

**Submission to the NSW Advocate for
Children and Young People:**

**Special Inquiry: Children and
Young People in Alternative
Care Arrangements (ACAs)**

November 2023

Background

We thank the NSW Advocate for Children and Young People for the opportunity to provide a submission and insights into the experiences of children and young people in Alternative Care Arrangements (ACAs) in New South Wales.

The Australian Childhood Foundation (ACF), established in 1986, has been at the forefront of advocating for improvements in out-of-home care (OOHC) and delivering evaluated models of therapeutic care to children and young people. It led the development of therapeutic foster care in Australia more than 20 years ago through the TrACK Therapeutic Foster Care Program.

The TrACK Program has successfully provided home-based care for children and young people with complex needs and long histories of placement instability. The program provides a pathway out of, or an alternative to, residential care for children and young people deemed unable to live successfully in a family setting. TrACK is proven to provide placement and relationship stability for this cohort. An independent evaluation of the program located in Attachments 1a and 1b highlights the impact of the program on the lives of children and young people for whom other options have failed.

Today, ACF is involved in supporting thousands of children and young people in OOHC in partnership with non-government organisations and governments around the country. ACF has been instrumental in developing evidence-informed Australian models of therapeutic foster care and kinship care. The evaluations of these programs have contributed to the development of a local evidence base for therapeutic approaches to foster, kinship, and residential care and the achievement of stability, connection, and healthy functioning for children and young people over a range of social and emotional well-being domains.

In 2018, the NSW government funded ACF to deliver the OurSPACE Program. Originally funded from the Their Futures Matter (TFM) reform, OurSPACE was established to address the needs of some of the 3500 children and young people under the age of 12 years in OOHC across NSW identified as having experienced two placement breakdowns in the previous six months. This cohort of children and young people are at most risk of poor developmental outcomes and in need of a specialist trauma-based therapeutic service that is able to respond to the complexity of their needs.

The OurSPACE Program directly addresses placement instability and builds relationship permanency for children and young people in OOHC by resourcing the network of adults around them to understand the unmet trauma needs from their past and begin to meet them in the here and now. It is also a specialist trauma treatment service for children and young people in OOHC. It understands that children and young people's trauma-based behaviour can put pressure on the capacity of carers to manage. It acknowledges that therapeutic intervention that reduces the impact of trauma on children and young people can alleviate carer stress and improve the likelihood of placement continuity.

However, the program critically recognises that placement disruption can also occur as a result of some or all of the following factors:

- the knowledge and confidence of carers to know how to respond to the children and young people's behaviour may be low
- carers' history of trauma and relationship disruption may interrupt their ability to respond to the needs of children and young people in their care

- current unidentified problems occurring in the carer family may exacerbate children and young people's sense of safety, amplifying their challenging behaviour
- the network of relationships around children and young people (school, friends, family) are not able to understand their needs and how to respond to them, leading to additional stress on the carer family to address these issues as well as look after the children and young people
- the professional system has disagreements about case direction and is not able to effectively plan for children and young people through their development, making them more reactive
- children and young people are not in contact with or connected to cultural and relational resources that can support rich experiences of healing for them
- the decision-making of child protection and/or the court system contributes to experiences of heightened uncertainty, which contributes to stress for carers and children and young people.

OurSPACE draws from the extensive experience of ACF in the delivery of therapeutic foster and kinship care programs and integrates a culturally strong framework that is supported by specialist practitioners who themselves are from Aboriginal and Torres Strait backgrounds.

OurSPACE is an outreach program delivered anywhere in NSW. It provides assessment and intervention for the cohort of children and young people identified with the most intensive need and their carers. This cohort is resourced through evidence-based therapeutic interventions using an assertive outreach approach. The intervention consists of a comprehensive assessment, followed by up to 20 weeks of therapeutic intervention that directly targets the child or young person and their carers.

The program also includes the establishment and clinical leadership of Care Teams for each child and young person, involving the range of professionals in their network (child protection, school, foster care agency, police, and others). For a small portion (10%) of the children and young people with additional needs, an extended 26 weeks of this therapeutic intervention is provided.

OurSPACE has become an integral program that meets a gap in the service delivery framework to children and young people in OOHC in NSW, with a caseload of 255 at any time, half of whom are Aboriginal. Around 10% of these children will have experienced being placed in ACAs. OurSPACE has an average waitlist of over 100 children. Further information about the impact of the OurSPACE Program can be found in Attachment 2.

