of Audit Office observations of caseworker activities at District Community Service Centres.

### Children requiring out of home care can be placed in hotels for months or years, due to DCJ's lack of appropriate, supported housing options, and a lack of foster carers

DCJ has not successfully planned for, or commissioned, appropriate out of home care options for all children who have been removed from their family homes. While the majority of children are placed with foster carers, a significant number of children have not been placed with families. This has led to children being placed in high cost emergency care accommodation. Some of the better arrangements include short-term accommodation in rental homes, under the supervision of NGOs that are accredited by the Office of the Children's Guardian. However, close to a third of children in emergency placements are accommodated in hotels, motels, and serviced apartments, and supervised by unaccredited agencies with rotating labour hire staff.

Most high cost emergency care arrangements do not meet the standards for child development as required by the Care Act. The legislation requires ‘that all institutions, services, and facilities responsible for the care and protection of children and young persons, provide an environment for them ... and provide services that foster their health, developmental needs, spirituality, self-respect, and dignity.’

As at August 2023, there were 471 children living in high cost, emergency arrangements at an estimated total cost of \$300 million in 2022–2023. Expenditure on emergency accommodation has grown from approximately \$100 million in 2018–2019, to \$300 million in 2022–2023.

Of the 471 children in emergency care arrangements, 142 children were housed in hotels, motels, or serviced apartments. DCJ estimated that this type of emergency care cost approximately \$829,000 per annum, per child in 2022–2023, with some placements costing in excess of \$1 million per annum, per child. In one case that we reviewed, \$530,000 was spent on staffing (including staff on costs), \$84,000 on accommodation, and \$22,000 was spent on food and activities for the child.

Most children housed in hotels, motels and serviced apartments are case managed by DCJ. Between 1 July and 30 September 2023, there were 244 children in hotels, motels, or serviced apartments. Of these children, 165 were case managed by DCJ and 95 were case managed by NGOs.

DCJ and NGOs subcontract organisations to deliver emergency care to children placed in hotels, motels, and serviced apartments. In April 2023, of the 48 organisations managing these emergency care placements, 41 of them, or 85% were ‘for profit’ organisations that are not accredited by the Office of the Children’s Guardian to provide out of home care services. This means that there is no independent oversight of the quality of care that the ‘for profit’ organisations provide to children, including oversight of the profits they make from housing children in hotels, motels and serviced apartments.

The average time that children stay in hotels, motels, or serviced apartments has increased from around two and a half months (80 nights) in July 2022, to just over four months (122 nights) in July 2023. Some children live in hotel-like accommodation for years. As of 30 June 2023, a sibling group of four children had been living in hotels and serviced apartments for 534 days.

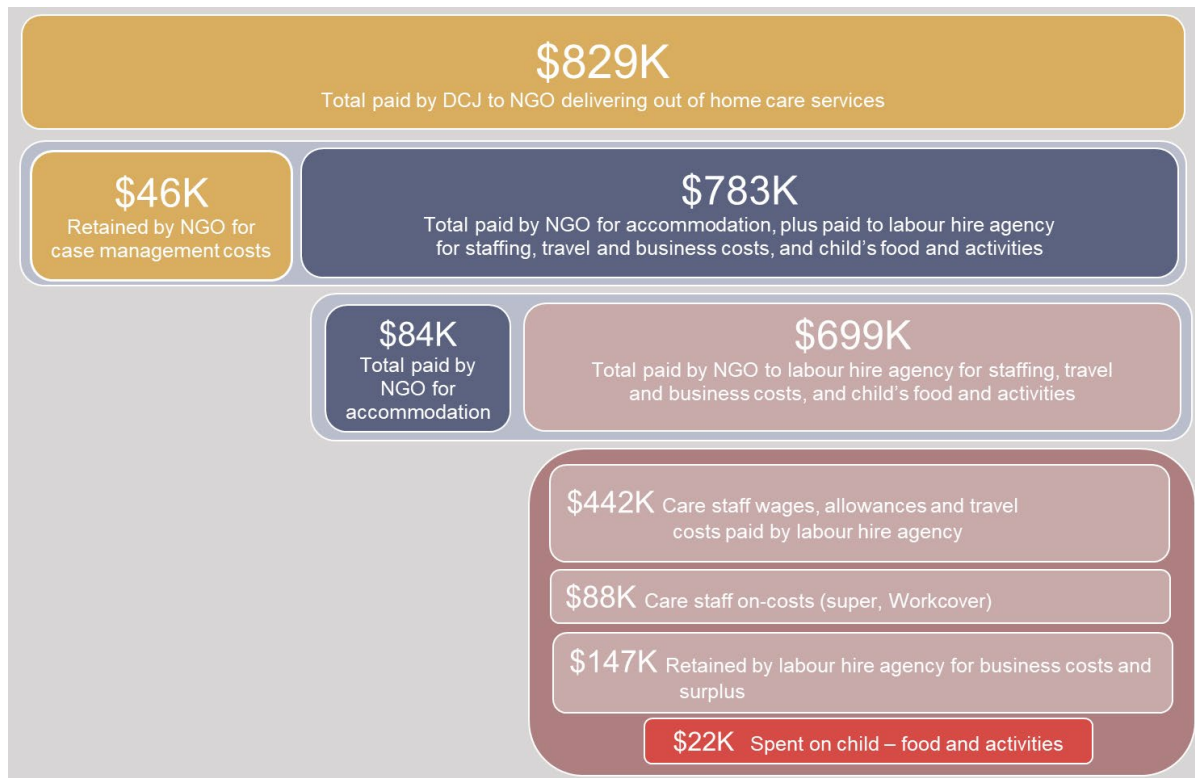
The children and young people who are accommodated in hotels and serviced apartments are not in a home-like environment. They are supported by rotating casual staff who are not qualified social workers. These children lack a sense of permanency or stability in relation to their environment and their carers – conditions that are a well-established requirement for child development.

Emergency accommodation expenditure has accounted for a significant proportion of the DCJ overspend every year since 2017–2018. In 2021–2022, DCJ was overspent by \$70 million, with a total expenditure of \$1.681 billion. DCJ forecasts that the budget deficit will increase to \$182 million in 2025–2026.

The Minister for Families and Communities stated in December 2023 that the NSW Government is committed to eliminating the use of all high-cost emergency arrangements, including hotels and motels, and building placement capacity to provide more suitable alternatives.

Exhibit 13 shows an example of where government funds are distributed to cover the high cost emergency accommodation placements in 2022–2023.

### Exhibit 13: Estimated annual expenditure per child in high cost emergency accommodation



Source: Audit Office analysis of examples of expenditure on high-cost emergency accommodation from NGOs.

#### Most emergency out of home care is provided by casual, shift workers, with limited reporting on education, nutrition, or recreational activity in these placements

While DCJ and NGOs provide base-level safety and care for children in emergency accommodation settings, they have not developed a framework to guide the qualitative elements of care for children in these placements. DCJ and NGOs have limited reporting on aspects of emergency care that would indicate whether the care is consistent and of high quality. For example, there is no centralised reporting on the numbers of different shift workers providing services to children in emergency care settings in any given week.

Agencies do not collate or report data on whether children are accessing education in emergency care settings. Furthermore, there is limited information about the nutritional or recreational activities for children in emergency care. While individual children are assessed by caseworkers on a weekly basis, and the information is recorded and discussed at regular meetings, there is no collective reporting and assessment of core elements of service quality.

Arguably, there is a higher duty of care to children in emergency accommodation arrangements. Children in emergency care are living in transient settings and are supervised by rotating labour-hire staff who are employed through private, for-profit companies. Private labour hire companies have limited reporting obligations to NGOs or to DCJ. While the Care Act requires the same quality of care for children in emergency accommodation as is provided in foster care, DCJ does not collect or collate sufficient information to demonstrate compliance with the Care Act. It is not possible to determine whether there is any consistency or routine for children in emergency care, or whether efforts are made to ensure a 'home-like' environment.

DCJ and NGOs rely on individual caseworkers and their managers to monitor the conditions and quality of care in emergency settings. DCJ requires NGOs to attend weekly or fortnightly meetings to discuss each child in emergency care, but there is a lack of quality data from this process. DCJ and NGOs collect financial data under the broad categories of accommodation, staffing and incidental expenses. However, they do not report expenditure on education, food, or recreational activities. We expected to find detailed data on service quality, given the potential risks to children and the significant costs of these arrangements.

Quality standards and measures are especially necessary for children living in emergency care. Children in these circumstances may have been removed from their families at short notice. They may be children who have experienced a breakdown in their foster care placements. A quality framework is essential to set operational standards such as limits to the number of different shift workers who can provide services to children in any given week. Under the current emergency care arrangements, there is limited policy or guidance to set standards for accommodation, guidelines for nutrition and safety for children. There is limited information on which to make system improvements.

### **DCJ does not monitor or report on the mental health and wellbeing of children in out of home care, though in recent years, some NGOs have commenced this work**

DCJ does not collect information about the mental health and wellbeing of children in out of home care and does not have any centralised reporting on this area of child health. Neither DCJ, nor most of the NGO providers that we audited, collect, or report aggregate data about the mental health and wellbeing of children in out of home care. While the circumstances of individual children are reviewed, DCJ and NGOs are unable to compare child wellbeing data across different cohorts or locations in order to draw focus to emerging areas of need.

In recent years DCJ and its NGO partners trialled a questionnaire that aimed to assess the wellbeing of children in out of home care. However, the project was not able to produce aggregate data from questionnaires, and it was ended in July 2021.

The questionnaire was part of DCJ's Quality Assurance Framework that aimed to measure the safety and wellbeing of children under Parental Responsibility of the Minister. It was tested across 11 locations, with approximately 1,000 children participating. In 2021, DCJ determined that the questionnaire project was no longer feasible because of an absence of automated systems that could aggregate results from questionnaire records in ChildStory.

Some NGOs report that there is no point in developing their own quality assurance framework, as any work in this area may be overridden by a DCJ quality framework in future. Other NGOs have developed their own mechanisms to monitor and report on the wellbeing of children in their care. For example, one NGO we audited, conducts six-monthly wellbeing surveys of children in its care and internally reports trends from these surveys to identify any systemic issues. Another NGO has developed its own outcomes framework in partnership with the 'Parenting Research Centre'. This framework has been trialled in two pilot sites and will be used across all of the agency's out of home care programs. The framework has been developed to collect outcomes data from children and carers in relation to child safety, wellbeing, sense of identity, and belonging to family and community.

In 2022, DCJ Psychological Services considered its Viewpoint software as a way of automating the use of the Strengths and Difficulties Questionnaire for their practitioners. This included aggregating reports following clinical and casework interventions.

It is not known how widespread the use of the Strengths and Difficulties Questionnaire has been. DCJ has not been able to produce aggregated data in relation to the application of this tool. It is not known whether the data results were reported to DCJ or whether data from the instrument has been used to draw attention to children with greatest needs.

### **The out of home environment is not always a safer place for children**

From July 2022 to June 2023, 654 children who were in out of home care were subject to instances of substantiated abuse, of which 109 had sexual abuse as the primary abuse type. DCJ advises that abuse may have occurred in environments external to the out of home care placement. The available data does not identify the place of the abuse.

Exhibit 14 shows some of the high level statistics about the wellbeing of children in out of home care.

#### Exhibit 14: Child wellbeing statistics about children in out of home care in 2022–2023



Source: Audit Office summary of DCJ data on child wellbeing statistics.

#### DCJ has not developed sufficient out of home care options for children with complex needs

Since 2019, there has been a 98% increase in children with 'high care needs' who are living in out of home care arrangements. The number of children with complex care requirements increased from 428 children in 2019, to 846 children in 2022.

In 2023, demand for intensive therapeutic care placements for children in out of home care was 40% higher than DCJ predicted when it introduced its therapeutic care model in 2018. This has resulted in a lack of placement options for children. Out of home care providers report difficulty in placing these children in appropriate care environments.

