KPMG
cutting through complexity

Update to the Evaluation of the Family Support Networks

Final Report

Department for Child Protection and Family Support

28 November 2014

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Inherent Limitations

This report has been prepared as outlined in the Scope Section. The services provided in connection with this engagement comprise an advisory engagement, which is not subject to assurance or other standards issued by the Australian Auditing and Assurance Standards Board and, consequently no opinions or conclusions intended to convey assurance have been expressed.

No warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by, stakeholders consulted as part of the process.

KPMG have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted within the report.

KPMG is under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form.

The findings in this report have been formed on the above basis.

Third Party Reliance

This report is solely for the purpose set out in the Scope Section and for Child Protection and Family Support's information, and is not to be used for any other purpose or distributed to any other party without KPMG's prior written consent.

Acronyms and key terms

AFSN	Armadale Family Support Network
ASO	Assessment Support Officer
Assist	Assist is the system used by CPFS to track child protection activity across WA
CaLD	Culturally and linguistically diverse
CEP	Common Entry Point
CPFS	Department for Child Protection and Family Support
FuSioN	FuSioN is the client recording system that has been developed for use by the FSNs
MFSN	Mirrabooka Family Support Network
MOU	Memorandum of Understanding
SWA	Safety and Wellbeing Assessment
WA	Western Australia

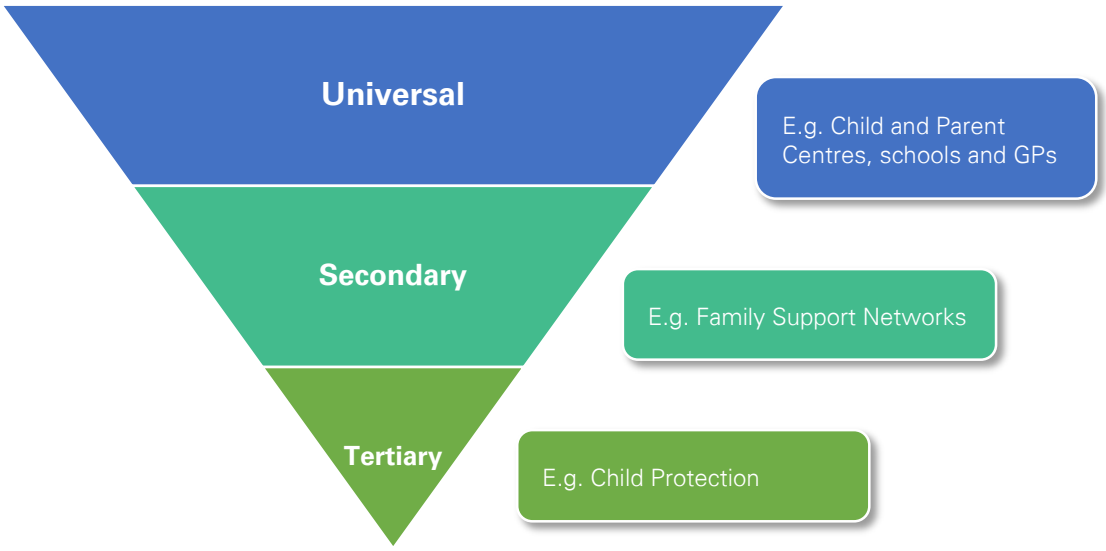
Executive summary

Western Australian (WA) Family Support Networks (FSNs) are a partnership of community sector services and the Department for Child Protection and Family Support (CPFS) that provide a common entry point to services and deliver earlier more targeted support to vulnerable children and families. Parkerville Children and Youth Care are the lead agency for FSNs in the Armadale and Midwest areas, and MercyCare is the lead agency for a FSN in the Mirrabooka area.

FSNs operate with partner agencies who are providers of secondary family support services. These networks provide a consistent and stronger approach to the delivery and allocation of family support services, including parenting support, counselling (family/financial/alcohol and substance abuse) and programs to reduce conflict within families. These services provide earlier responses for vulnerable children and their families and reduce the need for statutory child protection responses.

These FSNs are different to the WA Government's Child and Parent Centres in that they are a secondary service and thus provide services to families who require more intensive family support services. In this way, the FSNs seek to improve outcomes for vulnerable children, young people and families to prevent the need for tertiary child protection interventions.

Figure 1: Service continuum



Source: CPFS 2014, Western Australian Family Support Networks: An integrated, collaborative service delivery model, flyer

Evaluation findings

This report undertakes further analysis and builds on a previous FSN innovation phase evaluation conducted in 2013. The evaluation uses three key methods to demonstrate current achievements and outcomes of FSNs: case study material; FuSioN and Assist data; and an update to the previous cost benefit analysis. An overview of the results from these methods is provided below.

Case studies

Three case study topics (not the case studies themselves) were chosen by CPFS to illustrate different elements of the FSNs, namely:

1 Where wrap-around services have been provided to a family with complex and changing needs– this represents one of the 1,155 cases that have been referred into the AFSN since its commencement.

2 How the Mirrabooka FSN (MFSN) was developed prior to the tender and after the tender, using existing partnerships in the Mirrabooka area and learnings from the AFSN, leading to a smoother, efficient and more sequential implementation process.

3 How the partnership of the FSN identified and responded to service gaps and needs, as illustrated by the development of a parent-teen conflict service within the Armadale district and subsequently funding by CPFS using capacity building grant funding. This service type was the third most common primary issue for families in the analysis of FuSioN data in section 3.1.2.

These case studies highlight, respectively:

- how the FSN model allows for integrated, collaborative service delivery where services could have otherwise been duplicative or led to a tertiary child protection response;
- how utilising an existing collaborative network of agencies in the district, as well as learnings from the existing AFSN, can lead to more efficient and effective FSN implementation (as demonstrated by the high proportion of Aboriginal engagement and the steady stream of referrals seen in 3.1.1); and
- how the AFSN model allows for better identification of service gaps in a particular district and better responsiveness and use of government funds to addressing those gaps.

Outcomes and impacts analysis – results

The Armadale District experienced a decline in in-scope notifications between 2012/13 and 2013/14, which is consistent with the hypothesis that the Armadale District would be "de-cluttered" of inappropriate referrals due to the presence of the AFSN. Furthermore in the last two financial years the Armadale District has handled a much higher average number of in-scope substantiated SWAs and this is consistent with the hypothesis that the AFSN would allow Armadale District to respond only to those children most at risk, and requiring a statutory intervention. Had the existing linear growth in in-scope notifications continued in Armadale district, it is likely that there would be more than 300 additional notifications to the Armadale District Office in 2013/14.

Since commencement in April 2012, the AFSN has continued to provide a consistent and strong approach to the delivery and allocation of family support services, including parenting support, counselling (family/financial/alcohol and substance abuse) and programs to reduce conflict within families. There is also promising evidence of the AFSN and its partner agencies having positively influenced and delivered improvements in circumstances for vulnerable children and their families.

Although only recently established, the Mirrabooka and Midwest FSNs have received a number of referrals, and provided services to clients, from a range of backgrounds (in Mirrabooka particularly clients from CALD background, in the Midwest particularly clients of Aboriginal background) and both of these new FSNs have a number of partner agencies on board.

Cost benefit analysis – results

Using the case volume data derived in the outcomes and impacts analysis, a cost-benefit analysis has been undertaken to identify the financial costs and benefits associated with the program. This includes

the direct costs incurred by CPFS to deliver the service, and the benefits to government and the community from avoided expenditure as a consequence of the program's activities.

The analysis shows that the benefits to government and the community from the operation of the AFSN are likely to significantly outweigh the direct costs associated with its delivery; with **$3.65 saved** by government and the community - in reduced expenditure on future CPFS activities, out-of-home care, and avoided lifetime cost of child abuse and neglect - **for every $1 invested** (Table 1).