Also in 2018, Australian Childhood Foundation established the Centre for Excellence in Therapeutic Care (CETC), an intermediary with the explicit vision of building the capacity of OOHC providers to provide high quality therapeutic care that is attuned, compassionate, and responsive to their often complex and challenging needs. These needs arise from the impacts of trauma and significant disruption in their lives. The focus of the CETC is to mobilise the right information at the right time in the right format to influence and shape practice, service delivery and policy in OOHC. The CETC is the only intermediary of its kind in Australia. It brings together the power of the research capacity at Southern Cross University with more than thirty years of practice knowledge of Australian Childhood Foundation. It is an autonomous, respected, and credible thought leader and system enabler in the OOHC sector. Between 2018 and 2021, it was funded by the NSW government to support the implementation of the Intensive Therapeutic Care (ITC) reforms.

Response to Terms of Reference

Alternate care arrangements have no place in a modern and child-centred OOHC system. The fact that children are being placed in motels and caravan parks highlights the depth of crisis in the system.

The retention of foster carers is a major challenge facing systems across Australia and internationally. Research clearly shows they are leaving and/or requesting placements end due to a lack of support. As a result, children and young people experience high levels of placement and educational instability, subjecting them to ongoing disruption, chronic loss, and dislocation from their families and communities.

In 2016, the Independent Review of Out of Home Care in NSW by David Tune found that it was ineffective and unsustainable. This review led to significant investment in OOHC through the “Their Futures Matter” reforms. However, little has changed, prompting this Inquiry.

The OOHC system certainly needs ongoing investment, but it is not only about money. We need to rethink the principles that are built into the very design of OOHC.

Despite the significant role foster carers play in ensuring that vulnerable children receive proper material, psychological, and emotional support, research consistently suggests that carers often lack sufficient or appropriately targeted assistance (Tullberg et al., 2019). This is problematic not only for carers but also for the children, whose well-being is intricately linked to that of their carers. For example, carers’ experiences of depression are associated with poor outcomes for children (Lotty et al., 2020). Additionally, when carers receive less support, the chance of placement breakdown increases (Rock et al., 2015; Tullberg et al., 2019).

Our experience running therapeutic foster care programs nationally, and our success with the OurSPACE specialist trauma counselling program in NSW specifically, demonstrate how addressing the needs of foster carers improves outcomes for children and young people across a spectrum of indicators (educational engagement, placement stability, empowered and informed carers).

To date, OurSPACE has supported over 90 children living in, transitioning through, or accessing ACAs in hotels, motels, Airbnb, and other temporary accommodations as respite when no carers are available. Our submission highlights the experience of some of these children and young people.

1. Pathways and trajectories of children and young people placed in ACAs

Children who experience abuse and neglect and are subsequently placed in OOHC have poorer results on a range of developmental outcomes, including physical and mental/emotional health, low educational attainment, unemployment, and involvement in the criminal justice system, compared to children who have not been subject to abuse, neglect, and violence, and placed in OOHC (Walsh et al., 2018).

They increasingly have family backgrounds characterised by a high prevalence of domestic violence, parental substance abuse, and mental illness (Lima et al., 2018). This Australian research has confirmed that children enter care with more complex needs and challenging behaviours, including:

- Poor school attendance and performance
- Poor physical, mental, and dental health
- Sexualised behaviours
- Challenging behaviours
- Lack of social and age-appropriate living skills
- Involvement or risk of involvement in the juvenile justice system

Over the past 5 years, the OurSPACE program has supported more than 1500 children in OOHc. Our data reveals the following profiles of these children:

- 98% of children have experienced abuse or neglect prior to their first birthday.
- Children and young people in OurSPACE were aged 3-8 years (24%), 9-11 years (29%) and 12-15+ years (47%).
- 74% of children and young people in OurSPACE had 3-8 placements since coming into care.
- 17% of children and young people in OurSPACE had 9 or more placements since coming into care.
- 78% of children and young people in OurSPACE had lived in their current placement for less than a year.

Children and young people in OurSPACE have experienced multiple forms of abuse and neglect in their lifetime. Two-thirds of children and young people in OurSPACE have experienced multiple forms of abuse and neglect in their lifetime. 97% had experienced emotional and psychological abuse. 98% had experienced physical abuse, ranging from being kicked, punched, to being hit with an object. 77% had been exposed to high levels of family violence.

Children and young people in OurSPACE suffered significant impacts arising from their experiences of abuse, family violence, and neglect. 84% of children and young people in OurSPACE suffered from significant anxiety. 84% suffered from sleep disturbances. 69% of children and young displayed severe physically aggressive behaviour. 27% had engaged in harmful sexual behaviour towards other children and young people.