When NGOs are unable to accommodate children with complex needs, there are no other options except to place children in emergency accommodation hotels or serviced apartments. In August 2022, 54 children who were eligible for intensive therapeutic care were placed in emergency accommodation. The reason for these placements was a lack of appropriate therapeutic care accommodation.

Despite a high demand for placements, there are vacancies in some intensive therapeutic care houses. In 2023, the vacancy rates in therapeutic care houses were around 30%. The high vacancy rates are due to the fact it is not always possible to place children together in the same house. Many of the therapeutic care houses have been designed for multiple children, but the care requirements of these children mean that they cannot be co-located. NGO providers argue that to do so, would compromise the outcomes for children already in the house.

In response to this sector feedback in 2019, DCJ introduced some one-to-one intensive therapeutic care options for children with significant disabilities. NGOs can apply to have children considered for individualised placements to support intensive care for specified periods of time. However, there are insufficient suitable accommodation options to meet demand.

To be eligible for intensive therapeutic care, children must be assessed by DCJ caseworkers as having 'high care needs.' All children enter out of home care with 'low care needs' by default. Children may be increased to 'moderate or high needs', after DCJ caseworkers complete an assessment of the child. Independent reviews of the out of home care system support the views of NGO and DCJ caseworkers – that these 'low care needs' assessments unfairly discriminate against children, resulting in insufficient funding flexibility for NGOs to undertake the casework and deliver the services required to appropriately support them. Children who have high care needs but are incorrectly categorised as having low or moderate care needs, are prevented from accessing appropriate intensive therapeutic care options and as a result, may live in emergency accommodation.

NGOs can request a re-assessment of a child, but there are significant backlogs of child assessments and many DCJ caseworkers cannot respond within the required 14-day timeframe. Completing assessments for an older child can take DCJ caseworkers up to four hours. NGOs reported that they sometimes wait two to three months for a child to be re-assessed and provided with an appropriate 'needs' category. NGOs can fund additional supports for these children while they wait for them to be re-assessed but DCJ does not re-imburse NGOs for these expenses. This may result in some children not receiving supports and services they need.



There is a gap in accommodation options for children under 12 years old who have complex care needs. DCJ's intensive therapeutic care model was not designed to accommodate younger children. DCJ has not developed a model of therapeutic care for children under 12 because home-based foster care is the best option for the developmental needs of children. Nevertheless, younger children with complex needs have not always been able to be placed with foster families, and DCJ advises that 30 to 40% of children entering out of home care have high care needs. DCJ has not developed or commissioned an alternative care model for younger children, if an appropriately skilled foster carer is unavailable to meet the needs of the child.

**Over the past five years, there has been a decline in the number of children returning to their parents after being placed in out of home care**

The Care Act requires that children in out of home care be returned to their parents when it is safe to do so. This is called 'restoration.' Restoration is DCJ's preferred outcome for children in out of home care. However, the number of children restored to their parents has decreased by approximately 27% over the over the past five years.

In 2018–2019, 569 children were restored to their parents. This number decreased to 417 children in 2022–2023. The restoration rate for Aboriginal children is lower than for non-Aboriginal children. It decreased from 202 children in 2018–2019 to 164 children in 2022–2023.

When children are initially taken into out of home care, there are two points when DCJ and NGOs have a legislative requirement to work with parents to assist in the restoration of their children to their home.

The first point occurs just after DCJ decides that a child is not safe at home and needs to enter out of home care. In most cases, DCJ files an application with the Children's Court seeking to remove the child and place them in out of home care under an interim order.

This interim order phase is a critical stage for DCJ and its contracted NGOs to work with parents to establish whether it is safe for a child to return to their home. DCJ and its contracted NGOs should be supporting parents with appropriate casework and resources to assess their willingness and ability to address any identified risk factors. If DCJ decides that a child's parents are unable to address their risk factors, then DCJ will recommend that the child be placed under a guardianship order, or an adoption order or placed in long-term out of home care.

If DCJ makes a recommendation to the Court that there is a 'realistic possibility' for a child to be successfully restored to their parents and the Court agrees, then parents have a two year timeframe within which to address any identified risks. During this second phase, DCJ or its contracted NGO agencies are required to actively support parents to address any identified risk factors so children can return home.

In order to facilitate the restoration of children to their parents, DCJ and NGO caseworkers may support parents by providing mentoring during family visits, or referring parents to external services such as mental health services, drug and alcohol rehabilitation services, housing services, and parenting courses. When NGOs provide these restoration services, they do so through the Permanency Support Program. Services provided through this program are commissioned by DCJ. In 2023, an external evaluation of the Permanency Support Program found that a lack of service support contributed to the 'low rate' of children restored to their families during the evaluation period.

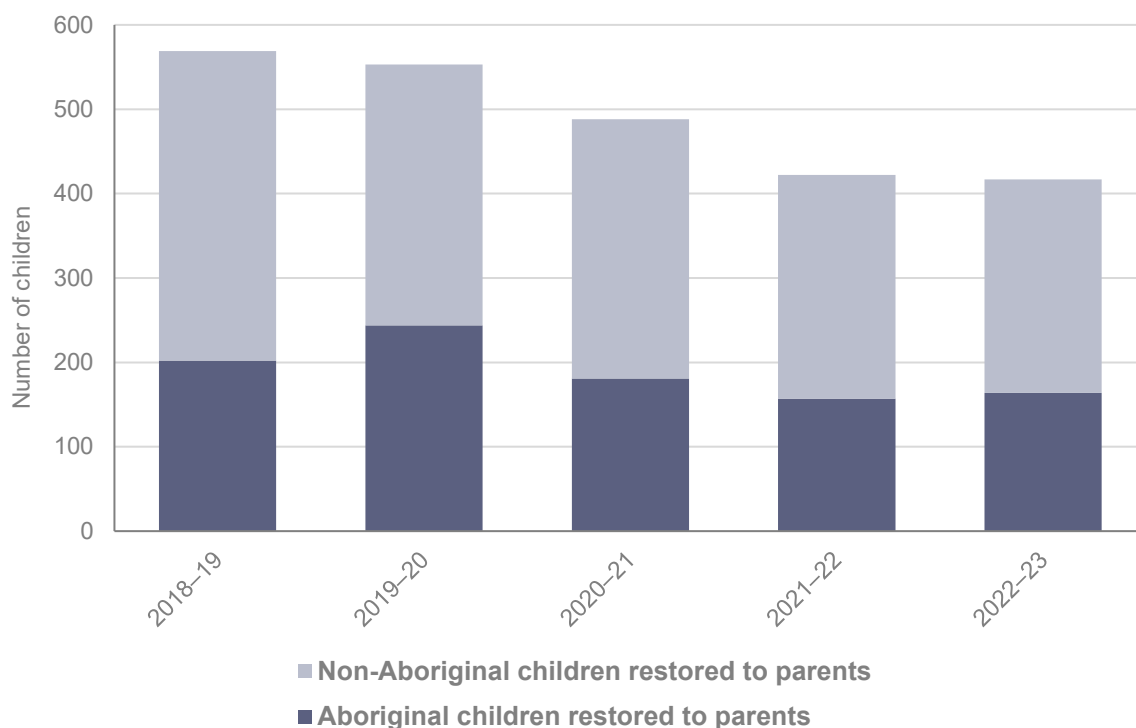
DCJ staff reported that families that are case managed by DCJ caseworkers cannot access funding for support services once their children are in out of home care, which limits their ability to make the changes DCJ requires for successful restoration. DCJ caseworkers generally carry a mixed caseload which often results in restoration work becoming a low priority. Some Districts have established specialist restoration caseworker positions to support parents and increase the likelihood of successful restoration.

DCJ reports the total number of children exiting out of home care to restoration, post exit restoration, guardianship, or adoption over a four year period in their Annual Report and reports each exit reason in their Annual Statistical Report. DCJ has not met the target of 5,250 children exiting out of home care, and is developing a Restoration Strategy to improve restoration rates.

While restoration to parents is the most desirable goal when it is safe to do so, placing children with extended family and kin is the next best option. Over the past five years, the proportion of children placed with relatives and kin has been stable. In June 2019, 8,949 of the 16,884 children in out of home care (53%) were placed with relatives and kin. In March 2023, 7,933 of the 14,756 children in out of home care (54%) were placed with relatives and kin.

Exhibit 15 shows the numbers of children who were restored to their parents from out of home care from 2018–2019 to 2022–2023.

**Exhibit 15: Children restored to parents from 2018–2019 to 2022–2023 - Aboriginal and non-Aboriginal**



Source: Audit Office analysis of DCJ data on Aboriginal and non-Aboriginal children restored to their parents.

**Foster carer numbers are declining and there are limited incentives to support and resource existing carers or attract new carers, especially for children with complex needs**

Neither DCJ nor its commissioned NGOs have been successful in recruiting foster carers in recent years. In particular, they have not been able to recruit foster carers for children with high support needs and complex trauma. In June 2023, the Office of the Children’s Guardian reported that there were 17,121 authorised carers (foster carers and relative/kinship carers) in NSW. This is 15% fewer carers than were available five years earlier. In June 2018, there were 20,137 authorised carers in NSW. A shortage of foster carers in 2023 has contributed to increasing numbers of children in hotels, motels, and other emergency accommodation options.

Foster carer allowances are no longer sufficient to attract new carers or keep existing carers in the system. Allowances vary according to the age and needs of the child, from \$540 per fortnight to \$817 per fortnight. The foster care allowance is expected to cover all of the following support needs for the child - housing, food, clothing, recreation activities, daily travel, general education expenses, and routine health expenses. A separate bedroom for each child is a requirement for most out of home care placements. NGOs reported that the foster carer allowance does not adequately account for the rising cost of living, or the costs of rental accommodation or housing.

DCJ and NGOs must pay the minimum carer allowance, though some larger NGOs have been able to increase allowance rates through the management of funding from DCJ. While the foster carer allowance rates can vary across agencies, small NGOs have difficulty augmenting their carer incomes as they have limited overall funding.



Respite carers are an important part of the foster care system. They take children for short periods, so that long-term carers are able to have a break. The availability of respite care can help prevent the breakdown of long-term out of home care placements. DCJ and NGOs reported that it is becoming increasingly difficult for long-term carers to access respite care. Data on new entries to emergency care shows that foster care breakdowns are the most common reason for children entering emergency care.

In 2022, 60% of the children who were placed in emergency accommodation were moved there because of foster care breakdowns. These data show increasing stresses on foster carers. DCJ research shows that placements are less likely to fail when carers felt satisfied in their caring role and supported by caseworkers. Some NGOs have developed their own programs to support foster carers with respite options, but efforts are piecemeal and not shared across the system.

Since July 2018, DCJ has committed \$2.73 million per annum to fund an Aboriginal peak body, AbSec, and a non-government organisation, 'My Forever Family', to support and recruit long-term and short-term foster carers. In 2022 My Forever Family conducted a survey of around 1,900 carers in NSW, and found that 34% of carers reported feeling stressed 'quite often' or 'all the time'. Carers reported that they needed more financial support, access to respite care, and assistance in working towards restoring children to their parents. Carers raised concerns about a lack of access to counselling or psychological services for children in their care, limited behaviour support services, and a lack of timely access to specialist medical care.

In July 2022, DCJ commenced a recruitment drive to enhance the numbers of emergency foster carers. The aim was to reduce the number of children living in hotels, motels, or serviced apartments. This generated 70% more foster carer inquiries in 2022–2023. However, the recruitment processes have not been effective in addressing the over-representation of children in emergency accommodation during the audit period, from 2018–2019 to 2022–2023.

Some NGOs have implemented new models of supported housing for children requiring alternative living arrangements. These models include home-like environments where children are supported by paid carers. However, NGOs report that it is difficult to get approvals from DCJ for these models of care.

There is currently one organisation accredited to provide professionalised foster care in NSW. Carers are appropriately skilled professionals who care for one child with complex trauma in a home environment, and build an ongoing relationship with the child. Carers are paid a salary which is competitive with comparable workplace environments. An expansion of this model is supported by some NGOs.