Table 1: Quantitative cost benefit analysis outputs: aggregate impacts over the 2011/12 to 2013/14 period

Item	Nominal 2013-14 prices
Approximate value of additional costs to Government	$2,737,126
Approximate value of benefits derived from investment	$9,998,342
Net quantitative benefit / (cost)	**$7,261,216**
Benefit cost ratio	**3.65**

Source: KPMG

Sensitivity testing of these results to variations in the underlying assumptions (such as the quantum of avoided CPFS activity, avoided out-of-home care cases and avoided child abuse and neglect) demonstrates that this outcome is enduring. Application of what is effectively a fourfold reduction in the quantum of benefits continues to produce a positive net benefit outcome of more than $2 million (a ratio of $1.83 saved for every $1 dollar invested).

Program cost analysis

The cost analysis identifies two categories of costs associated with the establishment and delivery of the program, namely the expenditure incurred by CPFS to set up and operate the AFSN, and any additional costs incurred by the AFSN lead and partner agencies. Costs incurred by CPFS are monetised, while partner agency costs are treated qualitatively.

In terms of direct and quantifiable costs, the results show that CPFS has invested **$2.74 million** in the AFSN over the period from 2010/11 to 2013/14, with expenditure increasing between years as a consequence of increased funding for services as the program has expanded. This amount includes 'capacity building funding', specific to the AFSN, used to directly fund services for vulnerable children and families, where there is determined to be a gap locally in services available.

Additional costs identified by partner agencies include costs associated with time spent on the design and operation of new processes and procedures, and on attending the AFSN meetings. Because of inconsistencies between reported outcomes from agencies and the paucity of available data, these costs have been treated qualitatively.

Program benefits analysis

Participation of children and families in the AFSN is expected to lead to avoided costs through a reduction in unnecessary CPFS activity, as well as other cost savings across the broader social services sector, through a reduction in out-of-home care numbers and ultimately a decrease in the incidence of child abuse and neglect.

The extent of cost savings to government and the community from avoided expenditure in these areas over the period from 2010/11 to 2013/14 is estimated to be **approximately $10 million,** derived from:

- ***A reduction in CPFS activity*** - A reduction in CPFS inquiries and safety and wellbeing assessments through the early and appropriate referral of children and families to secondary services, resulting in a saving of approximately **$2.38 million.**
- ***A reduced in out-of-home care –*** A reduction in child protection orders and avoided out-of-home care costs, resulting in a saving of **$4.97 million**.
- ***Reduced costs of child abuse and neglect -*** Avoided costs to the community from a reduction in child abuse and neglect resulting in a saving of approximately **$2.65 million**.

In addition to the above, the literature attributes a range of other economic and social benefits to investment in secondary family support services that assist individuals and families who are at risk or in crisis. While not monetised as part of this cost-benefit analysis, these benefits include:

- Improved coordination of services via shared IT system and central management of referrals / case allocation;
- More appropriate and holistic services that meet the needs of children and families in a more timely manner;
- Second generation benefits associated with a reduction in youth homelessness, juvenile delinquency, adult criminality, and the intergenerational transfer of child abuse; and
- Benefits to families, such as improved family functioning and improved workforce engagement.

These benefits are additional to those quantified above, which suggests the actual benefits associated with the AFSN are likely to be substantially greater than the estimated $9.99 million.

1 Introduction

1.1 Evaluation update purpose and scope

In 2012, KPMG was engaged to undertake a comprehensive evaluation of the Armadale Family Support Network (AFSN) over the period from 1 April 2012 to 31 March 2013. The purpose of this report is to provide an update and some further analysis of current information on impacts and achievements of the model. As such, each section reads as a discrete piece of analysis.

Specifically, this evaluation update includes:

- Three short case studies relating to the FSNs, including:
  - a case study demonstrating how the AFSN has enabled the provision of 'wrap around' services for one of the 1,155 cases referred into the AFSN since commencement;
  - a case study of how the Mirrabooka FSN (MFSN) was developed prior to and after the tender, using existing partnerships in the Mirrabooka area and learnings from the AFSN; and
  - a case study exploring how the AFSN has allowed for better identification of local service needs and gaps, and consequently more responsive service delivery in the Armadale area.
- An update to the analysis of the FuSioN dataset for all three FSNs for the period 1 April 2012 to 30 September 2014.
- An update to the analysis of the Assist dataset, including periods 2009-10 to 2013-14.
- An update to the economic analysis undertaken in the previous report (termed 'cost-benefit analysis' in this report) using an updated time period (to 30 June 2014) and updated cost data.

1.2 Evaluation update methodology

The stages, activities and deliverables for the project are outlined below (Figure 2).

Figure 2: Evaluation update stages

Source: KPMG

1.3 Data sources

The key data sources for this evaluation update were:

- **analysis of administrative data** from CPFS, including case and client issues and outcomes;
- **cost-benefit analysis** to assess whether the benefits of the AFSN outweigh the costs of reform by calculating the components of incremental costs and consequences; and
- **consultation with key stakeholders** to inform the three case studies and context surrounding the updated cost benefit analysis. Consultation was undertaken with CPFS, Parkerville Children and Youth Care and MercyCare.

A list of stakeholders consulted is contained in Appendix A.

1.4 Family Support Networks

Although FSNs are currently operating in three sites, Armadale and the Midwest with Parkerville Children and Youth Care as the lead agency, and in Mirrabooka where MercyCare is the lead agency, the model components are consistent. An overview of these components is provided below.

Table 2: Components of the FSN model

Component	Description
Family Support Network: Partnership	The community sector lead agency, CPFS, and other secondary family support services form the FSN alliance. The lead agency manages the common entry point, providing easier and more streamlined access to support for families. The lead agency assessment and support officers undertake initial screening and assessment to determine which agency/s are most appropriate to respond to specific family needs. Following a joint case allocation process, agencies work together to support the family.
No wrong door	A Common Assessment Framework that incorporates Signs of Safety enables the FSN to operate a no wrong door philosophy so that families are connected to the services they require regardless of which agency they initially present to and reducing the need for families to repeat their stories.
Collaboration	Allocations meetings are held regularly, bringing together representatives from each of the FSN agencies to facilitate an integrated service response to families. This is particularly important for complex cases where multiple services are involved, so that agencies are aware of which other services are working with the family and to identify who will be responsible for case management.
Self-directed service design	The FSN assessment process incorporates direct input from each family about their problems and goals and the services they wish to access, providing greater choice and control for families.
Active Hold	If a service is not immediately available following assessment, the FSN will implement an active holding strategy so that the family is actively supported while they are waiting to receive a service, rather than being waitlisted. This enables the FSN to monitor the family and take action if required.
Leader child protection	A senior child protection worker is co-located at the common entry point and provides information, consultation and advice to FSN agencies when there are safety and wellbeing concerns for a child.

Component	Description
Information sharing	The Secondary Services Working Together protocol sets out the information sharing framework. Joint allocation, case planning and case review processes underpin effective information sharing as well as a cross agency IT system (FuSioN).
Governance	An integrated governance framework provides for strategic and operational level steering committees and information sharing opportunities. FSN steering committees enable the identification of unmet need and demand in each district. Through these mechanisms service capacity is better understood and resources can be allocated or re-allocated in direct response to changes in community need in line with the Delivering Community Services in Partnership Policy.

Source: CPFS

1.5 Structure of the report

The structure of the report is as follows.