Children and young people in OurSPACE experienced poor educational trajectories. 67% of children and young people were significantly behind their peers academically. 49% were not attending school. 52% of children and young people in OurSPACE had attended 4 or more schools in the past 12 months.

A significant proportion of children and young people in OurSPACE had poor connections with siblings and extended family. 52% of children and young people had no contact or unplanned or sporadic contact with their siblings. 63% had no contact or unplanned or sporadic contact with extended family.

All of these children and young people face placement instability, but what is often overlooked is their critical need for relational stability. “Placement” and “relational stability” are often conflated by the system to mean the same thing but are distinct and differing needs. Relational stability can be contributed to through placement stability but requires consideration of the broader, enduring network of relationships that children need beyond the placement within which they can grow and live well. Relational stability has consistently been shown as a critical factor in the developmental trajectories of children in OOHC. This is supported by placement stability but requires additional effort on the part of Care Teams.

A large body of research has repeatedly revealed that children who experience multiple placements are more likely to experience emotional and behavioural difficulties, physical and mental health challenges, and academic difficulties than those who do not (Barber et al., 2001; Barber & Delfabbro, 2002; Fernandez, 2009).

The transition to adolescence is a critical juncture for young people in OOHC, with evidence suggesting that the age of 12 can be a tipping point (Ramsay et al., 2020). Adolescence is a period of unique social, psychological, and biological transition, with a young person’s external context and internal experiences leading to possible tensions requiring resolution.

The transition from primary school is one of the most important events in the lives of young people. It also occurs around the same time as puberty, which brings a number of physical, biological, and social changes. When these occur in the context of significant adverse childhood experiences, weak relational stability and a system of care that fails to properly understand and meet these needs leaves children carrying the costs into their adult lives.

In the face of these enormous challenges, the NSW OOHC system is ill-equipped to respond to the needs of the children and young people requiring their care. The creation of ACAs is a both a symptom of an ill-equipped system and a contributor to the poor outcomes and developmental vulnerabilities of children who have experienced trauma.

The Intensive Therapeutic Care (ITC) reforms in NSW were developed to address these needs, with an explicit focus on catering to young people 12 years and over. However, there remains no systemic response to the needs of children with complex needs under the age of 12, and this is the cohort we are finding in ACAs or placed in ITC homes as a last resort.

The decline in available foster care placements is exacerbating the situation for children and young people. The Department of Communities and Justice (NSW) estimates that an extra 600 foster carers are needed each year to take care of children who cannot live safely at home, but this is not being met by recruitment. This trend indicates a system in crisis, one that cannot be remedied by simply recruiting more carers.

The foster carers who were interviewed for the NSW Foster Care Research Report (2019) stated that:

The children in their care exhibit extreme behaviours and conditions, such as ADHD, OD, bipolar symptoms, autism, violent aggression to other children and animals, sexualised behaviour, and brain damage. Not one interviewee had a foster child who was compliant and easy to manage. The extreme behaviour was demonstrated through screaming, attacking the carer and other children with whatever came to hand (including knives) and damaging furniture and other property, smashing holes in walls, breaking glass doors, and defecating on the floor then spreading the faeces on walls and furniture.

These are people who require specialist and therapeutic support. We must shift our focus to retaining current carers by ensuring they are heard, supported, and have the resources to provide the care that children and young people who have experienced abuse, neglect, and violence require.

Children under 12 with complex needs face a particularly vulnerable journey through the OOHC system. The experience of Sarah¹, who entered the ACA landscape at the age of 7, lays bare the system's failures and inadequacies. This is an account from one of our Therapeutic Specialists who supported Sarah as part of the OurSPACE program:

Sarah* has had repetitive placement changes (and lack of continuity of relational support) since entering the OOHC system. These have been caused by either ruptures in relationship in the household, or when carers have felt overwhelmed and unable to care for Sarah. In Sarah's last placement, she was separated from her younger sister, who she often cared for and had a sense of purpose in looking after. Her sister was allowed to stay in the placement, but the carers felt they could not care for Sarah, now aged 9, any longer. Sarah moved to several respite placements while case management attempted to find a more permanent arrangement for her, losing contact with her sister. Sarah was moved to a hotel as there was still no carer for her for over the month. Sarah was moved to an Intensive Therapeutic Care (ITC) home under the Interim Care Model (ICM). She was placed with other young people of different ages without adequate matching which led to a breakdown.