NGOs reported that during the audit period DCJ was unwilling to invest additional resources to develop and support this professional carer model due to budget pressures on the out of home care system. DCJ managers advise that they have commenced negotiations with a provider of professionalised foster care to expand the number of foster care placements. Given the recency of this development, we were unable to audit this claim. DCJ did not provide evidence to demonstrate the number of new foster care placements that will be available in future.

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## 4. The commissioning and contract environment

### **DCJ does not collate or analyse its service referral data, and as a result, is unable to commission relevant services for families engaged in the child protection system**

DCJ lacks data to understand the supply and demand requirements for therapeutic services across the child protection system. DCJ does not collect or report aggregate data about service referrals for children and families, nor does DCJ report data about service uptake across its Districts. DCJ does not collect the necessary information to plan for commissioned therapeutic services, or to fill its service gaps. DCJ does not know whether its funded services are competing with, or complimentary to, services funded by other agencies.

DCJ is required to monitor its therapeutic service interventions in order to comply with the objectives and principles of the Care Act. The Care Act requires that 'appropriate assistance is rendered to parents and other persons ... in the performance of their child-rearing responsibilities in order to promote a safe and nurturing environment', and that any intervention 'must ... promote the child's or young person's development.

DCJ does not collect reliable data on the success of service referrals after a child has been identified as being at risk of significant harm. DCJ does not collect information or report on the uptake and outcomes of its referrals where there is a low to intermediate risk of significant harm to the child or young person. In most cases, DCJ does not know whether children or families received a therapeutic service after a referral. The uptake of referrals is voluntary, and families may decide that they do not want to access therapeutic services. DCJ does not routinely record data about the numbers of families that decline services.

DCJ does not collect data on instances where a referral was needed but not made because there was no available service in the District or there were no available places in the service. It is well known within DCJ that therapeutic services are lacking in regional and remote NSW. These include poor access to paediatricians and adolescent psychiatrists, disability assessors, mental health services, alcohol and other drug rehabilitation services, and domestic violence services.

Over the past five years, there is no evidence that DCJ has conducted an assessment of the statewide therapeutic service needs of children and families in NSW, or matched its statewide service profile to these needs through the targeted commissioning of therapeutic services. There has been a lack of system stewardship to ensure there is equity of service access for children and families in all Districts.

In each District, Commissioning and Planning units undertake market analyses at the point when programs are due for recommissioning, generally every three to five years. This market analysis includes an assessment of the availability of local services. There is no consistency in how this work is done across the Districts. While the purpose of District-level, market analysis is to identify gaps and opportunities for services, we did not find evidence of services being newly commissioned where gaps were identified.

District-level Commissioning and Planning units conduct some assessment of the demographics of the local area, as well as information about socio-economic characteristics, and expected population growth. For example, one DCJ District identified that their population is expected to grow by 33% by 2031. This means that more contracts for family preservation places will be needed. Another District identified that they do not have culturally appropriate services. However, the contracts for this District are in place for at least three years, so the District cannot provide the required service profile for local families.

While DCJ is taking some steps to arrange an expanded service profile, the efforts are piecemeal. Different programs are managed and commissioned across different parts of DCJ. For example, one District has developed a localised partnership with the Ministry of Health, but DCJ has not developed a state-wide Memorandum of Understanding with NSW Health to give priority access to all children engaged in the statutory child protection system.

In 2015, the Independent Review of Out of Home Care in New South Wales recommended that DCJ 'establish local cross-agency boards in each ... district to provide local advice, and commission services in line with its priorities and defined outcomes.' In response, DCJ developed a program known as Their Futures Matter. In 2020, the NSW Audit Office's assessed this program and found that DCJ had not established any cross-agency boards with the power to commission services. At the time of this audit, in 2024, there is no evidence that DCJ has created cross-agency boards.

DCJ advises that, in future, it plans to issue extra contracts to increase the number of intensive therapeutic care services. DCJ is using data on the locations of children in emergency out of home care placements as part of its needs analysis. The process includes mapping the service system across the State. DCJ's work to date, has identified a lack of intensive therapeutic care places in Western NSW. The lack of services in Western NSW impacts on the ability of DCJ to keep Aboriginal children on their traditional country, and connected to family and kin.

DCJ is using District-level data in its future-focused recommissioning for family preservation services. DCJ advises that, commencing in 2024, the agency will identify family support service requirements by matching data on instances of risk of significant harm to children by category of harm, and assess service availability at the District level. This audit has not received evidence that the work has begun.

### **DCJ lacks an integrated performance management system to collect, collate, and compare data about the effectiveness of NGO providers or the outcomes of child support programs**

DCJ does not have an integrated performance management system to manage its many programs and contracts with NGO service providers. DCJ advises that at March 2024, it had 1,816 active contracts in its contract management system. DCJ has multiple reporting systems for its different program streams, with information on early intervention programs provided through a different information technology system than the system that is used for out of home care placements. Central program teams do not have good oversight of historical data or trends.

Until 2022, data related to DCJ's Family Preservation Program was collected separately from each NGO provider, via quarterly spreadsheets. There was no consistency in the ways in which the data was collated or analysed. This means that DCJ does not know how many families entered the Brighter Futures program in each District, even though contracts were issued at a District level and over 7,000 families entered Brighter Futures program in 2018–2019, 2019–2020 and 2020–2021. DCJ does not have a statewide view of the location or effectiveness of this, or any of its other family preservation services.

Contracts with NGOs for out of home care contain service volume requirements, for example a minimum number of children in out of home care each year. Contracts also include performance measures and financial penalties for underperformance. Underperformance includes failure to notify DCJ about out of home care placement changes within contracted time periods. Due to problems with NGOs accessing the ChildStory system, DCJ does not collect reliable data on out of home care placements provided by NGOs and therefore DCJ is not able to issue financial penalties.

DCJ has also failed to deliver expected outcomes from the Human Services Dataset. The dataset was recommended by the 2015 *Independent Review of Out of Home Care*, and approved by the NSW Government in August 2016. The aim of the dataset was to bring together a range of service demand data in order to prioritise support for the most vulnerable children and families. It was intended to deliver whole-of-system reform that would lead to improved outcomes for children and families with the highest needs.

The dataset brings together 27 years of data, and over seven million records about children, young people, and families. The records contain de-identified information about all NSW residents born on or after 1 January 1990 (the Primary Cohort) and their relatives such as family members, guardians, and carers (the Secondary Cohort). The *Independent Review of Out of Home Care* recommended that the dataset include information about the service requirements of the most vulnerable families. This recommendation has not been implemented to date. The Human Services Dataset does not contain records about the service interventions made by NGOs, and has minimal child protection and out of home care placement data.

### **DCJ's package-based funding system has not been successful in tailoring services to children in out of home care**

When a child is transferred to an NGO for out of home care services, DCJ provides the NGO with relevant funding packages to support the child. NGOs receive different funding packages according to the care needs of the child. Some packages relate to the placement of the child, whether it be a foster care placement, or an intensive therapeutic care placement for children with complex needs. Other packages relate to the permanency goals for each child. These goals can include restoring the child to their parents, establishing the child in long-term foster care, or supporting the child through an adoption process. Each funding package is based on an average cost for the different service type.

While the funding packages are attached to individual children, in practice, NGOs can allocate this funding flexibly. NGOs can integrate the funds from the packages into their global budgets and use the funds for a range of activities. The package-based system that was intended to deliver tailored services to individual children in out of home care, is not being implemented in the ways it was intended.

NGOs do not receive funding for administrative or management costs. They are not funded for supporting Children's Court work, or the recruitment of new foster carers. NGOs calculate how much they need for these different activities, and use the required funds from funding packages and other sources of income.

DCJ does not collect data from NGOs to determine the nature of the services that were delivered to the child against the funding for each package. In fact, NGOs are not required to report on the expenditure of package funds in relation to any outcomes that relate to the child's health, wellbeing, cultural, or educational needs.

An external evaluation of the permanency support package system was completed in 2023. It found that children receiving permanency support packages did not achieve better outcomes than children in a control group who did not receive them. This indicates that the package-based system has not achieved its objective to shift the out of home care system from a bed per night payment model, to a child-centred funding model, aimed at supporting safety, wellbeing, and permanency in out of home care.

### **DCJ's contract arrangements for NGO funding are overly complex and administratively burdensome**

NGO recipients of package-based funding must liaise with separate DCJ contract managers for the different types of funding packages they receive. Within each DCJ District, a range of contract managers have oversight of the different package types – including the packages for out of home care placements, and for the family preservation program. In addition, many NGOs have contracts in more than one DCJ District. This means that NGOs must liaise with a number of different contract managers and operational teams across different units in multiple DCJ Districts. NGOs advise that the time spent navigating the DCJ system reduces the time they can spend actively supporting children and families.

NGOs report that DCJ District personnel can vary in their preferred communication styles and channels. Some District staff prefer email contact, others prefer phone calls, and some prefer service requests that are entered into ChildStory. NGOs must adapt to these different styles depending on the District.

DCJ Districts also vary in the processes that NGOs must follow to have a child's needs reassessed. This is a routine process, but some Districts take three months to consider and approve a reassessment, while others complete the process more rapidly. If a child is reassessed as requiring a higher category of support, DCJ does not back-pay any increased allowances. This is regardless of the time during which the NGO has provided the child with increased services. In these Districts, NGOs must carry the financial burden for the time it takes for re-assessment approval processes.

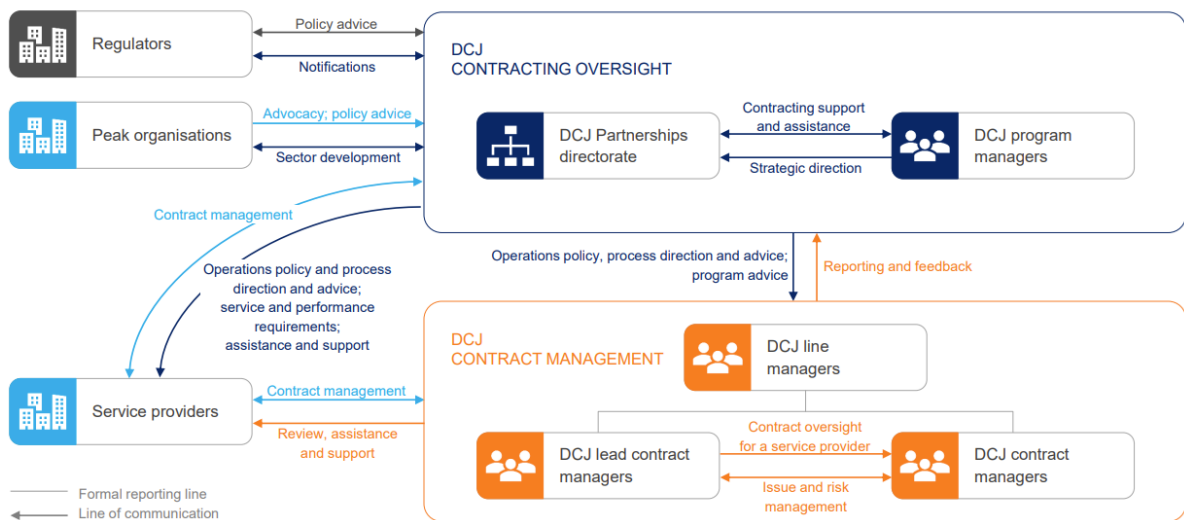
The NSW Procurement Policy Framework includes an objective of 'easy to do business'. This includes a requirement to pay suppliers within specific timeframes, and recommends that government agencies should limit contract length and complexity.

An external evaluation of the package-based system found that that the funding packages are complex and administratively burdensome, and that DCJ Districts have different models and approaches to implementing them. As a result, a child and family living in one District could receive very different care from a child in another District. In 2023, DCJ advised that it is considering the recommendations of the evaluation with the aim of operationalising relevant system reforms, while not increasing the administrative burden on NGOs.

Exhibit 16 shows the multiple stages that NGOs must navigate in DCJ's complex, contract environment.