1 Introduction	Outlines the purpose and methodology of the evaluation update.
2 Case studies	Three short case studies relating to elements of the FSNs.
3 Outcomes and impacts analysis	An update to the analysis of the FuSioN dataset for all three FSNs for the period 1 April 2012 to 30 September 2014 and an update to the analysis of the Assist dataset, including 2009-10 to 2013-14.
4 Cost benefit analysis	An update to the cost benefit analysis undertaken in the previous report, using updated time periods (up until 30 June 2014) and updated cost data.
Appendix A	List of stakeholders consulted for this evaluation update.

2 Case studies

These case studies have been developed to illustrate the benefits and efficiencies derived through FSN model components. The names and details of any individuals mentioned in these case studies have been changed to protect their anonymity.

2.1 Case study 1: Provision of 'wrap around' services to a family with complex needs by the AFSN

The case study below provides an example of how FSNs operate with vulnerable and at risk families and the benefits of the model's components.

Case study: A family with complex support needs and their journey with the AFSN

A family with complex issues including disability, mental health, trauma, parenting concerns and previous contact with an inter-state child protection system, self-referred to the AFSN.

A Stage 1 Assessment using the FSN common assessment was undertaken with the family to assess their issues and their current involvement with other agencies. Following the Stage 1 Assessment, a case plan was developed in partnership with the family.

The case was then taken to the joint agency Allocations Meeting and the family was linked to two partner agencies: Ruah Inreach for mental health support and Wanslea for in-home parenting support. As both were operating at capacity (see case study three for how the AFSN addresses service capacity) the active holding function commenced by the lead agency.

During active holding the Assessment and Support Officer (ASO) had regular home visits to the family to provide support and to make sure the family did not disengage or experience additional problems. The lead agency also liaised with a government agency to advocate for and facilitate supports for the family relating to their disability needs. The ASO also liaised with a non-partner disability community sector organisation already engaged with the family, to promote coordinated service delivery and prevent any duplication.

Once capacity was available, case management was transferred to Ruah Inreach. Over the course of the service the parents were linked into both partner agency and non-partner agency supports, related to a holistic assessment of each individual family member's needs.

Cross-agency, integrated review meetings were also held during the life of the case in order to discuss case progress and future direction. Integrated meetings are essential to sharing different professional's expertise and perspectives in order for decisions to be made in a coordinated way. These types of meetings also minimise any service duplication.

As with many complex families, further issues can arise. In this situation, the mother became pregnant and the Leader Child Protection (LCP) provided consultation advice on child protection issues. This meant that CPFS knowledge and skills around child protection was integrated with the partner (and non-partner) agency's in-depth understanding of the family, to jointly develop a comprehensive pre-birth strategy.

This family continues to be supported in a coordinated way by the AFSN given their complex and evolving situation. This includes the sharing of information about the family, their progress, ideas for improving outcomes and use of the shared IT system FuSioN.

This case study demonstrates:

- The accessibility and profile of the AFSN in the local district, given the family self-referred to the AFSN.
- The self-directed, partnership approach taken with families within FSNs.

- The delivery of secondary family support services, to a family with complex needs, by multiple agencies in a coordinated way, where the family did not have to "repeat their story" and partner agencies did not undertake duplicative assessments or duplicative record searches across multiple systems (as FuSioN was used).
- The coordinated and efficient processes of the AFSN given that the common assessment framework, joint allocation and joint review meetings were utilised.
- The ability of the AFSN to consistently "keep track" of a family's circumstances and interactions with partner and non-partner agencies to prevent a family from "falling through the cracks".
- The flexible and integrated approach of the AFSN to address a number of both complex and changing family needs to avoid a statutory child protection intervention, using services from both partners and non-partners to the AFSN.

Source: KPMG based on information from Parkerville Children and Youth Care

2.2 Case study 2: Implementation of the Mirrabooka Family Support Network using existing networks and the ASFN learnings

The case study below examines the timeline preceding the establishment of the Mirrabooka Family Support Network, the existing networks that were able to support the implementation process and the benefit of using the lessons learned from the operation of the AFSN to inform the delivery of the MFSN. Key results for the MFSN are shown in section 3.1.1.

Case study: The role of existing networks and past learnings

In 2011, the Mirrabooka district along with other government and community sector organisations identified a need for the better coordination of services to vulnerable children and families in the local area. Further, when CPFS referred to services for vulnerable families, the agency used an approach that was based on limited knowledge of services available and accepted those where ever a family could quickly access support. This meant that families were not necessarily receiving a 'best fit' service and the process was inefficient with CPFS ringing a number of services.

A Parenting Forum was subsequently created to overcome some of these challenges and was coordinated through the CPFS Specialist Community Child Protection Worker and Parenting WA. The group spent time developing relationships and sharing information about what support they could offer to families (including CPFS services). The Parenting Forum then began to discuss specific cases where there was potential for collaboration, co-working and referrals. This group continued to expand and included approximately 25 representatives from agencies across various sectors.

In 2013, the Parenting Forum identified through a CPFS presentation that a FSN model could provide an effective structure to enhance their work and increase the integration and coordination of services for vulnerable and at risk children and families. The Mirrabooka district director recognised the benefit of a formal FSN model and submitted a funding proposal. Given the established relationships and open dialogue developed through the Parenting Forum, a community sector organisation 'MercyCare' was identified as a best fit for a lead agency role and was supported to apply for the tender by many of the Parenting Forum members. MercyCare was the successful applicant for the tender and was awarded the lead agency contract in December 2013. Many of the suitable Parenting Forum members became partner agencies.

MercyCare and the Parenting Forum formed the governance arrangements for the FSN. The outcome was that the FSN reports to the Parenting Forum which then reports to the Regional Managers Group. This arrangement was suggested to utilise the established relationships and regular attendance of cross-sector agencies (including Child and Parent Centres) in these groups as a formal pathway for raising issues and discussing local trends identified by the FSN. This arrangement also meant that the FSN acknowledged the work of these groups rather than competing with, or duplicating, their functions.

This 'ground up', localised approach has had the following effects on the FSN:

- Within six weeks of the tender being awarded, seven agencies had signed partner agency MOUs.
- Section 3.1.1 of this report shows that the MFSN has received a steady stream of referrals since commencement.

- Partner agencies are more likely to understand their role and the FSN model more quickly, given their involvement in the FSN journey.
- The lead and partner agencies are starting the FSN work with established relationships and knowledge of each other's services.
- Rather than starting the FSN with a competitive environment, community sector organisations had already developed the shared philosophy of working together for the benefit of families.
- As MercyCare tailored their approach to the local district and leveraged off the Parenting Forum (and Regional Managers Group), local agencies have buy-in to the FSN and there is a well-established cross-sector mechanism for identifying and responding to local trends.
- There is a strong relationship between CPFS and the FSN and as a result there is already a streamlined referral pathway between child protection and the FSN, minimising inefficiencies for both agencies and families.

The MFSN also liaised with the AFSN lead agency to gather operational learnings. This included MercyCare staff liaising with their corresponding roles at Parkerville Children and Youth Care, a site visit, MercyCare being provided with locally developed documentation and Parkerville Children and Youth Care advising on how to avoid challenges relating to the role of the Common Entry Point (CEP). Parkerville Children and Youth Care also discussed the importance of early engagement of an Aboriginal partner agency. This enabled MercyCare to have a smoother and more efficient process of implementation. The MFSN has also demonstrated good engagement with the local Aboriginal community, with 19 percent of clients identifying as Aboriginal since commencement (see section 3.1.1).

This case study demonstrates:

- That investing time to develop a ground-up approach to relationship development, the sharing of information and then working towards coordination prior to the establishment of a FSN can lead to efficiencies at a later point.
- The value in choosing a lead agency that has existing relationships with local secondary family support and other providers.
- How the FSN has the 'right model components' to formalise the scattered, cross-agency work often seen in Western Australia relating to vulnerable children and families.
- How learnings from more established FSNs (e.g. the AFSN) can be applied to make the implementation of a new FSN more efficient and effective, earlier.