Following this breakdown in placement, calls were sent out Australia-wide, yet the only option remained a hotel in western Sydney as they continued to look for a carer. Sarah stayed in the hotel for 3 months, with a team of youth workers from an outside organisation looking after her on shifts. This hotel was unsafe for Sarah, as she had big feelings and her trauma expressions would look like 'fight' and 'flight', often using kitchen utensils to threaten staff who did not meet her needs the way she felt she needed them met, or it would look like running away from the room to the nearby train station, often threatening to leave because "nobody wants her". This lack of consistency in relational experience for Sarah due to shift work and staff changes, combined with a lack of desire to engage Sarah in communication or seek to co-regulate her because of their own level of experience and personal fear, led Sarah to continue to push boundaries, and the staff turnover threatened Sarah's sense of felt safety, and she remained hypervigilant as she sought to emotionally survive without her emotional needs being met.

¹ *All names have been changed and information shared to protect the identities of children and young people
 *In NSW Labour hire agencies and other entities (not accredited by the OCG) have arrangements with DCJ to establish ACAs. Non-government PSP providers also have these relationships and enter into subcontracting agreements with these labour hire agencies to establish ACAs.

Sarah's pathway into an ACA highlights multiple failures within the OOHC system and support processes. These include:

- A failure to understand and meet Sarah's needs for stable relationships, safety and belonging
- The length of time Sarah spent in inadequate care
- A failure to provide appropriate support for the multiple carers who attempted to look after Sarah
- A failure to attend to Sarah's right to stay connected to her sister, and the relational disruption caused by her separation (Charter of Rights, NSW. NSW Practice Framework)
- A lack of stable relational supports of physical placement appropriate for a developmental vulnerable child
- Multiple moves between ACAs, ICM and ITC units (Charter of Rights, NSW. NSW Practice Framework)
- Placement in ITC that is not appropriate or designed for children under the age of 12 (Charter of Rights, NSW. NSW Practice Framework)
- A failure to provide consistent and trained staff to care for Sarah in ACAs (NSW Practice Framework)
- Limited access to meaningful activities and fun.

The needs of children entering OOHC care are largely poorly conceptualised and understood. Their life histories are rarely documented in any consolidated form that would shed light on their current needs. The planning for children and young people is thus poorly aligned to the critical developmental impacts and needs with which they present. The OOHC system is largely reactive rather than predictive of children's needs. Research points clearly to the adverse developmental impacts of abuse, neglect, and violation. These are real for every child in OOHC, not just those with behaviours that are challenging or concerning.

It would seem that an awareness of trauma impacts is not the primary lens through which these children and young people's needs are understood and responded to. With so many ongoing unmet needs, the children and young people referred to OurSPACE are in need of strengthened relational networks that will journey with them over their life course. Relationship stability requires formal attention by the child protection and OOHC system for these children. Recovery comes from the relational network of ongoing important people who learn to tolerate, absorb, and ultimately reconfigure the trauma experiences that remain buried in the minds and bodies of children affected by abuse and neglect at such early infancy. This network cannot only be professionals or carers introduced into the lives of many children as a result of coming into care. They need supported relationships which will allow them know deeply that they are loved, cared for, and considered part of a community to whom they belong to. They need the systems around them to collaborate effectively in order to achieve these fundamental needs.

Children and young people have 3-5 times more informal relationships involved with them at the end of OurSPACE involvement compared to when OurSPACE started.

There is a critical need to:

- Address the recruitment and retention of foster carers entering the system by improving the quality of support offered to them.
- Address the need for relational stability as well as placement stability in the lives of children and young people in OOHC.
- Design a system of care that recognises that all children and young people in care have unique needs for attuned and responsive care as a result of their trauma, not only those who engage in behaviours that challenge.

2. Decision-Making Process

The decision-making process is often poorly coordinated and often excludes children and young people, leading to placements that do not serve their best interests. Jade's story highlights this oversight on a number of levels, from failure to understand and provide appropriate support for her to maintain connection with her sister, through to a lack of understanding of Jade's needs and a holistic, coordinated, and consistent approach that understands the complexity of her vulnerabilities.

Jade (11 years old) was moved into an ACA after her long-term foster care placement of 4 years broke down. This was her second experience of a placement breakdown. Jade also experienced sexual and physical abuse by her first foster carers over many years, which led to anxiety around change, new people, and difficulty in trusting adults. Jade became withdrawn after moving to the ACA, often leaving her unable to speak. During contact with her younger sister, who remained behind in the placement, she would cry and be quite distressed, which caused contact to be stopped out of concern for the younger sister. Jade also began self-harming in the ACA by cutting herself, which led to restrictive practices being implemented by the agency. Sadly, the rotation of staff meant a different interpretation of the rules/practices and different experience for Jade with each new worker who came in for their shift. Jade has remained in various forms of ACA for 7 months.*

This narrative underscores the traumatic impact of decision-making that fails to fully understand and develop plans that consider the child's emotional and psychological needs.