### Exhibit 16: DCJ contract management overview

Consultation, collaboration and knowledge-sharing characterise the communication relationships between the parties involved in managing funded contracts. The diagram highlights other key aspects of the relationships with and within the department.



Source: Information provided by DCJ.

### DCJ is rejecting NGO requests for additional funding to support children in care, resulting in sector uncertainty about financial security

DCJ has a Service Price List which determines the contract payments that NGOs receive for each child in out of home care. The payment level is measured according to the complexity of the child's needs, the permanency plan or goal for the child, and the type of out of home care provided to the child. Every year DCJ publishes the rates on its website. NGOs advise that these payments are not sufficient to address the needs of many children in out of home care.

NGOs must follow guidelines for supporting children in out of home care. The Child Safe Standards for Permanent Care describe appropriate health care, education support, and therapeutic care requirements. NGOs receive \$5,460.40 per year for a child identified as having low-level needs, and \$8,577.50 for a child with medium-level support needs. If a child requires a high-level support package, the NGO receives \$13,359 per annum per child. NGOs advise that the payments are generally insufficient, and do not reflect the rising costs of care.



DCJ undertook a recommissioning process of its out of home care services in October 2022. During this process, DCJ acknowledged the rising costs of foster care recruitment, family finding, housing, and staff training. DCJ advised NGOs that they could apply for 'complex needs' payments to augment any funding shortfalls in relation to increased costs. Complex needs payments are determined on a case by case basis. However, DCJ declined 53% of the NGO complex needs applications that were finalised from November 2022 to January 2023.

The majority of NGO requests for complex needs payments were to cover additional rostered staffing, mentoring services, or support for children in intensive therapeutic care homes and supported independent living.

In 2017, DCJ undertook a detailed study to determine the unit price for the different out of home care services. The study included discussions with stakeholders, process and service mapping, and data analysis. The child needs packages were based on estimations of the differing numbers of sessions that a child would require according to the level of their need. The service types included educational support, allied health services, mentoring, counselling, psychology, psychiatry, and behavioural therapy.

Between 2020–2021 and 2022–2023, DCJ increased the service unit prices by nine per cent, but has not updated the assumptions underlying the cost of providing care.

### **DCJ has poor processes for managing and authorising funding for NGOs, resulting in significant delays in payments, and high levels of debt burden for NGOs**

During the audit period, DCJ was responsible for causing significant delays in authorising invoices from NGO providers, and in delaying payments to NGOs. These delays were predominantly caused by DCJ's poor tracking of funding applications from NGOs, and inconsistent decision making about which funding requests to approve. DCJ manages its NGO service contracts at the District level.

DCJ's poor record keeping and poor data quality, has resulted in some NGOs being owed significant sums of money over the contract period. DCJ provides advance, quarterly funding to its contracted NGOs for all out of home care services, and subsequently conducts a financial reconciliation process. NGOs must review DCJ's financial records child by child, and match them to their own records to check that dates, packages, and child funding levels, are accurate.

Unspent funds can be rolled over to the next quarter, but DCJ does not routinely update the contracting portal to show this information. This means that the reconciliation process at the end of the five year contract period can be based on the wrong information. NGOs have to dispute the amounts that DCJ says they owe, and in some instances, these amounts can be wrong by over \$1.5m.

DCJ has overly cumbersome processes to reimburse NGOs for subcontracted, emergency out of home care services. This has led to long delays in payments for the services that NGOs have provided for children in their care. NGOs subcontract other agencies to provide emergency care for children in out of home care. NGOs have to pay invoices from subcontractors before they can provide an invoice to DCJ. DCJ is responsible for this payment process, and has been slow to rectify the problem. Ultimately, NGOs are carrying high levels of debt burden due to DCJ's delayed payments.

Some delayed payments are significant, amounting to millions of dollars. NGOs reported that around 10% of payments took at least 90 days to be resolved, with some payments outstanding for over a year. Staff at both DCJ and at NGOs advise that the delays are 'due to the layers of [DCJ] sign offs' and the 'time it takes for NGO caseworkers to develop briefings' regarding NGO expenditure, predominantly for emergency placements. Small NGOs advise that they cannot afford to subsidise these costs, and are at risk of bankruptcy if DCJ does not pay them each week for emergency placements.

Delayed payments are also caused by DCJ's alterations to the contract reporting requirements. NGOs advise that DCJ makes changes to contract reporting guidelines without advising the NGOs. This creates an uncertain and unstable contract environment, and does not provide the right preconditions to encourage the growth of an Aboriginal Community Controlled sector.

**DCJ does not have effective forums to seek feedback from NGOs about system changes that affect them, and lacks effective channels to communicate these changes**

Over the past five years, DCJ has not established effective forums to resolve ongoing contracting problems or system inefficiencies with its contracted NGO sector. In 2019, child protection peak bodies advocated for the establishment of a taskforce, to improve administrative and contract arrangements associated with NGO out of home care programs. DCJ responded by setting up a Permanency Support Program Taskforce. However, DCJ did not dedicate personnel with sufficient seniority to effect the required system changes through this forum. While the contracting problems and system inefficiencies were well known by the taskforce, progress in achieving change was minimal.

Only a select number of NGOs are able to participate in meetings with DCJ and peak body groups, to resolve system problems and share practices. This means that many NGOs operate in relative isolation from each other.

Although NGOs are contracted to deliver the Permanency Support Program, no representatives from the NGO sector were engaged in meetings about the program design. NGOs were not invited to be part of the committee responsible for developing the recontracting process in 2021 and 2022. As a result, there was no opportunity for NGOs to have input into the efficiencies and effectiveness of these arrangements.

NGOs requested stronger governance over the Permanency Support Program including more formal representation at committees so that they can address system barriers and challenges, and develop and propose recommissioning solutions. DCJ advised that work is underway to improve collaboration with service providers and peak bodies, including the development of an oversight committee for the Permanency Support Program.

NGOs advise that they are not receiving timely communication from DCJ when changes are made to policies or guidelines that affect their reporting obligations. Some of these changes have impacted on the timeliness of DCJ's contract payments to its commissioned service providers. NGOs advise that they learned about the changes to reporting guidelines, only after they questioned the delays in their contract payments.

In November 2022, quarterly forums with DCJ and NGO senior executives were introduced to address agreed areas of concern.



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## 5. Systems for reporting

### **DCJ's case management system lacks an effective business to business interface with NGO partners, and has not produced data on key deliverables**

DCJ's case management system promised a single entry point for NGOs to interact with DCJ. In 2017, DCJ commenced the rollout of ChildStory, its new case management system, at a cost of more than \$130 million. While the ChildStory system has become an important repository for information about children in the child protection system, it has failed to deliver on some of its key intended functionalities. ChildStory does not provide an integrated business to business system interface with commissioned NGOs where they can record information about children and families in their care.

Most of the ChildStory system is locked off to NGOs, meaning that NGOs cannot use it as a case management system. NGO personnel must enter data into their own client information systems before manually replicating any required data into the ChildStory system. Until June 2022, NGO staff lost access to ChildStory if they did not log onto the system for a three month period, and staff had to reapply for access, increasing the administrative burden on some NGO personnel.

The lack of an integrated business to business interface between DCJ's ChildStory and the NGO case management systems, has vastly increased levels of administrative handling for all parties, and frequently results in mismatched data between DCJ and NGOs. The process for NGOs to correct data errors in ChildStory requires contact with DCJ, and the process can be protracted. NGOs advise that they spend significant time on complex data reconciliation processes and that these processes have financial implications. In some instances, NGOs are asked to repay contract 'underspends' as a result of DCJ data errors.

The lack of system interface between DCJ and NGOs has been a lost opportunity to produce and report NGO trend data on a wide range of metrics. While some data is manually entered by NGOs into ChildStory Partner, and some systemwide data produced, it is only available for a limited number of key performance indicators. For example, it was intended that ChildStory would be used to collect and collate information about the status and wellbeing of children. According to DCJ, this has not been possible, as the system does not have the functionality to collate data from questionnaires or instruments that assess child wellbeing.

Given that many of the smaller NGO data systems have limited sophistication and functionality, the failure of ChildStory to become a case management system for all NGOs, means they are not able to produce trend data on a wider range of metrics. The inability to collate key data from all NGO service providers limits the statewide data that is available for service planning.

Until 2022–2023, DCJ did not contribute all required data to a national, publicly-reported dataset on child protection. The Australian Institute for Health and Wellbeing (AIHW) collates data from Australian states and territories every year. Child protection information is published on the AIHW website and provided to the Productivity Commission for the annual Report on Government Services. Since 2014–2015, AIHW requested that all states and territories provide anonymised child-level data for reporting and research purposes. DCJ did not provide this requested child-level data until 2022–2023. In previous years, DCJ provided the AIHW with aggregated data tables that lacked some of the required information.

ChildStory has not been effective for the contract management of NGOs and commissioned services. The system cannot be used to report and generate information about NGO contract activity, nor can it be used to make payments to NGOs.

### **Caseworkers advise that they spend significant time updating the case management system, limiting the time they have for child and family visits**

DCJ has not quantified the amount of time that staff spend entering information and updating records. While DCJ completed a time and motion study on caseworker activity in 2021, the study did not include information on the time it takes for caseworkers to enter data for individual tasks. The DCJ caseworkers who were interviewed for this audit, advised that they spend a large proportion of their total working week entering data into the case management system, rather than visiting families or providing phone support to families.

DCJ's ChildStory system does not display all of the summary information that caseworkers need in order to be efficient and effective in their role. For example, triage caseworkers need to know when a report was made to the Helpline, in order to meet the statutory period for response of 28 days after the report was received. This information is not shown in the triage transfer list and is only visible by clicking into case notes for each child, one at a time.

ChildStory does not contain accurate information about decisions made by frontline staff. Caseworkers are required to choose a reason when they close a child protection case. Reasons can include that the family was referred to an external service. There is no field for a caseworker to indicate that a case was closed because the child protection report related to a person who was external to the family. ChildStory does not have a case closure field to record that the parents were protective in instances when a child was at risk from someone outside the home. These cases are closed with the reason '*No capacity to allocate*', resulting in inaccurate management reporting. This incorrect record keeping can be problematic for the family. It can mean that if the child is re-reported, there may be unnecessary interventions by DCJ in future.

DCJ advises that ChildStory is not being used to its full functionality and that District DCJ Offices have created arrangements that increase the administrative burden on staff. For example, in some Districts before a caseworker can submit an approval request in ChildStory to the relevant Director, the caseworker must attach an email with the same Director's written approval. DCJ managers advise that ChildStory is not being used in ways that would allow for efficient approvals of 'out of guidelines' expenses. It is not known whether this is a training deficit, or related to another matter.

Up until recently, DCJ's information management system did not have functionality to record and collate information about the service needs of children and families. DCJ advises that in 2022, a referral function was added to ChildStory. While DCJ advise that this functionality is being used for referrals to family preservation services, there is no evidence that caseworkers are using the function, or that referral data is collated and reported. Prior to July 2022, decisions to refer a child or family to therapeutic services were recorded in individual ChildStory case notes, and could not be extracted and reported as trend data.

Some Districts have developed local monitoring systems to track vacancies in local family preservation and targeted early intervention services. These local initiatives go some way to improving the planning for child protection services responses at the local level, but they are yet to be systematised.

DCJ advises that it is developing a service vacancy dashboard and it is due to be rolled out to all Districts in late 2023. In order for service information to be visible to DCJ staff, NGO partner agencies will need to regularly update their service vacancy information in the dashboard. Initially DCJ will collect data on which families were referred to services, and NGOs will be expected to enter information on attendance at program sessions at a later date.

### **DCJ has management reporting systems to track activity and outputs for child protection work, however some key metrics are missing**

DCJ's interactive internal dashboards effectively report against an agreed performance framework that measures caseworker activity. This provides DCJ managers with caseworker progress against targets such as seeing new children and families within specified timeframes. Managers can drill into the dashboard data to see individual cases and the caseworkers behind the numbers. This assists managers in allocating new cases to their frontline staff. While DCJ managers advise that they use the dashboards on a daily or weekly basis, they raised concerns that dashboards did not account for staff vacancies or new recruits who cannot carry a full caseload.