Source: Mirrabooka District proposal to CPFS and consultation with CPFS and MercyCare

2.3 Case study 3: How the AFSN provides for stronger identification of and action on local secondary family support need and gaps

Key to the success of the AFSN is its ability to understand local needs and gaps in secondary family support service delivery. The AFSN has several main methods of doing this:

- through feedback provided by its network of partner agencies, including an understanding of each partner agency's waitlist;
- by identifying ongoing trends in FuSioN data through visibility over the number of families on 'Active Hold' and their service needs;
- partner agencies are able to identify recurring gaps or blockages in the network and raise these at either the Operations Group or Steering Group meetings; and
- feedback is obtained through non-partner agencies at inter-agency meetings the AFSN attends, such as the universal service at Challis Child and Parent Centre.

The lead agency has clear responsibility for facilitating the review of the AFSN data as well as information from the CEP, partner agencies and other agencies. The lead agency presents the

information and analysis relating to service gaps/waitlists to the Steering Group to facilitate decision making at a Steering Group level, and for subsequent liaison with CPFS.

Decisions about the information are made by the Steering Group and any endorsed funding applications for the use of capacity building funding is forwarded by the lead agency, Parkerville Children and Youth Care, to CPFS to approve and operationalise. The Steering Group can call for partner agency expressions of interests to provide services where waitlists or gaps have been identified.

The involvement of a lead agency is key to this model because, as compared to other informal inter-agency meetings, clear responsibility for driving forward Steering Group recommendations rests with Parkerville Children and Youth Care.

Capacity building funds are a mechanism through which the AFSN is able to free-up capacity in existing partner agency services that have waiting lists and also to provide new services to meet locally emerging gaps in service delivery. The AFSN has access to $1m in capacity building funds per year as part of its funding arrangement with CPFS which, subject to recommendation by the AFSN Steering Group and approval by CPFS, can be used to meet these needs.

The advantage of capacity building funds is that it supports the collaborative and local determination of appropriate use of funds to respond to identified service needs and gaps. This funding model is also quicker than normal CPFS procurement processes, which can take 12 to 18 weeks for contracts over $250,000 and these tenders are released based on an annual budgeting process.

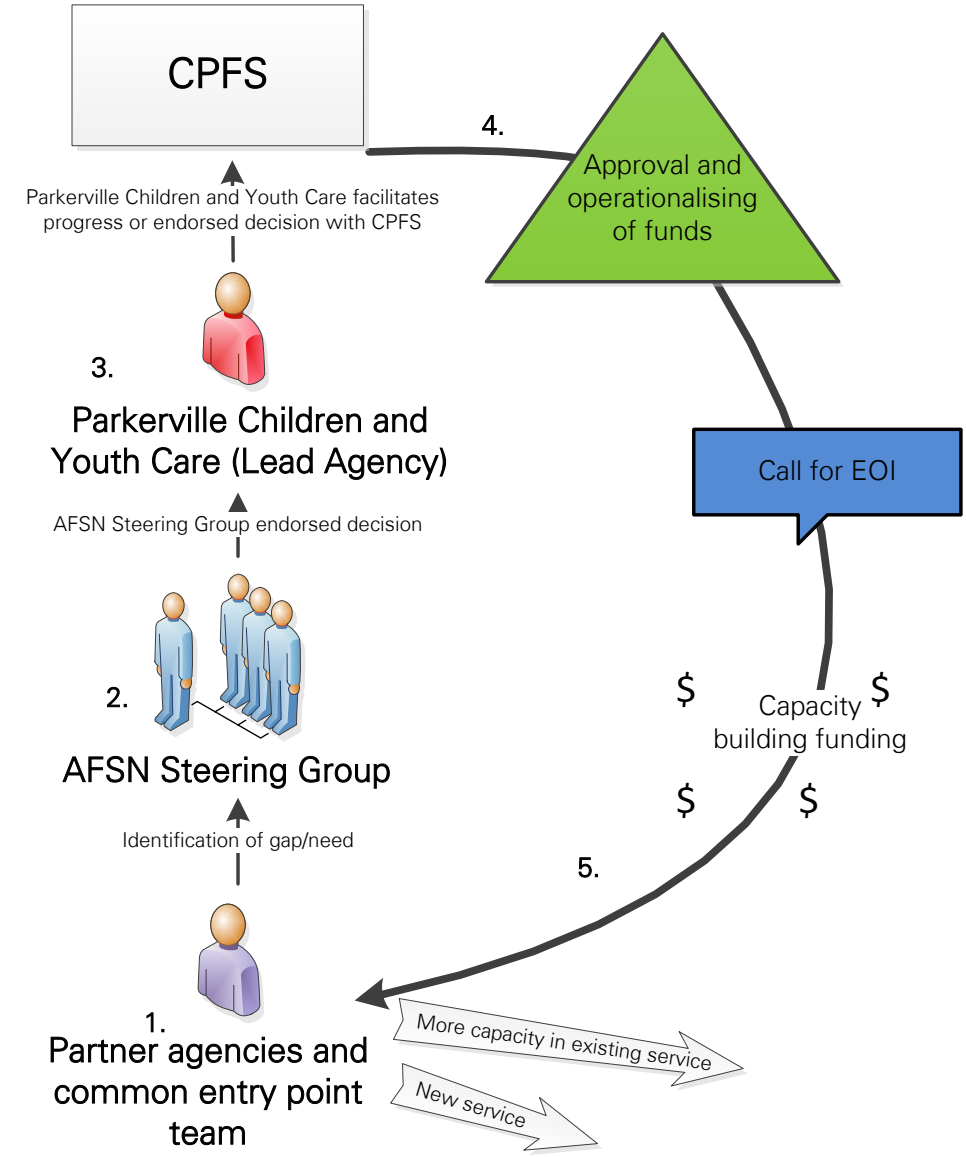
Further, there are limited opportunities for individual agencies to apply to CPFS to fund new services where they have identified a gap or need in their area, where the agency does not already have a service agreement with CPFS, as funding for these kinds of services is generally allocated through an open tender process. Further, these tenders may be released in response to state-wide policy issues rather than localised need.[1]

This innovative funding allocation model ties closely with the objectives of the *Delivering Community Services in Partnership Policy*, namely to: promote flexibility, innovation and community responsiveness in the funding of services by public authorities; reduce bureaucracy involved in funding community services; and encourage a more productive working relationship between Public Authorities and the not-for-profit community sector.[2]

The diagram below illustrates the process by which capacity building funding is allocated to partner agencies after various stages of approval.

[1] Based on information provided by CPFS Non-Government Policy & Funding Division.
[2] WA Government, *Delivering Community Services in Partnership Policy*, Available from: <http://www.dpc.wa.gov.au/Publications/EconomicAuditReport/Documents/Delivering%20Community%20Services%20in%20Partnership%20Policy.pdf>

Figure 3: Process for approval of capacity building funding



Source: KPMG

An example of how this funding has been allocated and used is outlined in the case study below.

Case study: The Parent Adolescent Outreach Service in Armadale

In June 2013, Centrecare (a partner agency in the AFSN), made a proposal to the AFSN Steering Group with an identified need for a parent-teen conflict service in the Armadale area. The Steering Group identified that there was not an existing service in the Armadale region with a focus on early intervention strategies to reduce parent and adolescent conflict in the home. This focus was seen as needed to reduce high risk situations escalating and resulting in family breakdown. It was recognised that the service would need to be flexible and responsive to these families' specific needs.

