

**Submission
No 7**

**EXAMINATION OF THE AUDITOR-GENERAL'S
PERFORMANCE AUDIT REPORTS JULY 2015 –
JANUARY 2016**

Organisation: Department of Family and Community Services
Name: Ms Anne Skewes
Position: A/Secretary
Date Received: 4 October 2016

Mr Bruce Notley-Smith MP
Chair, Legislative Assembly
Public Accounts Committee
Parliament of NSW
Macquarie Street
SYDNEY NSW 2000

Dear Mr Notley-Smith

Thank you for your correspondence dated 6 September 2016, inviting the NSW Department of Family and Community Services (FACS) to provide a submission to the performance audit report *Transferring Out-of-Home Care to Non-Government Organisations*.

Please find enclosed a table detailing FACS' response to the recommendations, including actions taken to date.

If you have any further questions, I invite you to contact Simone Czech, Acting Executive Director, Design, Innovation, Safety and Permanency on 9716 2676 or email simone.czech@facs.nsw.gov.au

Yours sincerely



Anne Skewes
A/Secretary
3-0 SEP 2016

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IMPLEMENTATION OF RECOMMENDATIONS

Department of Family and Community Services

Transferring out-of-home care to non-government organisations

No	Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status	Responsibility
1	Finalise all policies and procedures on how NGOs should deliver out-of-home care services to ensure they remain relevant	Accepted	<p>a) Review of Service Provision Guidelines</p> <p>b) Review of Case Management Policy and Guidelines</p> <p>c) Interactive Case Management Policy and Guidelines</p> <p>d) Aboriginal Case Management Policy and Guidelines</p>	<p>Commencing early 2016 and continuing to the third half of 2016.</p> <p>Commenced in September 2014 and completed in November 2015</p> <p>Commenced in September 2014 and completed in November 2015</p> <p>Commenced in November 2015. Due for completion in September 2017.</p>	<p>IN PROGRESS</p> <p>FACS supports the completion of policies and procedures. Review of the Service Provision Guidelines - commenced early 2016 and continuing to the second half of 2016.</p> <p>There are a number of existing policies and documents already available publicly on the internet site to inform OOH service provision including OOH Contracted Care Program Guidelines; OOH Service Models; Placement of siblings in OOH policy, and Contracting Arrangements and Business Rules.</p> <p>COMPLETE</p> <p>Revised OOH Case Management Policy and Guidelines were published in November 2015. Internal and external feedback is being monitored and will inform the interface with ChildStory and the next iteration of the Policy and Guidelines as required.</p> <p>COMPLETE</p> <p>The revised OOH Case Management Policy and Guidelines incorporate interactive features including links to relevant legislation, policies, guidelines and other key documents.</p> <p>ON TRACK</p> <p>The need for an Aboriginal Case Management Policy was identified in the Aboriginal Co-Design project conducted in 2014-15 and is one action being taken by FACS to address the over representation and poor outcomes of Aboriginal children in the child protection and OOH system. The Policy and Guidelines are being co-designed with Aboriginal families and children, service providers and peak bodies.</p> <p>Development of the policy and guidelines is to take a phased approach entailing four key steps: designing an engagement process that will underpin the policy development process; undertaking stakeholder engagement; drafting and finalising the Policy and Guidelines and ensuring implementation readiness. Considerable work has been undertaken planning the project with AbSec and Aboriginal service providers. Phase One Designing the engagement process is on track to be completed by end of November 2016.</p>	<p>Design, Innovation, Safety and Permanency</p> <p>Design, Innovation, Safety and Permanency</p> <p>Design, Innovation, Safety and Permanency</p> <p>Design, Innovation, Safety and Permanency</p>

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2	<p>Improve how it measures its success by:</p> <ul style="list-style-type: none"> a) clarifying its targets for transferring children, including whether these should be expressed as a number or percentage, to ensure that it correctly reports on its progress with the transfer of children to NGOs b) developing well-being outcomes for children in care and aligning the funding model to support these 	2a) and 2b) Accepted	For 2a) and 2b) Planning and trial implementation of Quality Assurance Framework		ON TRACK	Design, Innovation, Safety and Permanency
						<p>Following receipt of the reports developed by the Parenting Research Centre (PRC) in partnership with the University of Melbourne, the reports were released for feedback from the public. Young people in out of home care or recent care leavers were also consulted on what they thought of the Quality Assurance Framework (QAF).</p> <p>Feedback from the young people and the public along with FACS response to the submissions is available on the FACS website (www.facs.nsw.gov.au/qaf).</p> <p>Planning for the trial is well underway with an expression of interest process recently finalised to select three NGOs to trial the QAF. They are Burrun Dalai Aboriginal Corporation MacKillop Family Services and Key Assets Fostering. FACS has also commissioned PRC to support the trial implementation of the QAF.</p> <p>The Cultural and Spiritual Identity domain in the QAF will be developed by Aboriginal and CALD people with workshops being held with these groups later in the year to start the process.</p> <p>FACS is currently in a recommissioning process for residential and foster care. Targets will be considered as part of this process.</p>
	<ul style="list-style-type: none"> c) developing targets for all its outcome measures, including the number of children being adopted or safely returned to their birth family 	2c) Rejected			REJECTED	<p>As stated in our previous response dated 27 August 2015, "2. (c) FACS does not support the establishment of targets; as it considers that it is not appropriate to set targets for adoptions whilst there is an emphasis on reducing entries to care and improving restorations."</p>