DCJ dashboards do not allow managers to focus on groups of children who are at greater risk of harm, or on children who require a tailored service. This limits the effectiveness of DCJ's response. While Aboriginal children are identified on most internal dashboards, there are gaps in the identification of Aboriginal children, especially at the early Helpline assessments of child protection reports and at the initial caseworker assessment of child safety and risk. There is no indication in DCJ's system to show whether a family has experienced intergenerational removal, despite these families needing a specific trauma-informed response. Children from Culturally and Linguistically Diverse (CALD) backgrounds are not reported clearly on dashboards and refugee children are not flagged.

Children and parents with disability are not identified accurately in ChildStory and are not reported on dashboards. The Disability Royal Commission found that parents with disability are over-represented in all stages of the child protection system, and that they are more likely to have their children removed from their care. The Commission found that child protection agencies are less likely to try to place children back in the care of parents with disability.

DCJ data is stored in a Corporate Information Warehouse, which combines child protection data and data about children in out of home care. This information is sourced from ChildStory. The Corporate Information Warehouse also includes staffing data, and contract management data from the Contracting Online Management System. The Warehouse is updated every night to ensure that management reports and dashboards are current. However, some key datasets are not included in the Warehouse, such as the Helpline report backlog, which means that the DCJ Executive does not have easy visibility of Helpline workload or delays in responding to electronic reports.

DCJ's external dashboards provide limited public transparency about child protection and out of home care activity. Until early 2024 the dashboards did not show the numbers of children in emergency out of home care. In addition, the main quarterly and annual dashboards do not show the average time that children have been in out of home care.

External reporting is managed by DCJ's Insights Analysis and Research directorate, known as FACSIAR. In addition to quarterly and annual dashboards reporting key statistics, FACSIAR hosts monthly seminars presenting research findings aimed at improving caseworker practice. The seminars are well attended by DCJ and NGO caseworkers. FACSIAR also maintains a public evidence hub summarising research papers and evaluations.

While regular quantitative data is necessary for day-to-day management purposes, it is not sufficient to understand the experience and outcomes of children in out of home care. In order to deliver additional insights, DCJ has invested in a long-term study of children in out of home care through the Pathways of Care Longitudinal Study. This study follows children who entered care in NSW for the first time between May 2010 and October 2011 and includes data from external sources such as Medicare data, health and education records, and youth offending data. DCJ has used this data for research studies on topics such as outcomes for children with disability in out of home care, and to assist caseworkers in working with children and families through Evidence to Action notes.

### **DCJ's system for requesting out of home care placements is ineffective, resulting in multiple unsuccessful requests to NGOs to place children**

DCJ does not have a centralised system where its NGO service providers can indicate that they are able to take on new children requiring out of home care. There are almost 50 providers of out of home care services across the State, but no consolidated database showing that there are foster carers who are able to take on new children by location.

DCJ uses a system (known as the broadcast system) to notify NGOs that it needs a foster care placement or another placement type for a child. The number of placement broadcasts has increased from around 450 per month in 2018–2019, to over 1200 per month in 2022–2023, even though the number of children in out of home care has not risen during this timeframe.

Exhibit 17 shows the monthly numbers of children that were 'broadcast' to NGOs as requiring out of home care placements from July 2018 to June 2023.

**Exhibit 17: Monthly numbers of children requiring out of home care placements that were communicated to NGOs via the 'broadcast' system from July 2018 to June 2023**



Source: Audit Office analysis of DCJ data on broadcasts for out of home care placements between July 2018 and June 2023

If a child is not accepted by an NGO for a foster placement, multiple broadcasts can be made about the child. DCJ broadcast data shows that one teenage girl was broadcast almost 200 times between March 2019 and June 2023 without being allocated a foster care placement.

DCJ can broadcast to all agencies or to a selection of agencies. Targeted broadcasts should be made to NGOs that operate in the particular geographical location where the child resides in order to improve the access that the child's parents have to visit their child in care. Restoring a child to their parents is usually the first goal when a child is taken into care. NGO providers advise that a large proportion of broadcasts (up to 30%) are directed to their agency when the child or the sibling group does not live in the areas where the NGOs operate.

NGOs are required to respond to all broadcasts that are directed to their agency, even when the broadcast placement is not within their region. They must monitor the broadcast system, and accept or decline each broadcast placement and give reasons for declining a placement. Large agencies are responding to several hundred requests each month, and this is creating a large administrative workload. NGOs advise that upwards of 50% of the broadcasts are repeats.

Some NGOs have set up teams to exclusively monitor and respond to DCJ placement requests. This imposes a large resource impost on NGO resources. The process for placement requests varies between Districts, and NGOs are often not provided with enough information to match the child to their carers. In some instances DCJ is operating contrary to policy and law. For example, DCJ frequently broadcasts placement requests for Aboriginal children to all NGOs, rather than Aboriginal Community Controlled Organisations. Section 13 of The Care Act, requires that Aboriginal children be placed with family or kin.

DCJ has not developed an effective approach to placing children in out of home care, and senior managers acknowledge that the broadcast system is ineffective. DCJ has not assessed the broadcast data stored in ChildStory to understand which broadcasts are more effective and leading to placements, and those where there are challenges.

At the time of this audit, DCJ did not have a plan to develop a centralised system to record the availability of foster carers across NSW Districts.

## **Section two**

### Appendices

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# Appendix one – Response from entities

## Response from the Department of Communities and Justice



Communities and Justice

29 May 2024

Mr Bola Oyetunji  
Auditor – General NSW  
Audit Office of New South Wales  
Level 19, Darling Park, Tower 2  
201 Sussex Street  
Sydney NSW 2000

Dear Mr Oyetunji,

### ***Performance audit – Oversight of the Child Protection System***

Thank you for providing the Department of Communities and Justice (DCJ) with a copy of the final report for the performance audit of the ***Oversight of the Child Protection System***.

DCJ has considered the report and accepts or supports all of the recommendations, noting there are resource and timeframe implications for many of the recommendations that will need to be considered by Government. Please find enclosed a detailed response to each recommendation.

DCJ remains committed to improving outcomes for vulnerable children and supporting their families to be safe and strong. DCJ is continually striving to improve the way we work and deliver services to ensure the best possible outcomes are achieved.

The need to urgently and extensively reform the system is clear and DCJ has commenced development of a reform strategy. The Audit Report findings and recommendations will be a critical input to inform and shape these reform efforts.

Finally, I would like to take this opportunity to extend my gratitude for the engagement and collaboration of your staff throughout the audit period.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Michael Tidball'.

**Michael Tidball**  
Secretary  
Department of Communities and Justice

Department of Communities and Justice  
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New South Wales Auditor-General's Performance Audit Report - Oversight of the child protection system

Department of Communities and Justice response to key recommendations, May 2024

Timing	Recommendation	Response	Commentary
As an urgent priority, DCJ should	1. Implement structured measures to understand the experiences of children who are in out of home care (under the care of the Minister), in relation to their physical safety and psychological wellbeing. Collect, aggregate, and publicly report this data by location and vulnerable cohorts on an annual basis.	Accept	The Department of Communities and Justice (DCJ) acknowledges the need for a robust, objective outcomes framework to measure the wellbeing of children engaged within statutory systems.  A DCJ-designed Quality Assurance Framework (QAF) for out-of-home care (OOHC) was piloted in NSW over five years across four trial sites to 2022 to track and measure the mental health and wellbeing outcomes of children in OOHC over time. This mechanism enables DCJ to identify where certain supports or interventions may be required for children in OOHC.  DCJ is planning to enhance the QAF and roll it out state-wide in 2024/25 FY.
By June 2025, DCJ should	1. Identify the Departmental roles and responsibilities for enacting system reform and ensure that governance and decision-making processes are communicated and published.	Accept	DCJ is currently implementing changes to optimise its organisational structure and governance arrangements to meet reform commitments. DCJ will also consider how to clearly communicate its structure and decision-making processes to stakeholders.
	2. Address inefficiencies and duplications in child protection reporting and risk assessment processes by: • enhancing information and training for mandatory reporters	Accept in principle	DCJ recognises that the high prevalence and broad impacts of child maltreatment requires a broader response than the existing statutory system and assessment processes.
	<ul style="list-style-type: none"> <li>fixing delays in the processing of the online child concern reports that are received and processed by the child protection Helpline</li> <li>reducing the replicated risk assessments from the child protection Helpline through to the Community Service Centres</li> <li>reviewing the financial delegations of Community Service Centre managers to streamline permissions and decisions about routine child support and resource requirements.</li> </ul>		<p>One of the most significant challenges is sufficiently resourcing prevention and early intervention services and addressing the pressure on government systems to meet the rising service demand from families in crisis. A long-term whole-of-government plan for transforming child safety and wellbeing in NSW is being developed for consideration by government.</p> <p>Separately, DCJ has commenced significant work to realise the substance of this recommendation including:</p> <ul style="list-style-type: none"> <li>review and redesign of child protection assessment processes, in partnership with Aboriginal stakeholders</li> <li>evaluation of Child Wellbeing Units</li> <li>review of the Triage Assessment Policy.</li> </ul>
	3. Establish protocols to ensure that all families engaged in the child protection system have a guaranteed place at an appropriate and effective therapeutic service, and monitor service outcomes by: • establishing arrangements with clinical service providers to ensure that families engaged in the child protection system have priority access to clinical care assessments and clinical services as required by s.17 of The Care Act • collecting referral data in each District to monitor the therapeutic service requirements of children and families, and use this data to inform localised resourcing, staffing, and commissioning of therapeutic services to match referral requirements • formalising arrangements with relevant government agencies to enhance access to therapeutic services and support	Accept in principle	<p>DCJ acknowledges that not all families in need are able to access targeted services such as Family Preservation. Capacity constraints and critical focus on families in acute distress inhibits both DCJ's and the broader system's ability to meet overall demand as well as the increasing complexity of needs within families.</p> <p>DCJ is developing a long-term whole-of-government reform plan to improve vital prevention work to stop early risks from escalating and stem future demand on the system. This work will consider how to better ensure therapeutic support matches local and individual needs, particularly in areas with limited funded services, and consider the current legislative framework for prioritising therapeutic and clinical services to families with child protection risks.</p>



	<ul style="list-style-type: none"> <li>developing a framework to resource, support, and train DCJ personnel to provide therapeutic support for children and families to match local service needs, in particular, in locations where funded therapeutic services do not meet service needs</li> <li>measure and report on systemwide service access and service outcomes for children and families as a result of casework and therapeutic interventions.</li> </ul>		Implementation of this recommendation will have significant resource implications that will need to be considered further by Government.
	4. Develop and implement a strategy to end the use of hotels, motels, and serviced apartments for children in out of home care.	<b>Accept</b>	<p>DCJ recognises that Alternative Care Arrangements (ACAs) are an unsuitable model of care and do not provide children and young people with the care and stability that they need or deserve.</p> <p>DCJ is strengthening its efforts to minimise the use and cost of high-cost emergency arrangements (HCEAs). In November 2023, the central HCEA Strategy Unit was established as the sole entry point for all HCEAs to more tightly control the use of these arrangements and identify more suitable placements on-the-ground.</p> <p>Work is also underway to reduce DCJ's reliance on crisis-driven, high-cost interventions.</p> <p>DCJ is currently developing options for implementation in 2024-25 to increase the availability of home-based care and residential care, including:</p> <ul style="list-style-type: none"> <li>addressing foster carer shortages via improved recruitment, retention and referral</li> <li>reviewing DCJ's role and capacity as an OOHC provider for non-Aboriginal children and young people</li> <li>increasing the use of intensive and/or professional carer models</li> </ul>
			<ul style="list-style-type: none"> <li>contracting time limited crisis residential care placement options with accredited residential care providers to end the use of ACAs</li> <li>expanding the number of quality, stable, accredited residential OOHC placements.</li> </ul>
	5. Develop a model to accredit and train foster carers to support children with complex needs.	<b>Accept</b>	<p>DCJ acknowledges the critical role that foster carers play, opening their hearts and homes to care for children and young people who are unable to live safely at home.</p> <p>While Permanency Support Program (PSP) providers and My Forever Families are currently funded to provide support and training to carers, more support needs to be offered to carers given the growing volume of children and young people with high and complex needs in the OOHC system.</p> <p>As per the response to recommendation 4, DCJ is developing options for implementation in 2024-25 to increase the use and availability of intensive and/or professional carer models to ensure children and young people with more complex needs can live in a home-based care environment.</p>
	6. Ensure that foster carers are surveyed annually, with opportunities to identify the pressures of caring, and describe their ongoing support requirements. Use this information to improve resources and support to the foster carer workforce.	<b>Accept</b>	While DCJ currently funds My Forever Family to complete a survey of authorised carers every two years, DCJ is now considering how to digitise and harmonise carer feedback in a timelier way to enable carers to receive additional support when needed.
	7. Develop an effective business to business interface with contracted NGO providers to reduce the administrative burden for all agencies.	<b>Accept</b>	DCJ takes its obligations to collect data and report on the services provided to vulnerable children and their families very seriously. There is also a balance to be struck between reducing the administrative burden on