The partnering agencies considered a proposal put to the AFSN steering group by Centrecare, including information that between 2 April 2012 and 17 June 2013, 38 cases had been recorded on FuSioN for the 'Parent/Teen conflict' service type, 37 cases had been recorded for 'Parenting Issue' and 313 referrals had been received for 'Family Support'. A proportion of the latter two service types involved issues with adolescent children, but the exact number could not be determined from the FuSioN report. Section 3.1.2 of this report shows that Parent/Teen conflict was the third most common primary issue identified in the AFSN since commencement.

Centrecare's proposal requested funding to employ one outreach based counsellor working with families on parent adolescent conflict in the family home, providing three sessions to families per week from 10am to 6pm on weekdays and from 9am to 5pm on Saturdays.

This proposal was considered by the Steering Group at a meeting in June 2013[3] at which they recommended funding be provided to Centrecare for two years, on the basis that:

- no other service specific to this need existed at the time;
- the two year period took into consideration the time it would take to recruit staff prior to accepting referrals; and
- the ongoing need for the service in the area had been identified, as demonstrated by FuSioN.

This proposal was then converted into a formal recommendation to CPFS by the AFSN lead agency- to provide funding for the new service.

Four to six weeks after Parkerville Children and Youth Care forwarded their recommendation to CPFS, approval was given for the release of capacity building funds for the new service which is now operating at full capacity. This service is called the 'Parent Adolescent Outreach Service (PAOS)'.

This case study demonstrates:

- How the AFSN allows for better identification of local service gaps and needs in secondary family support service provision within the Armadale district;
- How the AFSN has the mechanisms in place to respond in a timely way to identified gaps and needs in secondary family support service provision by using capacity building funds; and
- How the application, approval and allocation process for capacity building funding is quicker, more targeted and efficient than other mechanisms available to fund new secondary family support services in the community.

Source: AFSN Steering Group minutes, Centrecare's Capacity Building Funding proposal, Parkerville Children and Youth Care's recommendation to CPFS for Capacity Building Funding and consultation with CPFS Non-Government Policy & Funding Division

[3] The Centrecare representative was not present for the portion of the meeting where the Steering Group made the recommendation decision due to protocol regarding conflict of interest.

3 Analysis of FuSioN and Assist data

The findings below build on the analysis conducted in the previous evaluation of the AFSN with updated data and the inclusion of the Midwest and Mirrabooka FSNs.

3.1 FuSioN data

FuSioN is the client recording system that has been developed for use by the FSNs. The use of a common system means that the FSN has access to required client information, minimising the need for duplicate assessments and increasing the ability to provide information across the FSN.

The first referral for the AFSN was received and entered into FuSioN in April 2012. For the Midwest FSN, this occurred in March 2014 and for Mirrabooka this was May 2014. Some brief summary statistics on cases and clients for the three networks are provided below. Given that the AFSN has been established longer than the Midwest and Mirrabooka, there is more in-depth analysis of FuSioN data for the AFSN.

Table 3: Summary case and client statistics for the three FSNs[4]

FSN	Time period	Cases	Clients
Armadale	April 2012 to September 2014	1,155	3,396
Midwest	March 2014 to September 2014	54	157
Mirrabooka	May 2014 to September 2014	57	129

Source: FuSioN Operational Report supplied by CPFS

3.1.1 Midwest and Mirrabooka Family Support Networks

Some key summary statistics for each of the Midwest and Mirrabooka FSNs are outlined below. The source of these statistics is the FuSioN Operational Report.

Activity levels since commencement

The Midwest FSN has had a steady flow of cases since commencing in March 2014 with an average of 7.3 cases per month and has generally had seven to nine cases per month. For example in March 2014 Midwest FSN had 7 cases and in September 2014 it had 9 cases. In contrast the Mirrabooka FSN has steadily grown and has averaged 10.8 cases per month. The Mirrabooka FSN started with four cases in May 2014 and has steadily increased to 19 cases in September 2014.

Case referral sources

Both Midwest and Mirrabooka FSNs have had cases referred from CPFS, individuals, the Department of Health and external agencies. Mirrabooka is yet to receive a referral from a school or network partner agency which could indicate that the lead agency is seen as a clear entry point into the FSN.

[4] Note: The summary statistics for include a small number of cases that were referred in early October 2014.

Client demographics

Of the 157 clients at the Midwest, 75 (48 per cent) have identified as Aboriginal indicating that the Midwest FSN has engaged well with the local Aboriginal communities. As a comparison, 9.3 per cent of the population living in the Geraldton-Greenough local government area identify as Aboriginal[5].

For Mirrabooka, of the 129 clients, 25 (19 per cent) have identified as Aboriginal and 35 clients (27 per cent) are from culturally and linguistically diverse (CALD) backgrounds. This gives a total of 46 per cent of clients being from a diverse cultural background after only five months of operation. As a comparison, 1.2 per cent of the population in the Stirling local government area (which Mirrabooka forms part of) identify as Aboriginal[6] [7]. This is due to the Aboriginal and CALD community engagement the Mirrabooka FSN has undertaken to date e.g. through the work of the Metropolitan Migrant Resource Centre, which is a partner agency.

It should be noted that Aboriginal status is likely to be under-reported in FuSioN.

Partner agencies

Based on data within FuSioN, both the Midwest and Mirrabooka FSNs have seven partner agencies. For the Midwest FSN, they are Bright Stars Family Daycare, Chrysalis Support Services Inc., CPFS Geraldton District Office, Geraldton Family Counselling Service, Geraldton Family Youth Support Services, Geraldton Resource Centre, Mission Australia and Short Term Accommodation For Youth.

For the Mirrabooka FSN, partner agencies are Anglicare, Centrecare (Mirrabooka), Clan WA, CPFS Mirrabooka Office, Derbarl Yerrigan, Edmund Rice Centre, Incest Survivors Association Inc, Metropolitan Migrant Resource Centre, Parkerville Children and Youth Care, Ruah Community Services (Mirrabooka) and Wanslea Family Services.

Finding

There has been a regular flow of cases through the Midwest and Mirrabooka FSNs, including from clients who are either from an Aboriginal or CALD background. This suggests that a range of partner agencies have continued to be an important source of referrals and support, notwithstanding that the lead agency has continued to be a main entry point for clients.

3.1.2 Armadale Family Support Network

Partner agencies

Based on data within FuSioN, the AFSN has 16 partner agencies. For the AFSN, they are Anglicare WA, Mental Health Carer Support Armadale, Armadale Youth Resources, Centrecare (Armadale), CLAN WA Inc., Communicare, CPFS Armadale District Office, Djooraminda Centrecare, Drug Arm (WA) Inc., Hope Community Services (Armadale), Minnawarra House, Mission Australia South East Community Drug Service, Partners In Recovery - Richmond Fellowship of WA, Relationships Australia, Ruah Community Services (Armadale), Starick Services Inc. and Wanslea Family Services.

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[5] Source - Profile.id. *National Demographic Indicators for Local Government Areas, 2011*. Accessed at http://demographic-indicators.id.com.au/?StateId=5&%20StateId%20=5&submission%20Guid=%20304bd176-d699-4796-8e4a-dd38197e5b19.

[6] Source - Profile.id. *National Demographic Indicators for Local Government Areas, 2011*. Accessed at http://demographic-indicators.id.com.au/?StateId=5&%20StateId%20=5&submission%20Guid=%20304bd176-d699-4796-8e4a-dd38197e5b19.

[7] Note: The local government area is broader than the Mirrabooka District catchment. The Stirling local government area is likely to have a smaller Aboriginal population than the Mirrabooka District.