It is the experience of the OurSPACE Program that referrals to the program often come too late. Whilst the intervention of the program has been effective in maintaining the majority of foster and kinship placements, for many, the timing of referral comes at a point when the placement cannot be stabilised and has already, for all intents and purposes, broken down. Earlier intervention in the placement with opportunities to develop a comprehensive understanding of the needs of the child and tailored support to the carers and Care Team would likely have prevented this from occurring.

In many instances, children and young people referred to OurSPACE do not have active Care Teams around them to address the support needs of the children and carers, or where

they do exist, they are poorly formed, lacking a shared understanding about their needs and how to best meet them. It is common for OurSPACE to have to establish the Care Teams for these children and provide strong clinical leadership to support the change process.

There is a critical need to:

- Have a greater focus in case management and Care Team processes that ensure timely access to support to promote placement stability for children, young people and their carers.
- Ensure that every child or young person in care has a robust Care Team able to make comprehensive care and support plans for children and young people.
- Ensure that children and young people are meaningfully participating in Care Team processes and decision-making.

3. Care Arrangements and Treatment in ACAs

Daniel (15 years old) was sent to an ACA after his grandmother became unable to care for him any longer due to her failing health. The ACA staff were rotated throughout the day and night, with Daniel having significant behavioural outbursts of distress (trauma expressions) during shift changes due to the unpredictability in these relationships. The youth work agency dismissed these outbursts as 'defiance' and a strategy for Daniel to get what he wanted, but he communicated that driving this distress was his fear about the new staff member, feeling unfamiliar, not knowing what the expectations would be, what rules would be changed, and even (based on his early life experiences) if that staff member would hurt him. One staff member formed a close bond with Daniel, but it was later found that this youth worker left his employer without notice, which caused further confusion and distress for Daniel. Daniel's school attendance declined significantly during his time in the ACA. After 5 months, Daniel moved into a permanent residential care setting with other young people. Due to this move, OurSPACE was required to cease involvement as he no longer met the criteria for the program (support to home-based care). We are aware Daniel's behaviours remained challenging, demonstrating an inability to feel a sense of safety in his environment.*

The inconsistency, lack of trauma knowledge, and the design of care in ACAs can result in the needs of children and young people being poorly understood, leading to an exacerbation of their trauma-based behaviours, and at worst, their re-traumatisation. Daniel's experience is a case in point. The reliance on casualised, poorly trained staff, inconsistent staffing, and living environments that are not fit for purpose all contribute to ongoing risk to the health, well-being, and safety of vulnerable children and young people. The lived experience of children and young people in ACAs compounds the very reason for their placement in these arrangements. The inability of these arrangements to provide the basics of care that children with trauma need – safety, consistency, and predictability – render children vulnerable. Whilst physical safety may be provided in these contexts, although the very reason for this

Inquiry shows that not to be the case in all situations, many children require care contexts that offer relational consistency, predictability, and routine to feel safe. The capacity to feel safe as well as be safe are fundamental rights of children and young people and often not afforded children in ACAs. The day-to-day experiences of these children are riddled with uncertainty, insecurity, and unpredictability.

ACAs are a problem in and of themselves as well as a symptom of a system not coping.

Neuroscience and research into developmental trauma provide clear explanatory frameworks for why the impacts of trauma on the social, emotional, and behavioural functioning of children can be evident from infancy or may become evident or intensify as the child grows into middle childhood and early adolescence (a time at which many otherwise stable placements begin to break down). The complex interplay of developmental trauma coupled with the normative changes to the brains and bodies of adolescence can present significant challenges for carers.

Our data clearly shows the vast majority of the children and young people referred into the OurSPACE program have histories of abuse and neglect from infancy. This is also reflective of ACF's national dataset. Children and young people require care that understands the impacts of trauma across the lifespan, not just when behavioural challenges emerge that stress the capacities of carers and the system to understand and respond to.