			<p>providers and ensuring that vital data is accurately captured.</p> <p>ChildStory has built an Application Programming Interface to allow extraction of data directly from PSP provider source systems which is in the final testing stages and is to be trialled in coming months.</p> <p>DCJ is also strengthening and streamlining data collection methods in its current recommissioning of Family Preservation services and the Specialist Aftercare Program, through the use of the agile data collection tool InfoShare.</p>
	8. Establish an effective mechanism to communicate changes to policy, administrative or system processes so that all NGOs have timely access to changes in expectation, process or practices.	<b>Accept</b>	<p>DCJ acknowledges that the multiple mechanisms for commissioned service providers to interface with government can lead to confusion and fragmentation.</p> <p>DCJ is currently reviewing its operating model and will explore options to better balance and streamline the current multiple approaches. The review of DCJs operating model is due to be implemented in 2024.</p>
	9. Contribute all data requirements to national research and reporting on child protection activity and outcomes by sending child-level data records to the Australian Institute of Health and Welfare in line with other Australian states and territories.	<b>Accept (complete)</b>	<p>DCJ is now supplying unit record data from 2022-23 onwards. Over the last few years the NSW Government and the Australian Institute of Health and Welfare have worked closely to address these issues raised.</p>
	10. Ensure that all eligible children and families have access to targeted, support services so that every child has the chance to be restored to their parents when it is safe to do so.	<b>Accept in principle</b>	<p>The NSW Government's priority is to keep children safely at home with their family wherever possible and DCJ recognises that we need to do more to increase the opportunity for more children and young people in OOHC to be successfully and safely restored to their family.</p> <p>Restoration is the automatic case plan goal for all children who enter OOHC and DCJ provides significant</p>
			<p>additional funds to PSP providers through permanency case plan goal package to achieve restoration outcomes.</p> <p>A recent evaluation of the PSP program found that these payments were not effective at increasing the rate of children being restored. As a result, DCJ is currently exploring opportunities to improve restoration practices.</p> <p>DCJ is currently working with Aboriginal stakeholders to establish a restoration taskforce for Aboriginal children.</p> <p>Implementation of this recommendation will have significant resource implications that will need to be considered further by Government.</p>
	11. Annually report on the 'Active Efforts' made by DCJ and its commissioned NGOs in restoring children to their parents, and report on progress and outcomes over time.	<b>Accept</b>	<p>As part of recent amendments to the Children and Young Persons (Care and Protection) Act 1998, the Minister for Families and Communities is required to make an annual public report on the 'Active Efforts' DCJ has taken in various areas of casework, including restorations.</p>

# Response from Barnardos Australia



Bola Oyetunji  
Auditor-General for New South Wales  
Level 19, Darling Park Tower 2, 201 Sussex Street  
Sydney NSW 2000

Via email c/-

29 May 2024

Dear Auditor-General,

Barnardos Australia (Barnardos) is pleased to have participated in the Oversight of the Child Protection System and Safeguarding the Rights of Aboriginal Children in the Child Protection System audits led by NSW Audit Office, and opportunity to provide a formal response on each Report. This response refers to the Oversight of the Child Protection System Report (Oversight Report).

Acknowledging the extensive and detailed work undertaken by the NSW Audit Office team responsible for the audit and associated Reports, Barnardos provides organisational thanks for the positive engagement experienced by Barnardos throughout the audit process. The audit team displayed ongoing keen interest in understanding Barnardos' perspective and experiences, as a long-standing provider of child protection related services and supports to children and families both in NSW and more broadly across other government jurisdictions in Australia, throughout the audit process and timeline. As an experienced provider of the 'integrated service hub' model for Children's Family Centres (geographically situated by Barnardos in areas of high child protection reporting) and one of the largest NSW out-of-home care (OOHC) providers, Barnardos specialises in evidence informed foster care for targeted child outcome (restoration, kinship care, open adoption and permanent foster care).

Findings of the Oversight Report reflect the complexity of NSW statutory child protection, which can both positively and negatively impact highly vulnerable children and families. It is Barnardos strong experience and view that adequately resourced preventative services across all areas of child and family vulnerability and need are an essential component of ensuring wellbeing for all NSW children, which can prevent the need for many children to enter OOHC. Without a concerted effort to strengthen diversion efforts and assist families where children are at risk of significant harm at the earliest possible identification point, actions to strengthen systems, process and practice in tertiary child protection systems will remain under consistent demand pressure and pose ongoing resourcing challenges for governments.

Barnardos feedback emphasises the following key areas related to/associated with findings related to the Oversight Report:

- Government commitment via substantive financial investment in services specifically designed to prevent child entry to OOHC is a preferred alternative to increasing numbers of children in OOHC and cost effective over time for NSW government.
- The importance of high-quality robust assessment frameworks applied by qualified and experienced practitioners during Children's Court proceedings when children are first removed into OOHC, to assist better decision making and case planning regarding which children can be safely returned to the care of immediate family – also more cost effective over time for NSW government.

## Barnardos Australia

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**Chair** Janett Milligan

**Chief Executive Officer** Deirdre Cheers

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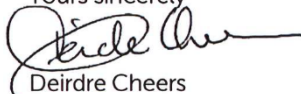
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- Recognition of OOHC placement related decision making for children unable to return home as a result of NSW Children's Court proceedings, as a discrete and separate skill set from statutory child protection worker assessment/s.
- Recognition that NSW non-government sector organisations (NGOs) hold significant proven child and family expertise, and play an important key role in child protection and OOHC, working alongside and closely with the Department of Communities and Justice (DCJ).
- Not for profit NGOs, and in particular those with charitable organisation status hold significantly different company status (including requirements for public financial reporting) to so called 'for profit' organisations established as Proprietary Limited Companies or Sole Trader business providers.
- NSW OOHC funding is comprised of a complex and unwieldy range of contractual and non-contractual funding arrangements, as illustrated by (but not limited to):
  - DCJ being both a funder and direct service delivery provider of OOHC
  - Current OOHC service provision being a 'mixed economy' of government service provision, NGO Permanency Support Program (PSP) contracts, NGO non-PSP contracts (pre-existing at 2017), fee for service arrangements with NGO providers, fee for service arrangements with private providers, and various 'ad hoc' arrangements
- Intent to keep decision making for children in NSW OOHC as close as possible to the child via 'case management transfer' to NGOs has inadvertently increased complexity of processes and responsibility for direct oversight of day to day care arrangements for some children in OOHC, particularly those in residential care placement types (including 'Alternate Care' and 'High Cost Emergency Care' placement type arrangements).
- Residential care as a discrete placement type (regardless of the number of children in residence together) has been proven over time to increase the likelihood of risk and further harm to children across a range of areas, in addition to being the highest cost placement type in OOHC, yet the numbers of NSW children placed in residential care arrangements is increasing.
- NSW regulatory requirements and activity related to child safety and child protection for children living in OOHC requires further analysis of the extent to which these requirements may be increasing costs via duplication of administrative processes, and whether or not these processes are reducing safety risks for children in care.

In closing we acknowledge the important role of the NSW Audit Office in bringing matters contained in the Oversight Report to public attention. We reiterate Barnardos' appreciation for the opportunity to participate and provide this feedback, in addition to our ongoing commitment to delivering strong and positive children's social care outcomes for vulnerable NSW children.

Yours sincerely



Deirdre Cheers  
Chief Executive Officer  
Barnardos Australia

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## Response from Burrun Dalai Aboriginal Corporation



31/05/2024

Mr Bola Oyetunji  
Auditor-General for NSW  
Level 19, Darling Park Tower 2  
201 Sussex Street  
Sydney NSW 2000

Dear Mr Bola Oyetunji,

**Oversight of the child protection system audit, conducted concurrently with,  
Safeguarding the rights of Aboriginal Children in the child protection system audit.**

Thank you for the opportunity to respond to the above-mentioned audit reports.

Burrun Dalai have reviewed the final report, and note the significance of early intervention, self-determination, culture, healing, connection, wellbeing, transition of Aboriginal children to NGO's and flexible funding from DCJ.

Burrun Dalai acknowledge the need for transformation in the sector to execute sound oversight and safeguarding of our Aboriginal Children. Burrun Dalai thank the audit team for their engagement and work on such an important audit.

Yours Sincerely

Mykol Paulson  
Chief Executive Officer  
Burrun Dalai

*Out of Home Care & Family Support Service*

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## Response from KARI Ltd



Changing Lives. Keeping Culture.  
[www.kari.org.au](http://www.kari.org.au)

May 2024

### ***Oversight of the child protection system***

KARI welcomed the opportunity to participate in the Performance Audit regarding Oversight of the child protection system.

This report lays out in stark detail the grim reality that many of us in this sector know all too well.

These systems issues, should not reflect too poorly on the good work that many practitioners take part in daily, within a deeply flawed system they also need to navigate

KARI acknowledge and endorse the recommendations outlined within the report. KARI reconfirm our deeply held and sacred belief that Aboriginal community-controlled organisations, are the best and only ethically sound option, for working with Aboriginal children, young people and families.

We reaffirm our position that Aboriginal children and families and indeed all vulnerable children and families, deserve better.

Andrew Luzzi  
Regional PSP Manager  
KARI Limited

#### **Liverpool Office**

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# Response from Life Without Barriers

## LIFE WITHOUT BARRIERS



28 May 2024

Bola Oyetunji  
Auditor-General for New South Wales  
Level 19, Tower 2 Darling Park, 201 Sussex St, Sydney NSW 2000  
CC: Claudia Migotto  
Assistant Auditor-General, Performance Audit  
Via:

**RE: AG Ref: R009-170535826-28962**  
**Performance Audits – Child Protection**

Dear Auditor General,

May I first extend our appreciation on behalf of Life Without Barriers for the considerable work undertaken by the Audit Office of NSW and the provision of the final reports titled 'Oversight of the child protection system' and 'Safeguarding the rights of Aboriginal children and young people in the child protection system.' This letter provides you with Life Without Barriers official response to both final reports.

### **Oversight of the Child Protection System Report**

The final report aptly identifies the considerable complexity of the NSW state child protection system in its design, implementation and the opportunities for future improvement. The report signifies the necessity of oversight as a crucial instrument in the safeguarding of children in child protection and one which requires ongoing strengthening. There is a further shift needed however in prioritising responses which address the drivers of child abuse and neglect so we can collectively prevent children and families from entering care in the first place.

Our current child protection system is trying to respond to complex and often long-standing social issues within an historical crisis response model. There is fragmentation in service access across the continuum of health and other government services which cannot be resolved by a child protection system in isolation. Without a whole of government preventative model, families encountering child protection may continue to do so through generations. The system is under pressure from increasing numbers of children and families who are vulnerable and is further challenged by the genuine costs to deliver quality care needed to effectively support children with complex needs and trauma backgrounds.