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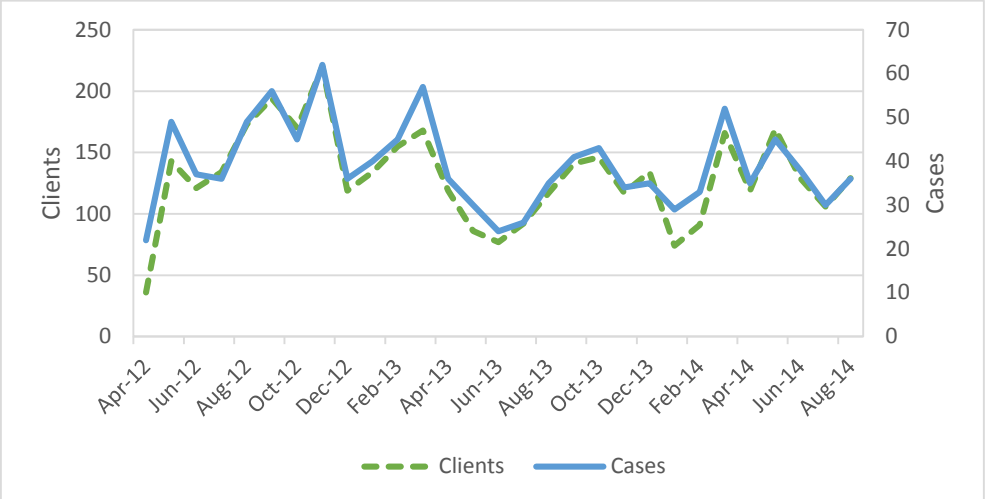
Activity levels of the AFSN since commencement

Since commencement in April 2012, the AFSN has averaged 39 cases with a total of 130 clients per month. The cases and clients being referred to the AFSN per month are outlined in Figure 4. There were slightly more cases in the 2012/13 financial year compared to the 2013/14 financial year.

Figure 4. Number of cases and clients by month between April 2012 and August 2014



Source: FuSioN Operational Report supplied by CPFS

"We continue to refer in to the network, as we have seen the positive outcomes for the children and families in the schools."

- Deputy Principal from a local primary school

Referral source, type and primary issue

From April 2012 to September 2014 there were 1,155 cases through the AFSN. Over half, or 648 (56 percent) of these cases were referred from agencies, 493 (43 per cent) were from individuals and 12 (1 per cent) from 'other'. As evidenced in Table 4, the AFSN has continued to regularly receive referrals from a range of agencies and school personnel.

Clients have also returned to the AFSN, with some clients returning multiple times. This is a positive trend, which suggests that individuals/families are willing to reach for assistance rather than let their situation escalate.

The top five issues of concern for cases referred to the AFSN have been Family Support (452 cases, 39 per cent), Parenting Issue (161 cases, 14 per cent), Parent/Teen Conflict (96 cases, 8 per cent), Housing (83 cases, 7 per cent) and Mental Health (64 cases, 6 per cent). This demonstrates that the AFSN is providing a consistent and stronger approach to the delivery and allocation of family support services, including parenting support, counselling (family/financial/alcohol and substance abuse) and programs to reduce conflict within families.

Table 4. Referral type, referrer role and number of cases referred to the AFSN

Referral Type	Role	Cases
Agency	Health/welfare/police professional	416
	School Personnel	137
	Other	95
Individual	Family member	411
	Other	84
Other	Other	12
Total		1,155

Source: FuSioN Operational Report supplied by CPFS

Client demographics

The AFSN has continued to work with clients from diverse backgrounds. For example, 10 per cent of all the AFSN clients are from an Aboriginal background and may be in part because two of the partner agencies are Coolabaroo and Djooraminda Centrecare. This is a positive finding, particularly given that only 2.8 per cent of the Armadale local government area population is from an Aboriginal background[8]. In relation to the age of clients, 45 per cent are adults with the remaining 55 per cent being children.

Table 5. Age and background of the AFSN clients

Age	Aboriginal	CALD	Other ethnicity[9]	Total
Adults	126	95	1,319	1,540
Children	220	91	1,545	1,856

Source: FuSioN Operational Report supplied by CPFS

[8] Source - Profile.id. *National Demographic Indicators for Local Government Areas, 2011*. Accessed at http://demographic-indicators.id.com.au/?StateId=5&%20StateId%20=5&submission%20Guid=%20304bd176-d699-4796-8e4a-dd38197e5b19.
[9] Other ethnicity includes Other, Unknown and Not recorded.

Completed cases

Since commencement of the AFSN there have been 570 completed cases. In 2013/14 an average of 16 cases were completed per month. The average time between commencement and completion is 44 days.

> *"At home, things have got so much better now... I didn't know what else I was going to do*
>
> *- AFSN client*

Client outcomes

This section outlines the outcomes for clients of the AFSN. It includes information on:

- entry and exit scores of client self-assessments on the outcome measure "improvement in parental capabilities, support, and protectiveness" (Outcome 1)
- entry and exit scores of client self-assessments on the outcome measure "reduction in risk factors experienced by children and young people" (Outcome 2)

Only a subset of cases are required to have client outcome scores recorded: those that have completed a service and those cases which are not brief interventions.

In total, 568 cases had a score collected for outcome 1 and 516 had a score collected for outcome 2. 56 per cent (319) of cases experienced partial or good achievement relating to improvement in parental capabilities, support, and protectiveness (Outcome 1). 37 per cent (189) of cases experienced partial or good achievement in a reduction of risk factors experienced by children and young people (Outcome 2).

It should be noted that families may rate their parental capabilities high, and risk factors low, on entry, impacting on change measured between entry and exit. CPFS is also reviewing the matrix tools to determine whether they adequately capture realistic change for complex and vulnerable families.

Table 6. Outcome measure scores for the AFSN cases

Measure	Outcome 1	Outcome 2
Nil achievement	249[10]	327[11]
Partial achievement	223	117
Good achievement	96	72
Significant achievement	0	0
Total	568	516

Source: FuSioN Operational Report supplied by CPFS

Finding

There is ongoing evidence of the AFSN contributing to improvements in outcomes for vulnerable children and their families, including:

[10] It should be noted that families may rate their parental capabilities high, and risk factors low, on entry, impacting on change measured at exit.
[11] As above.

- Promising evidence that the AFSN and its partner agencies have positively influenced, and are delivering improvements in circumstances for majority of vulnerable children and their families who have completed their support services from the AFSN. This includes being better able to resolve crisis, improve their capabilities and reduce risk factors to children.
- Whilst promising indicators are apparent, absolute outcome changes will only be evident over the medium to long term, rather than the short term.

3.2 Assist data

Changes in Assist data are anticipated to occur as a result of the AFSN operations. With less inappropriate referrals to CPFS (as they are diverted to the AFSN) there should, in the short-term, be a decrease in notifications, a decrease in unsubstantiated SWAs and an increased rate of substantiated SWAs. This is because CPFS begins to respond only to those children most at risk and requiring a statutory intervention.

The evaluation methodology included a comparison of in-scope notifications and Safety and Wellbeing Assessments (SWAs) from comparable districts to the AFSN. To achieve this, the AFSN was matched to districts with similar profiles. The comparison districts selected were Cannington and Rockingham.[12]

The operating hypothesis is that the AFSN provides an alternative pathway for referrers and that the notifications to the Armadale District of CPFS will be "de-cluttered" of those inappropriate referrals that do not require a statutory response. This should, over time, lead to CPFS responding to only those referrals that meet the risk threshold and, in the short term, an increase in the proportion of substantiated SWAs as CPFS begins to respond only to those children most at risk, and requiring a statutory intervention.

3.2.1 In-scope notifications

As seen in Figure 5 below, the number of in-scope notifications[13] (initial inquiries) peaked in Armadale district in the first quarter of 2012/13. This was the first quarter post the implementation of the AFSN in the fourth quarter of 2011/12. Since then, there has been a gradual decline in the number of notifications.