There is a critical need to:

- **Design the whole of OOHC system to be underpinned by a comprehensive understanding of the impact of developmental trauma and the critical needs of children and young people requiring care.**
- **Implement intensive therapeutic foster care programs, such as the TrACK Program for children and young people, that recognises the support needs of children and young people not eligible for the ITC system.**
- **Develop therapeutic models of kinship care to deliver improved support to kinship carers who are caring for children and young people with complex needs.**
- **Fund an intermediary such as the CETC to build and support the capacity of all agencies delivering forms of OOHC across the system to implement contemporary, trauma-transformative approaches to the delivery of OOHC.**
- **Introduce high quality statewide training to foster and kinship carers, to build their understanding of the needs of children and young people in OOHC.**

4. The impact for children of being placed in ACAs

The impact of ACA placements on children's safety and well-being is profound and multifaceted. OurSPACE has documented significant challenges:

- ACAs fail to meet the fundamental tests of a system that is based on compassion and the safety and well-being of children in need.
- They are commonly relationally unsafe.
- They are often physically unsafe/unsuitable for the needs of children.

- The staff lack appropriate training and support resulting in a failure to meet the needs expressed by children who have experienced abuse, neglect, and other adverse childhood experiences (many are staffed by unaccredited agency staff through labour-hire agencies).
- They are inconsistent, resulting in uncertainty for the children.
- They commonly disrupt the educational experiences of the children.
- The children commonly have their existing relationship disrupted or severed.

Sarah's therapeutic specialist reflects on the impact that continual placement breakdowns and ACAs had on Sarah:

Sarah would often not want me to leave after our sessions, worried that she won't feel safe that night as she didn't know the person on staff, or didn't feel safe in the ACA. She would hurt me or push me away with her words as a means to see if I would come back to her or do what I say I will. She did not have a mother or father figure who could teach her emotions, communication, and how to calm herself down. She could not access someone close to her when she needed emotional support in the middle of the night. And this is all re-traumatising for her after years of abuse growing up and in OOHC, despite everyone's efforts to minimise harm in this ACA. It has validated her core belief that she is not worthy of love, and this is often something she has said: "Nobody wants me. I'm too much".

The case scenarios outlined in this submission clearly demonstrate the declining mental health and well-being of children left languishing in these arrangements. Their behaviours and needs are not understood. In fact, their behaviours can escalate and worsen. This cycle of worsening behaviour can then result in increased difficulty placing the children outside of ACAs, trapping the child further into extended periods of placement limbo. The children become further defined by their behaviours, leading to responses that are focussed on behaviour management and are ultimately stigmatising of the children. Their behaviours are not understood for what they are – a form of communication. They are often the child or young person's only means of expressing the internal distress and fear they experience.

The case studies also point to the extreme level of dislocation and disconnection from all that is familiar to the children. Relationships with family are disrupted or intentionally terminated. Many are placed a significant distance from their family and community, making contact difficult or, at times, impossible. Escalating behaviours, as in the case of Jade, resulted in the termination of sibling contact. Sound needs-based assessment and understanding of Jade's situation and its impact on her would likely have resulted in different decisions being made and support offered to maintain this relationship.

Such stories highlight the urgent need for a stable and nurturing care environment, well-trained and supported staff, and knowledgeable decision-makers at the systems level. Children and young people are left for months and months at a time in a holding pattern waiting for the system to effectively address their needs. This is not reflective of a quality care system. Children and young people are commodified in this process, losing access to their rights and basic entitlements as enshrined in UNCROC, the Charter of Rights in Out of

Home Care, and the NSW Practice Framework. In the context of ACAs, it is not enough to only consider the failure to meet a child's basic needs for food, clothing, and shelter. Children and young people have a range of developmental needs in addition to this that cannot wait for a placement to be located. Children and young people in ACAs are at significant developmental risk. Developmental risk must be considered alongside risk of harm considerations. Their developmental needs cannot be placed on hold pending a suitable placement, however, ACAs are profoundly limited in their ability to meet their developmental needs.

The complete absence of relational stability in addition to the absence of placement stability poses significant risks to children and young people in ACAs.

The OOHC system needs to be more accountable for the standard of care that is provided to children and young people. As a community, we should be interested in ensuring that children who have already been abused or neglected are being looked after to the standard we believe is right – that is safe, understands and attends to their developmental needs and risks, and takes a life course approach to planning.

There is a critical need to:

- **Broaden the concept of risk to children and young people in OOHC beyond risk related to safety and fully understand the critical developmental and relational risks that children and young people face during extended periods of living in limbo.**
- **Establish an independent mechanism that reviews how children are faring in OOHC that needs to report to parliament annually.**

5. Cost-effectiveness

The financial implications of the ACA system are staggering, with minimal return on investment in terms of positive child outcomes. The Department of Communities and Justice estimates that \$200 million is spent each year purchasing these emergency placements (Schultz, 2023).