The level of change needed to continue to improve child protection systems and invest in a focus on early intervention is significant. This is an investment which will strengthen families and prevent entry into care and we believe this must be the focus of child protection reform. Our future models of service require considerable integration of supports including measures to address poverty,

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domestic and family violence prevention and intervention, housing support, alcohol and other drug services, counselling, community supports and addressing childhood maltreatment in all forms.

A system and community involved response in reconsidering how to deal with the dominant cause of entry into care, being child neglect, is long overdue. We welcome the opportunity to contribute to solutions that are cross sector and with community as we recognise child safety is everyone's responsibility.

**Safeguarding the rights of Aboriginal children and young people in the child protection system.**

First and foremost, Life Without Barriers recognises Aboriginal and Torres Strait Islander children have a right to grow in culture and with kin. Aboriginal people have been clear that returning Aboriginal children to their communities is the most effective positive path forward towards systemic change and this report provides further evidence that mainstream, non-Indigenous organisations are not best placed to support First Nations children. In a system not designed for or by First Nations people and communities, small scale, tinkering improvements will not address the inherent bias and discrimination designed within the system now in how it responds to Aboriginal and Torres Strait Islander communities. The impacts of colonisation resulting in poverty and extreme disadvantage are forces which undeniably impact the natural functioning and effective lore of Aboriginal and Torres Strait Islander communities.

This report offers evidence of the genuine reform needed to enable Aboriginal children to be able to thrive, to be connected to their culture and secure in their identity.

Life Without Barriers believes our combined efforts must be to support ACCOs and facilitate the transfer of necessary funding and care of children to Aboriginal communities whilst recognising that future funding models need to respond to holistic approaches and must be designed and led by First Nations communities.

Thank you for your consideration of our response. We wish to extend our appreciation to the team within the Audit Office of NSW who have worked so hard to deliver these important insights so we may all better serve the children we are collectively responsible for across NSW.

Kind regards

Claire Robbs  
Chief Executive  
Life Without Barriers

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## Response from Wesley Community Services Limited



Mr Bola Oyetunji  
Auditor-General of New South Wales  
Audit Office of NSW  
Level 19, Darling Park Tower 2,  
201 Sussex St, Sydney NSW 2000

28 May 2024

Dear Mr Oyetunji,

### **WESLEY COMMUNITY SERVICES LIMITED – RESPONSE TO PERFORMANCE REPORTS**

Thank you for your letter of 1 May 2024 conveying the final performance reports for the below audits and inviting Wesley Mission to respond:

- 'Oversight of the child protection system'; and
- 'Safeguarding the rights of Aboriginal children and young people in the child protection system'.

We support the work of the Audit Office of NSW in undertaking these performance audits, along with the work of Department of Communities and Justice (DCJ) and out of home care providers (NGOs), including Aboriginal Community Controlled Organisations (ACCO), who seek to operate within an effective and robust child protection and safeguarding system. Wesley Mission is acutely aware that represented in every case within the NSW child protection system is a vulnerable child or young person and family.

We understand that this is a performance audit of DCJ's administration of the child protection system in NSW, and as such we note there are no recommendations directed to the NGOs in either report. Notwithstanding this, we strongly support the recommendations and their intent to improve outcomes for children and families engaged in the sector, and would welcome dialogue with DCJ, where appropriate, on the implementation of the recommendations. To this end Wesley Mission is firmly committed to supporting continuous improvement and sector uplift.

While we recognise performance audit reports are often weighted towards reporting on an exceptions basis, Wesley Mission is of the opinion there are areas of strength, innovation and good practice within the NGO sector. This report provides an opportunity to build on this foundation to achieving greater consistency and performance across the NGOs.

Furthermore, with regard to the Safeguarding the Rights of Aboriginal Children and Young People in the Child Protection Systems report specifically, we support these recommendations, and if willing, a broader whole-of-scheme review to keep aboriginal families out of the system as the main focus, that is led by Aboriginal people and communities. This would ensure that future community sector changes and implementation have safeguards such as the Aboriginal and Torres Strait Islander Principles fully embedded within them.

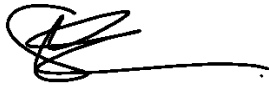
As a non-Indigenous organisation, Wesley Mission knows that ACCO's are best placed to support Aboriginal children. We strongly back actions to enable ACCO's to support Aboriginal children and families to avoid the necessity for out of home care. If as a last resort, care is needed, similarly ACCO's must case manage Aboriginal children and families in the first instance. For Aboriginal

children already in the sector, timely transition of their case management to ACCO's must be a concerted focus. It is also our view that for Aboriginal children in particular, restoration reviews should be completed to maintain cultural and family connection. For any of this to be successful Aboriginal people and communities must be an integral part of the process of design, implementation and oversight.

Wesley Mission believes this is the time for taking courageous action to steer the system towards better outcomes for all children, before they enter and once in out of home care. We owe it to past, current and future generations to do all we can to get this right.

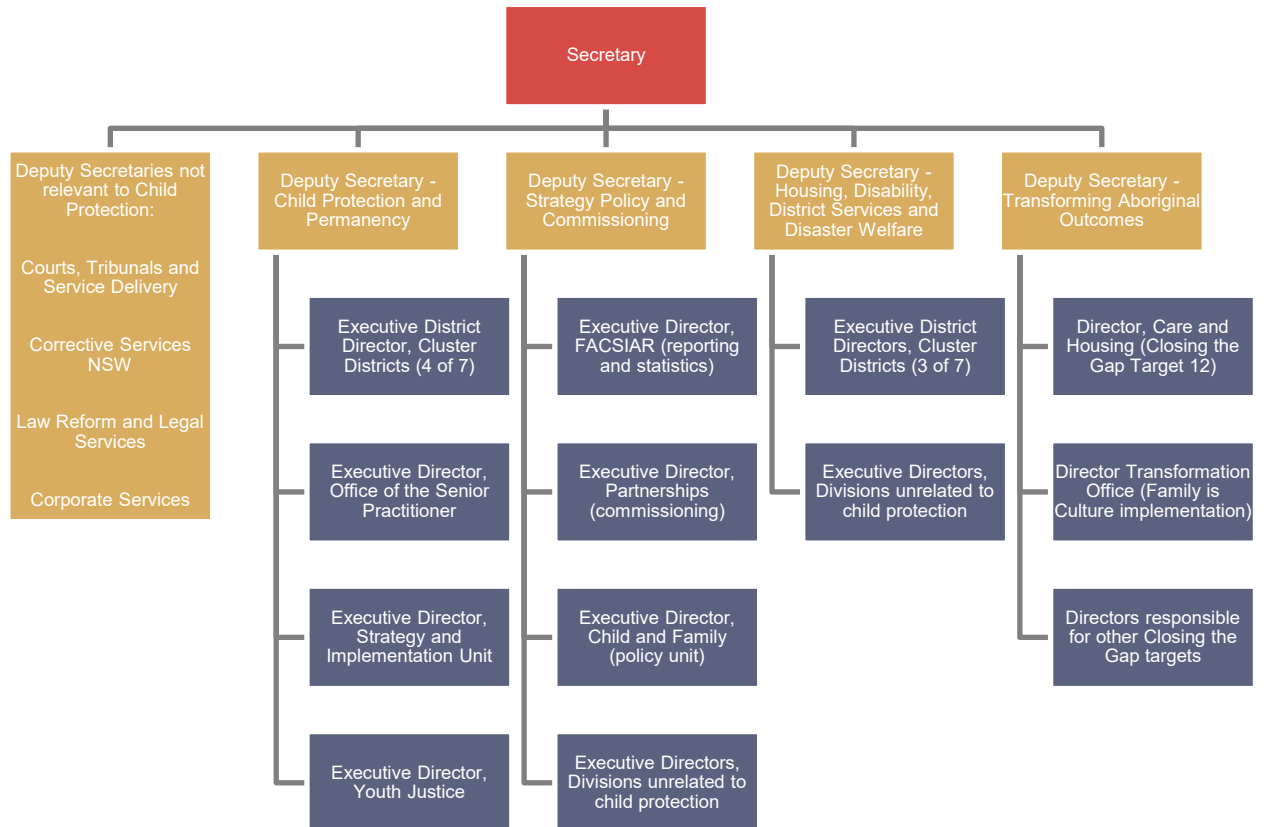
Finally, I would like to take this opportunity to recognise the work of those who operate in the sector (DCJ, NGOs, including staff and carers), without whom many vulnerable children, young people and their families would not receive the support they need.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Stu Cameron', with a long horizontal line extending to the right.

Reverend Stu Cameron  
Chief Executive Officer

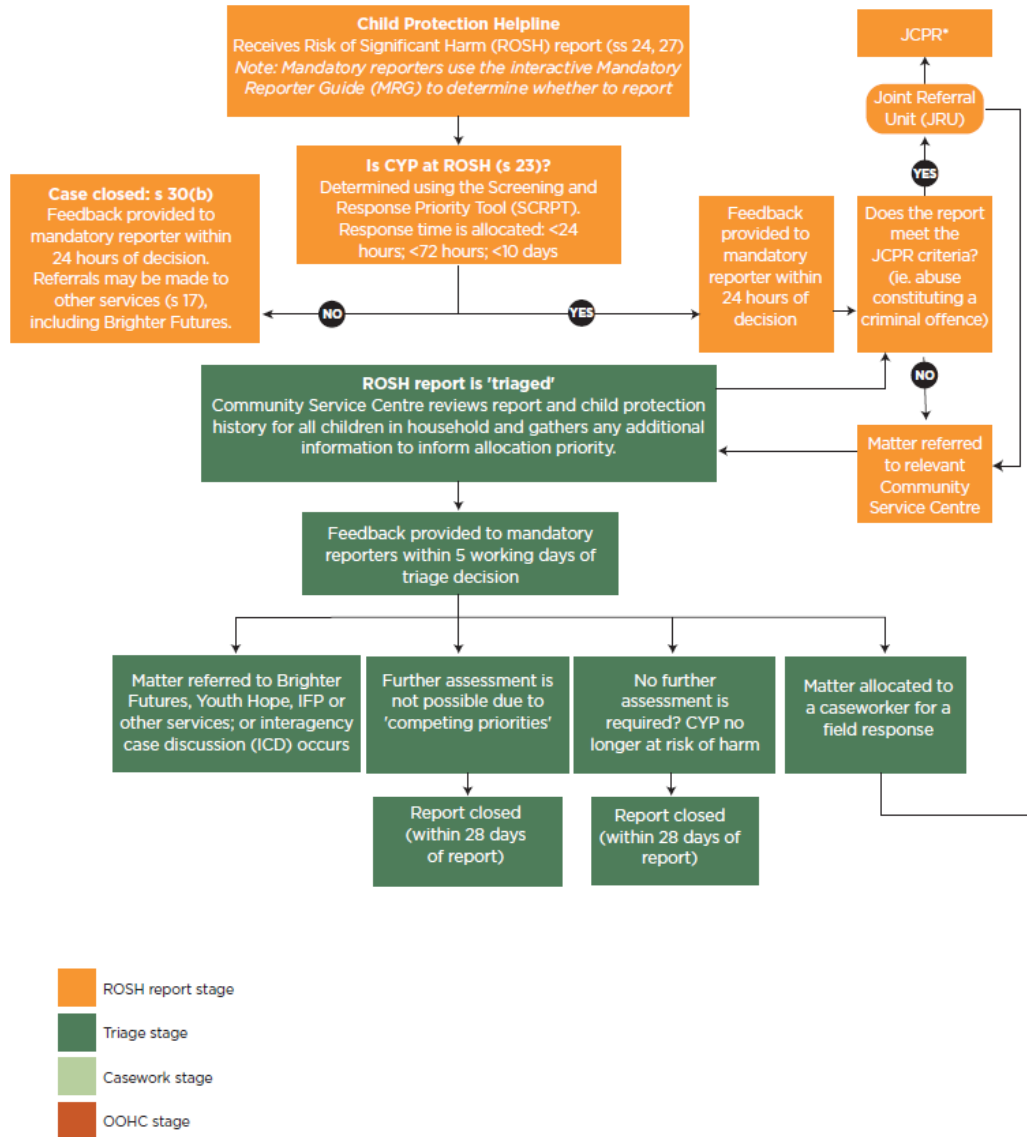
# Appendix two – DCJ’s Organisational Structure for Child Protection