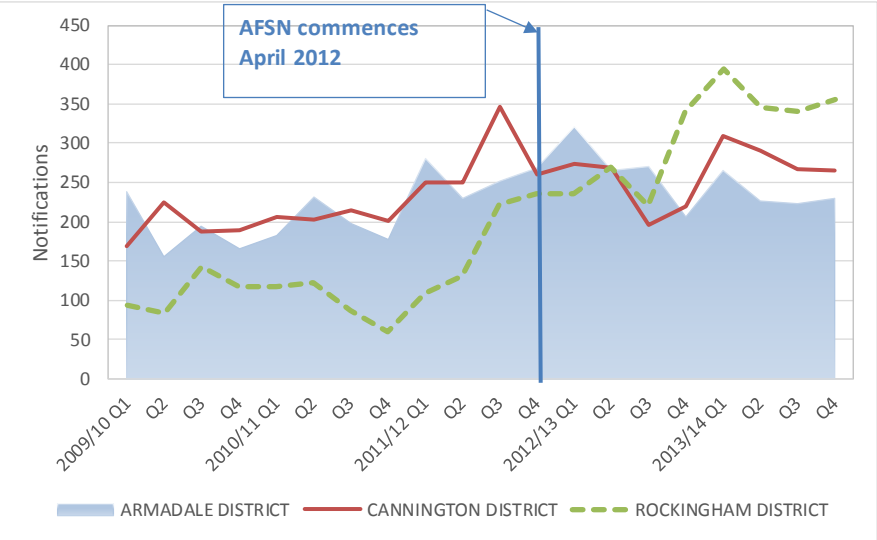
A similar pattern has been observed for Cannington district, although the peak quarter of in-scope notifications was in quarter three of 2012/13. Rockingham district has displayed marked growth in in-scope notifications and particularly in the financial years of 2011/12, 2012/13 and 2013/14.

[12] Criteria for choosing the appropriate matched districts include that the key characteristics of the districts match those of the AFSN, including:

- Number (or proportion) of children aged 0 to 17 years within the district
- Number (or proportion) of Indigenous families within the district
- Proportion of child protection initial inquiries by district for children aged 0 to 17 years
- Proportion of SWAs by district for children aged 0 to 17 years.

[13] In-scope notifications are those where the primary issue of concern is Emotional/Psychological Harm, Neglect and Physical Harm.

Figure 5: In-scope notifications by quarter from 2009/10 to 2013/14 for Armadale, Cannington and Rockingham districts



Source: Assist data supplied by CPFS

Table 7: In-scope notifications and percentage growth from previous year for Armadale, Cannington and Rockingham districts

District	2010/11	2011/12	2012/13	2013/14	CAGR[14] (2009/10 to 2013/14)
Armadale	789 (4.8%)	1,029 (30.4%)	1,062 (3.2%)	944 (-11.1%)	16.9%
Cannington	824 (7.0%)	1,107 (34.3%)	957 (-13.6%)	1,133 (18.4%)	19.9%
Rockingham	387 (-11.4%)	697 (80.1%)	1,065 (52.8%)	1,437 (34.9%)	26.3%

Source: Assist modified by KPMG

Finding

Of the three districts, Armadale had the lowest growth rate (CAGR) of in-scope notifications between 2009/10 and 2013/14. More recently, Armadale experienced a drop in in-scope notifications between 2012/13 and 2013/14, which is consistent with the hypothesis that the Armadale District would be "de-cluttered" of inappropriate referrals.

3.2.2 In-scope substantiated SWAs

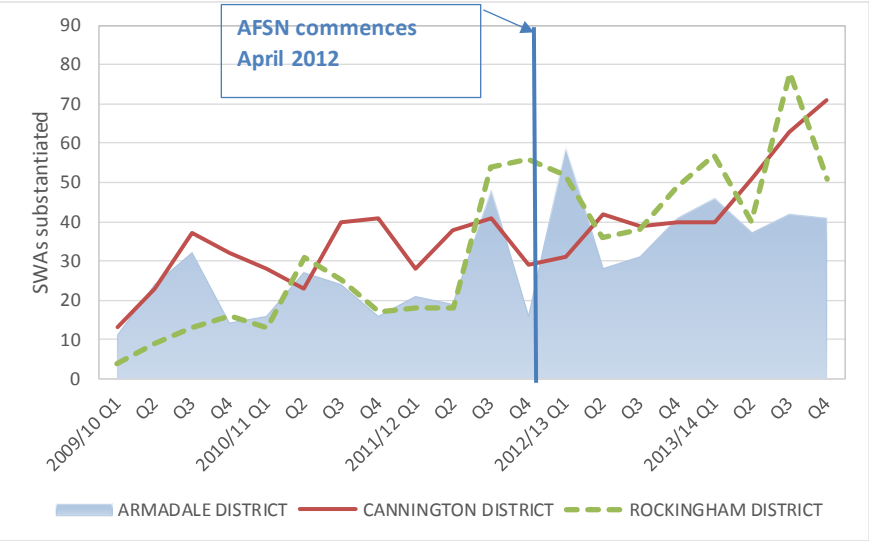
As seen in Figure 6 below, the number of in-scope substantiated SWAs[15] peaked in Armadale in the first quarter of 2012/13. It has generally remained at about 30 per quarter since that peak. For both

[14] CAGR: Compound Annual Growth Rate
[15] In-scope substantiated SWAs are those where the primary issue of concern is Emotional/Psychological Harm, Neglect and Physical harm

Cannington and Rockingham, the number of substantiated SWAs has continued to increase. For Rockingham, this is in line with the increase of in-scope notifications. For the Cannington district, while notifications have remained steady, in-scope substantiated SWAs have increased over the last two financial years.

In the three financial years of 2009/10, 2010/11 and 2011/12, Armadale District had an average of 89 in-scope SWAs substantiated per financial year. In the two financial years of 2012/13 and 2013/14, Armadale district had an average of 163 in scope SWAs substantiated. Consistent with this is that the proportion of in-scope notifications that resulted in in-scope substantiated SWAs has increased between 2010/11 (11 per cent) and 2013/14 (18 per cent).

Figure 6. In-scope substantiated SWAs by quarter from 2009/10 to 2013/14 for Armadale, Cannington and Rockingham districts



Source: Assist modified by KPMG

Table 8. In-scope substantiated SWAs and percentage growth from previous year for Armadale, Cannington and Rockingham districts

District	2010/11	2011/12	2012/13	2013/14	CAGR[16] (2009/10 to 2013/14)
Armadale	83 (2.5%)	104 (25.3%)	159 (52.9%)	166 (4.4%)	19.6%
Cannington	132 (25.7%)	136 (3.0%)	152 (11.8%)	225 (48.0%)	21.0%
Rockingham	86 (104.8%)	146 (69.8%)	175 (19.9%)	226 (29.1%)	52.3%

[16] CAGR: Compound Annual Growth Rate

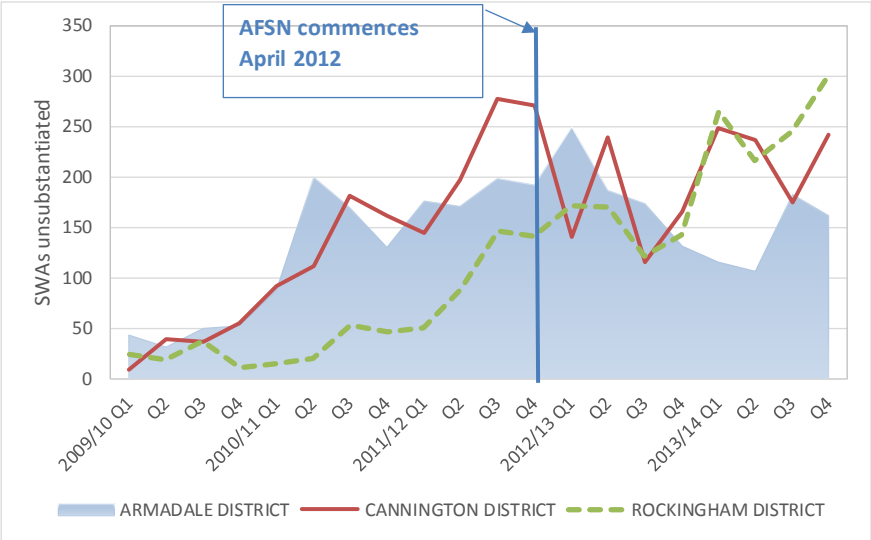
Finding

Of the three districts, Armadale had the lowest growth rate of in-scope substantiated SWAs (CAGR) between 2009/10 and 2013/14. In the last two financial years, it has received a much higher average number of substantiated SWAs and this is consistent with the hypothesis that the AFSN would allow CPFS to respond only to those children most at risk, and requiring a statutory intervention.