Sarah's therapeutic specialist reflects on the cost-effectiveness of the decision to place Sarah in the ACA:

The rental cost, hiring of staff, regular sessions spent with the child due to the urgent nature of the case-by-case management leaving other children unseen during the month, and the cost of damage to the house is enormous. Approximately \$2.5 million was spent over the two years of Sarah living in the ACA.

In contrast, OurSPACE has demonstrated that a more targeted therapeutic approach not only leads to better outcomes for children but is also more cost-effective. It directly addresses placement instability and builds relationship permanency for children and young people in OOHC by resourcing the network of adults around them to understand the unmet

trauma needs from their past and begin to meet them in the here and now. It addresses a range of issues that contribute to placement instability including:

- the knowledge and confidence of carers to know how to respond to the behaviours of children and young that are experienced as challenging
- carers' history of trauma and relationship disruption that may interrupt their ability to respond to the needs of children and young people in their care
- current unidentified problems occurring in the kinship carer family that may be exacerbating children and young people's sense of safety, amplifying their behaviours that adults are finding challenging
- the inability of the network of relationships around children and young people (school, friends, family) to understand their needs and how to respond to them, leading to additional stress on the carer family, schools, and others
- reactivity and disagreement in the professional system about case direction and its inability to effectively plan for children and young people through their development
- the disconnection of children and young people to the cultural and relational resources that can support rich experiences of healing for them.

Since 2018, OurSPACE has established itself as an important part of the service network in New South Wales, with referrals increasing to 1304 in August 2022. Approximately 50% of the children and young people referred to OurSPACE are Aboriginal.

OurSPACE has been successful in stabilising the placements of 92% of referred children and young people through its intervention. Placement stability was achieved in their current placement for 43% of the children and young people. A further 34% of the children and young people were supported to move to a new placement by OurSPACE and subsequently stabilised. The reason for the placement moves included:

- unsuitable match with carers
- carers' unwillingness or inability to change approaches to their care
- child's behaviours were placing other children in the household at risk
- substantiated quality of care concerns
- children and young people supported to transition from ACAs into foster care or kinship care.

A further 15% of referred children and young people continue to require intensive support to stabilise their care arrangements. These children and young people were more likely to live with kinship carers who have little support network around them. They were also more likely to have significant and complex needs, including a range of challenging trauma-based behaviour.

Despite not being established to respond to the needs of children and young people in ACAs, OurSPACE was effective in supporting positive transition for children out of ACAs and into foster care (35%) and residential care (20%). OurSPACE also developed supported transition plans for a further 24% of children in ACAs and worked actively with child protection services to achieve a positive transition.

There is no comparison between the relatively low cost of OurSPACE and the current levels of investment in ACAs and in OOHC more generally. Yet the placement and relational stability outcomes for children and young people are evident in the OurSPACE data.

There are significant financial benefits to a proactive approach to the effective, timely support of placements that mitigate placement instability and high cost, reactive solutions that arise from the current approach to addressing the capability issues within the OOHC system.

Similarly, the [CETC](#) presents a cost-effective mechanism to take a robust and integrated approach to building the capacity of the overall OOHC sector. Over the past 12 months, the CETC has engaged with more than 6,000 kinship, foster, and residential carers, case managers, and Therapeutic Specialists nationally, through its range of training programs. Its resources have been downloaded more than 9,000 times in the past year. The CETC works with agencies and governments across Australia, providing consultancy on service design and improvement in OOHC. It is a national, respected authority in OOHC. Current efforts to build capacity in NSW are siloed, lack conceptual integration, and are not informed by contemporary research and practice, including knowledge mobilisation methodologies and implementation science. The CETC represents an opportunity to deliver a more comprehensive and leading approach to capacity-building in OOHC in NSW.

There is a critical need to:

- **Expand the capacity and eligibility criteria of the OurSPACE program to address the critical need for this service in the OOHC sector, as demonstrated by the growing demand and waiting list for the service.**
- **Fund the existing CETC platform to serve as an intermediary in the OOHC sector in NSW to improve outcomes for children and young people in care in all forms of OOHC.**

6. Alternative Approaches

Children and young people in ACAs need to feel that they are worthy of being claimed by people who know them and are prepared to care for them. Being claimed is a deep need inherent in all infants and children. It reassures them that someone will stand up for them when others back away. The system should be focused on how challenging it is for these children to trust again.