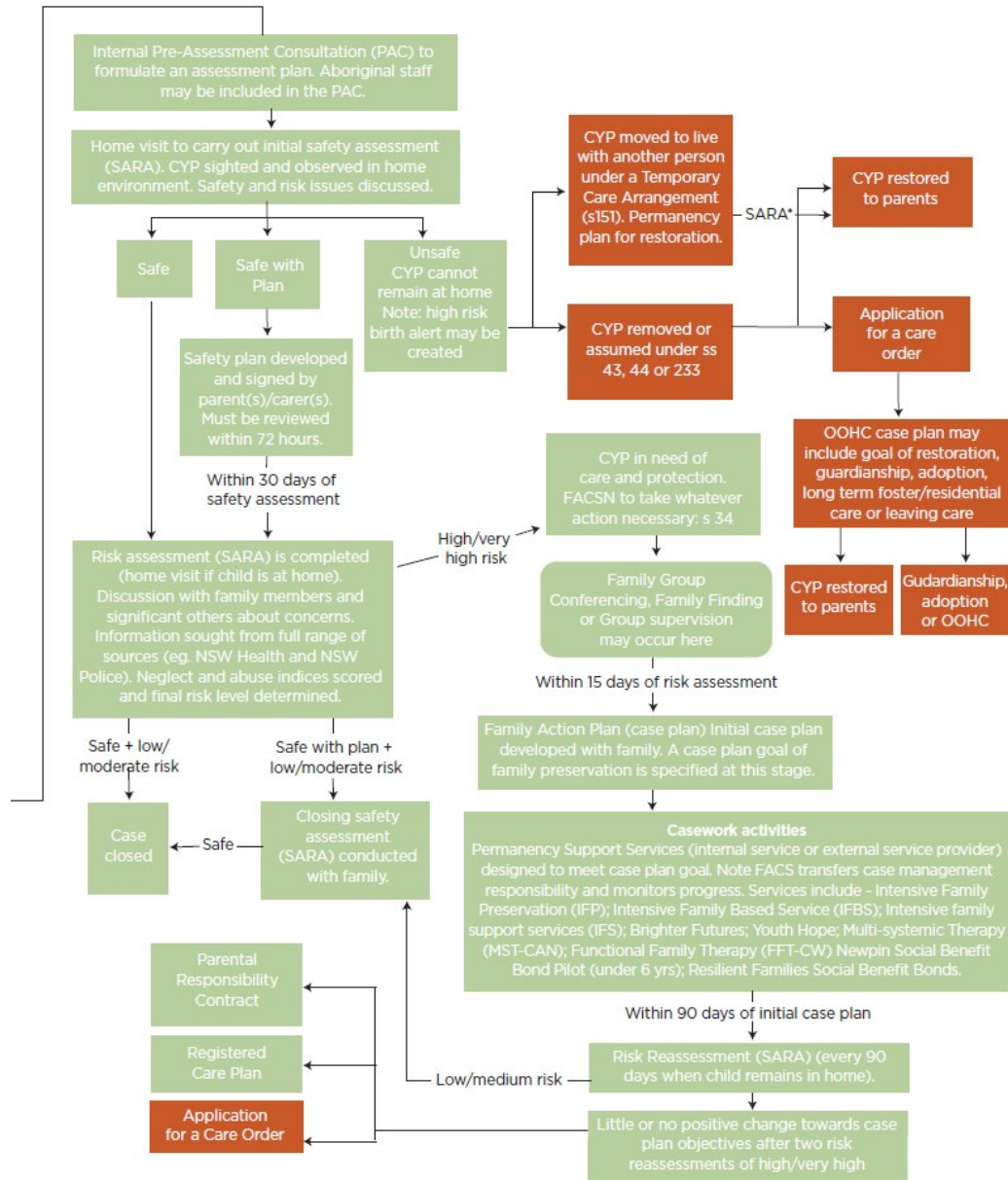
Note: Until May 2023, the Deputy Secretary (Housing, Disability, District Services and Disaster Welfare) was also responsible for operational child protection. However, this has recently been consolidated into one role, the Deputy Secretary (Child Protection and Permanency, District and Youth Justice Services). In early 2024, the Deputy Secretary (Housing, Disability and District Services and Disaster Welfare) role was abolished and all Executive Directors reported directly to the Deputy Secretary (Child Protection and Permanency, District and Youth Justice Services).

Source: DCJ Annual Report, December 2023.

# Appendix three – Child protection flowchart from 'Family is culture' report







\* This may include one or more of the following: a risk assessment, a risk reassessment or a closing safety assessment  
 \* FACS, NSW Health and NSW Police Force

Source: Family is Culture: Independent Review into Aboriginal out of home care in New South Wales, Professor Megan Davis, Chairperson, October 2019.

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# Appendix four – About the audit

## Audit objective

This audit assessed the effectiveness of the Department of Communities and Justice's planning, design, and oversight of the statutory child protection system in NSW.

## Audit scope and focus

The audit focused primarily on the Department of Communities and Justice. Five non-government organisations that DCJ contracts to provide family support and out of home care services across the State were also included in the audit.

## Audit criteria

We assessed whether DCJ was effective in ensuring:

- there is quality information to understand and effectively plan for child protection services and responses
- there are effective processes to manage, support, resource, and coordinate child protection service models and staffing levels
- there is effective oversight of the quality and outputs of child protection services and drivers of continuous improvement.

The policies, practices, and management reporting of the five NGOs was assessed for effectiveness in relation to the following:

- the quality of data used to understand service requirements
- the arrangements for operational service delivery to meet identified needs
- the governance arrangements to deliver safe and quality out of home care services under contract arrangements with DCJ.

## Audit exclusions

The audit did not:

- examine the merits of government policy objectives and legislative principles
- examine targeted earlier intervention initiatives
- assess staff work, health and safety and wellbeing.

## Audit approach

Our procedures included:

1. Interviewing:
  - 32 meetings with Senior Executives, 12 with DCJ and 20 with NGOs
  - 50 meetings with caseworkers and their managers, 42 with DCJ staff and eight with NGOs
  - 45 meetings with policy officers and subject matter experts, 35 with DCJ staff and ten with NGOs
  - 8 meetings with community stakeholders.

2. Examining:
  - approximately 5,800 documents, of which over 4,300 were provided by DCJ
  - data provided by DCJ and NGOs.

The audit approach was complemented by quality assurance processes within the Audit Office to ensure compliance with professional standards.

## **Audit methodology**

Our performance audit methodology is designed to satisfy Australian Auditing Standard ASAE 3500 Performance Engagements and other professional standards. The standards require the audit team to comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance and draw a conclusion on the audit objective. Our processes have also been designed to comply with requirements specified in the *Government Sector Audit Act 1983* and the *Local Government Act 1993*.

## **Acknowledgements**

We gratefully acknowledge the cooperation, constructive support, and participation by the five non-government organisations (Barnardos Australia, Burrun Dalai Aboriginal Corporation, KARI Ltd, Life Without Barriers, and Wesley Community Services Limited) and the Department of Communities and Justice in this audit.

## **Audit cost**

The estimated cost of the audit is approximately \$860,000.

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# Appendix five – Performance auditing

## What are performance audits?

Performance audits assess whether the activities of State or local government entities are being carried out effectively, economically, efficiently and in compliance with relevant laws.

The activities examined by a performance audit may include a government program, all or part of an audited entity, or more than one entity. They can also consider particular issues which affect the whole public sector and/or the whole local government sector. They cannot question the merits of government policy objectives.

The Auditor-General's mandate to undertake audits is set out in the *Government Sector Audit Act 1983* for state government entities, and in the *Local Government Act 1993* for local government entities. This mandate includes audit of non-government sector entities where these entities have received money or other resources, (whether directly or indirectly) from or on behalf of a government entity for a particular purpose (follow-the-dollar).

## Why do we conduct performance audits?

Performance audits provide independent assurance to the NSW Parliament and the public.

Through their recommendations, performance audits seek to improve the value for money the community receives from government services.

Performance audits are selected at the discretion of the Auditor-General who seeks input from parliamentarians, State and local government entities, other interested stakeholders and Audit Office research.

## How are performance audits selected?

When selecting and scoping topics, we aim to choose topics that reflect the interests of parliament in holding the government to account. Performance audits are selected at the discretion of the Auditor-General based on our own research, suggestions from the public, and consultation with parliamentarians, agency heads and key government stakeholders. Our three-year performance audit program is published on the website and is reviewed annually to ensure it continues to address significant issues of interest to parliament, aligns with government priorities, and reflects contemporary thinking on public sector management. Our program is sufficiently flexible to allow us to respond readily to any emerging issues.

## What happens during the phases of a performance audit?

Performance audits have three key phases: planning, fieldwork and report writing.

During the planning phase, the audit team develops an understanding of the audit topic and responsible entities and defines the objective and scope of the audit.

The planning phase also identifies the audit criteria. These are standards of performance against which the audited entity, program or activities are assessed. Criteria may be based on relevant legislation, internal policies and procedures, industry standards, best practice, government targets, benchmarks or published guidelines.

During the fieldwork phase, audit teams will require access to books, records, or any documentation that are deemed necessary in the conduct of the audit, including confidential information which is either Cabinet information within the meaning of the *Government Information (Public Access) Act 2009*, or information that could be subject to a claim of privilege by the State or a public official in a Court of law. Confidential information will not be disclosed, unless authorised by the Auditor-General.

At the completion of fieldwork, the audit team meets with management representatives to discuss all significant matters arising out of the audit. Following this, a draft performance audit report is prepared.

The audit team then meets with management representatives to check that facts presented in the draft report are accurate and to seek input in developing practical recommendations on areas of improvement.

A final report is then provided to the accountable authority of the audited entity(ies) who will be invited to formally respond to the report. If the audit includes a follow-the-dollar component, the final report will also be provided to the governing body of the relevant entity. The report presented to the NSW Parliament includes any response from the accountable authority of the audited entity. The relevant Minister and the Treasurer are also provided with a copy of the final report for State Government entities. For local government entities, the Secretary of the Department of Planning and Environment, the Minister for Local Government and other responsible Ministers will also be provided with a copy of the report. In performance audits that involve multiple entities, there may be responses from more than one audited entity or from a nominated coordinating entity.

## **Who checks to see if recommendations have been implemented?**

After the report is presented to the NSW Parliament, it is usual for the entity's Audit and Risk Committee / Audit Risk and Improvement Committee to monitor progress with the implementation of recommendations.

In addition, it is the practice of NSW Parliament's Public Accounts Committee to conduct reviews or hold inquiries into matters raised in performance audit reports. The reviews and inquiries are usually held 12 months after the report received by the NSW Parliament. These reports are available on the NSW Parliament website.

## **Who audits the auditors?**

Our performance audits are subject to internal and external quality reviews against relevant Australian standards.

The Public Accounts Committee appoints an independent reviewer to report on compliance with auditing practices and standards every four years. The reviewer's report is presented to the NSW Parliament and available on its website.

Periodic peer reviews by other Audit Offices test our activities against relevant standards and better practice.

Each audit is subject to internal review prior to its release.

## **Who pays for performance audits?**

No fee is charged to entities for performance audits. Our performance audit services are funded by the NSW Parliament.

## **Further information and copies of reports**

For further information, including copies of performance audit reports and a list of audits currently in-progress, please see our website [www.audit.nsw.gov.au](http://www.audit.nsw.gov.au) or contact us on 9275 7100.

## OUR VISION

Our insights inform and challenge government to improve outcomes for citizens.

## OUR PURPOSE

To help Parliament hold government accountable for its use of public resources.

## OUR VALUES

Pride in purpose  
Curious and open-minded  
Valuing people  
Contagious integrity  
Courage (even when it's uncomfortable)



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