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3	Develop, in collaboration with the Aboriginal community, a clear strategy for delivering out-of-home care services for Aboriginal children	Accepted	<ul style="list-style-type: none"> i. Aboriginal Co-Design project ii. OOHHC Growth and Partnership Project 	<ul style="list-style-type: none"> i. In progress ii. 30 June 2017 	<p>ON TRACK</p> <p>FACS is continuing to work with AbSec and the sector to build on the co-design work started in 2015 which led to the jointly produced Plan on a Page for Aboriginal Children and Young People 2015-2021. Implementation of the Plan on a Page is overseen by the recently established Aboriginal Child & Family Reform Group (ACFRG) which includes AbSec and other external stakeholders. ACFRG is co-chaired by FACS and AbSec.</p> <p>FACS has also funded AbSec in 2016/17 to assist existing Aboriginal service providers and partnerships to maintain their (or for partner agencies, attain independent) OCG accreditation and strengthen their capacity to deliver out of home care placements.</p> <p>AbSec is working with individual providers, partnership arrangements, FACS Districts, the Office of the Children's Guardian and the NSW Ombudsman to assess and develop individualised plans to strengthen each agency's operations and develop their business capabilities. The project is underway with AbSec contacting each service provider to commence the assessment process. The next steps will be to establish local working groups and develop individual plans for each provider.</p> <p>FACS is purchasing an additional 350 contracted foster places. Over 35 per cent of the additional placements in this round being allocated to Aboriginal agencies. This reflects the anticipated demand for Aboriginal placements in the coming 12 months. These purchased placements will support the demand for Aboriginal placements and apply the Aboriginal Placement Principles and meet the NSW Government's commitment for Aboriginal children and young people to be supported by Aboriginal community controlled OOHHC agencies where there is capacity.</p>	Service System Commissioning
4	Ensure that procurement plans for developing the out-of-home care sector closely align with growth targets	Accepted	Recontracting of OOHHC	<p>Now July 2017 (previously April 17) – Ministerial approval was given on 25 May 2016 to extend the implementation date for outcomes based contracts from April 17 to July 17</p>	<p>ON TRACK - (for new target date)</p> <p>OOHC service providers are set to be on outcomes based contracts by 1 July 2017.</p> <p>The development of the outcomes based contracts will be done in collaboration with OOHHC sector. The contracts will enable the growth targets for the transition of statutory OOHHC to the NGO sector and promote capacity building around Aboriginal children and young people.</p>	Service System Commissioning

No	Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status	Responsibility
5	<p>Restructure the funding model to:</p> <ul style="list-style-type: none"> a) increase the use of permanency options such as adoption and safely returning children to their birth family b) ensure it covers additional costs, such as those associated with cultural considerations and operations in regional areas 	Accepted	Recontracting of OOHHC	<p>Now July 2017 (previously April 17) – Ministerial approval was given on 25 May 2016 to extend the implementation date for outcomes based contracts from April 17 to July 17</p>	<p>ON TRACK - (for new target date)</p> <p>The development of the funding model is currently under way and is set to be in place by 1 July 2017. The funding model promotes permanency options and covers additional costs associated with cultural consideration and operations in regional areas.</p>	Service System Commissioning
6	<p>Review the use of the Child Assessment Tool to ensure it is consistently applied across NSW</p>	Accepted	Review of Child Assessment Tool (CAT)	Completed	<p>COMPLETED</p> <p>Ernst and Young were commissioned to review the CAT. The final report was delivered in July 2016.</p> <p>The review encompassed thought on innovative child centred approaches to placement, defining best practice on placement and improving compliance and consistency in CAT's application.</p> <p>FACS is seeking approval for the recommendations in line with developing a child centred approach to ensure children are consistently matched to the placement, takes into account their individual circumstances and supports initiatives to improve placement stability.</p>	Design, Innovation, Safety and Permanency
7	<p>Improve predictions of demand for out-of-home care places and better match funded places to that demand</p>	Accepted		<p>Completed for 2015/16 Budget and revised over the forward estimates.</p>	<p>ON TRACK</p> <p>FACS closely monitors movements of children in and out of OOHHC placements to improve matching placements with demand. A number of projects continue to progress within FACS to advance this.</p> <p>FACS and NSW Treasury are working together on the continual evolution of the OOHHC Cost Model and reporting that can forecast the cost of OOHHC.</p> <p>In addition, FACS has developed an OOHHC demand model to project both entries and exits under different scenarios and according to different client characteristics to model demand for OOHHC over the forward years.</p> <p>The OOHHC Cost and Demand models have been finalised.</p> <p>The recontracting of OOHHC focuses on addressing strategies as to how FACS matches places with demand.</p>	Design, Innovation, Safety and Permanency

No	Recommendation	Accepted or Rejected	Actions to be Taken	Due Date	Status	Responsibility
8	Revise its dashboard reporting to ensure it clearly displays progress against targets and trends in key outcomes.	Accepted	Review of Out of Home Care dashboard	Completed	COMPLETED	Design, Innovation, Safety and Permanency
					<p>FACS consulted with key stakeholders and implemented changes to both the presentation and content of the OOH and Transition dashboard. These changes included the incorporation of the changing focus of transition and requirements to better monitor these policies. Key change implemented include the:</p> <ul style="list-style-type: none"> • focus on statutory first time ever entries to NGOs • removal of reference to FACS regions • removal of guardianship orders from OOH population numbers – guardianship orders are still identified separately • removal of data related to carer and household consent to transfer • Aboriginal OOH and transition dashboard updated to reflect Aboriginal CYP information only to avoid duplication with NSW dashboard and provide more specific Aboriginal content 	