The OOHC system needs to prioritise permanency. Whilst the legislative and policy frameworks provide for this, there has been a failure to implement an approach to the provision of OOHC that is capable of delivering on this vision.

Carers need critical support. All parents must adapt and flex as all children and young people change and grow. The OOHC system must do this with additional intent in the knowledge that the children and young people for whom they care have additional needs and vulnerabilities caused by abuse, neglect, violation, and the trauma that these experiences cause to their developmental trajectories. Their needs are not static, thus support to carers must be able to flex to offer the intensity of support required over time.

There is a critical need to:

- **Scale OurSPACE**

OurSPACE holds a caseload consistently of over 250 children at any time, from all over NSW, half of whom are Aboriginal... Around 10% of these children will have an experience of being placed in ACAs... It has waiting lists in excess of 100 children.

With appropriate levels of investment, OurSPACE is an existing highly effective and relatively low-cost program within the NSW OOHC system that has the capacity to immediately scale across all foster and kinship care, in addition to resourcing the transition of all children and young people out of ACAs. This program has demonstrated its capacity to flexibly offer tailored support to deliver placement stability and positive outcomes for children and young people across a range of stability, well-being, and education measures as outlined in the OurSPACE report in Attachment 2.

- **Implement OurSPACE+**

OurSPACE+ draws on and extends the current program to deliver a more intensive, tailored response to complex needs of the children and young people currently in Alternative Care Arrangements. Whilst OurSPACE has provided some support to ACAs, these children and young people are not strictly within the criteria for the current program and often require additional and sustained involvement of the program, beyond that for which it was established.

On several occasions, ACF has proposed this program to the Department of Communities and Justice to meet the complex needs of children who are being placed in ACAs. The OurSPACE+ Program has been developed in response to our findings which are informed by significant amounts of data that demonstrates the trajectory of these children, with a particular focus on the impacts of their trauma pre- and post-removal which are exacerbated by their lived experiences in ACAs.

The proposed program, OurSPACE+, draws on and extends the current program to meet the more complex needs of children and young people living in ACAs or at risk of entering ACAs. For those over 12 years old, the ITC system is the only opportunity to gain more intensive support to placements. It is contrary to the interests of children and young people that their placements in foster and kinship care should be disrupted in order to gain access to the ITC system, a system designed largely for young people. Foster and kinship care must be able to meet the needs of children and young people with complex needs.

OurSPACE+ derives its evidence base from the Foundation's pioneering TrACK therapeutic care program. The proposed program offers a full time Therapeutic Specialist with a caseload of 1:8 to work intensively to support children and young people in ACAs during their time in ACAs in addition to through the transition to their next placement and beyond as required. Mirroring the approach of the current program, working across agencies and government providers, this more intensive responsive is required for children and young people in ACAs who entered with and/or who have experienced exacerbated trauma and poor mental health and wellbeing as a result. These children cannot afford for their next placement move to fail. They and their carers must be set up for success and afforded the tailored support they will require in timely ways and with the intensity required.

Conclusion

The need for ACAs is preventable. The outcomes of the TrACK and OurSPACE programs each demonstrate the outcomes that can be achieved, when all else has failed. The stories of children and young people in this submission demand not just change but a complete reconceptualisation of the OOHC system in NSW. Money alone cannot solve the challenges faced by the system.

All OOHC should be therapeutic in its intent and in its execution. When we create a system that does not set out to provide the absolute essentials that children require (a sense of relational stability, belonging, understanding, and permanency) we know that we have significantly failed every one of the children who are entered into such a place.

The work of modern intermediaries is increasingly being recognised as critical to the capacity of complex systems, undertaking complex work to deliver on the desired outcomes. Too often the answer to capacity building is seen as being training alone. The work of the CETC is a model of a contemporary intermediary.

We urge the Inquiry to consider our findings and recommendations to safeguard the rights and futures of children and young people in the NSW OOHC system.

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Attachments

- 1a. Evaluation of the Treatment and Care for Kids Program (TrACK)
Dr Lynne McPherson, Dr Glory Gatwiri and Dr Nadine Cameron, Southern cross University, 2018
- 1b. McPherson, L., Gatwiri, K., Tucci, J., Mitchell, J., & Macnamara, N. (2018). A paradigm shift in responding to children who have experienced trauma: The Australian treatment and care for kids program. *Child and Youth Services Review*, 94, 225-234.
2. Outcomes of the OurSPACE NSW program: Changing trajectories for children and young people in out-of-home care in NSW 2018 – 2022

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