3.2.3 In-scope unsubstantiated SWAs

As seen in Figure 7 below, the number of in-scope unsubstantiated SWAs[17] peaked in Armadale in the first quarter of 2012/13. It has shown a noticeable decline over the following quarters. For Rockingham, the number of unsubstantiated SWAs has continued to increase and for Cannington, the number of unsubstantiated SWAs has shown marked variation over the last two financial years and has generally averaged approximately 204 per quarter over these two financial years.

Figure 7. In-scope unsubstantiated SWAs by quarter from 2009/10 to 2013/14 for Armadale, Cannington and Rockingham districts



Source: Assist modified by KPMG

[17] In-scope unsubstantiated SWAs are those where the primary issue of concern is Emotional/Psychological Harm, Neglect and Physical harm

Table 9. In-scope unsubstantiated SWAs and percentage growth from previous year for Armadale, Cannington and Rockingham districts

District	2010/11	2011/12	2012/13	2013/14	CAGR[18] (2009/10 to 2013/14)
Armadale	447 (317.8%)	578 (29.3%)	583 (0.9%)	435 (-25.4%)	42.0%
Cannington	417 (384.9%)	782 (87.5%)	550 (-29.7%)	702 (27.6%)	69.0%
Rockingham	112 (80.6%)	326 (191.1%)	461 (41.4%)	783 (69.8%)	88.5%

Source: Assist modified by KPMG

Finding

Of the three districts, Armadale had the lowest growth rate of in-scope unsubstantiated SWAs (CAGR) between 2009/10 and 2013/14.

3.2.4 The AFSN and CPFS forecast of in-scope notifications

Using the data from the financial years of 2009/10, 2010/11 and 2011/12[19], forecasts of the number of in-scope notifications were developed for 2012/13 and 2013/14. These forecasts were then compared to actual in-scope notifications that occurred in the two financial years post the AFSN implementation. The result (the difference between actual and forecast) is a simplified methodology to estimate the impact of the AFSN on in-scope notifications.

There are a range of factors outside of the AFSN that may influence the number of in scope notifications that CPFS would receive in these two financial years. For example, demographic factors (e.g. increased population, changes in population characteristics), system factors (e.g. changes in policy, awareness of mandatory reporting) and other factors.

Table 10: Armadale in-scope notifications, forecast notifications, difference between actual and forecast and the number of the AFSN cases

District	2009/10	2010/11	2011/12	2012/13	2013/14
Armadale notifications	753.0	789.0	1,029.0	1,062.0	944.0
Armadale forecast notifications	753.0	789.0	1,029.0	1,133.0	1,271.0
Difference	0.0	0.0	0.0	+71.0	+327.0
AFSN cases	0	0	108	516	446

[18] CAGR: Compound Annual Growth Rate
[19] Note: while the AFSN commenced in 2011/12 it was not expected to materially impact on the number of notifications to the Armadale district CPFS

Source: Assist modified by KPMG

Finding

Had the existing linear growth in in-scope notifications continued in Armadale district, there may have been more than 300 additional notifications to the Armadale District Office in 2013/14. Some of this difference is certainly attributable to the presence of the AFSN.

4 Cost-benefit analysis

This section builds on the case volumes outlined in section 3, and the system-wide efficiencies identified within the section 2 case studies to describe and interpret the results of a cost-benefit analysis of the AFSN.

The Midwest and Mirrabooka FSNs have not been included in the cost-benefit analysis since it is too early since their establishment for potential benefits to be evaluated.

Furthermore, whilst all three FSNs are provided with approximately $500,000 for CEP staffing, only the AFSN receives recurrent 'capacity building' funding, which is used to fund direct services to families where there is determined to be a gap in services locally (as opposed to funding for operationalising the FSN).

Since the Mirrabooka FSN was established on the basis of a pre-existing network of service providers, the need for capacity-building funds has been avoided and start-up costs are likely to have been proportionately less than has been the case for the AFSN, for what are anticipated to be equivalent client outcomes. This means that the Mirrabooka FSN has the potential to generate a cost to benefit ratio that is equal to or greater than that achieved for the AFSN.

4.1 Overview of analytical approach

The purpose of the cost-benefit analysis is to inform future funding and policy decisions by examining whether the level of investment in the AFSN represents value for money for government and the community. The analysis focuses on the financial costs and benefits associated with the program, namely the costs incurred by CPFS in delivering the program, and the costs to government that can be avoided as a result of investment in the program.

While the short-term financial benefits of the program, such as the avoided cost of unnecessary CPFS activity are readily quantifiable, many of the longer-term benefits are more difficult to quantify in monetary terms. In addition, it can be difficult to attribute causality in relation to the specific contribution of the AFSN to longer-term outcomes for children, families and the community as a whole.

To address this issue, existing research, including reports such as *The Cost of Child Abuse in Australia*, [20] have informed assumptions to support a quantitative analysis of identified socio-economic benefits arising from the AFSN. These assumptions are deliberately conservative to avoid overstating the benefits attributable to the program. Where costs and benefits cannot be reasonably quantified, a qualitative commentary is provided.

The analytical approach taken is consistent with the *Australian Government's Department of Finance's Handbook of Cost Benefit Analysis*.[21] The table below summarises the high-level approach adopted.

[20] Available research includes The Cost of Child Abuse in Australia (Taylor, P., Moore, P., Pezzullo, L., Tucci, J., Goddard, C. and De Bortoli, L., 2008, "The Cost of Child Abuse in Australia", Australian Childhood Foundation and Child Abuse Prevention Research Australia: Melbourne) produced by the Australian Childhood Foundation and Child Abuse Prevention Research Australia at Monash University. This report identified the economic impact of child abuse, including costs of service provision, lifetime costs and prevention costs. The report found that excluding burden of disease, the one-year cost of child abuse for all children experiencing abuse and neglect in WA was calculated at $397 million. The whole-of-life cost of being abused is $673 million (excluding burden of disease).

[21] Department of Finance (2006), Handbook of Cost Benefit Analysis, Financial Management Reference Material No.6

Table 11: Summary of approach to cost-benefit analysis

Analytical step	Description / key assumptions
1 *Establishment of the 'base case'*	All costs and benefits must be quantified in terms of their incremental impact compared to what would have occurred in the absence of the intervention (i.e. the 'base case'). While the implementation and operation of the AFSN is likely to have led to a reduction in CPFS activity, the potential decrease in CPFS costs has been incorporated in the analysis as a benefit (i.e. avoided cost) rather than as an additional base case cost.
2 *Identification of cost and benefit components*	The analysis quantified the full cost of the AFSN incurred by CPFS over the period from 2011/12 to 2013/14.
	The analysis consider the contribution of the AFSN in terms of a reduction in short term CPFS activity, a reduction in out-of-home care numbers through earlier intervention, and longer-term benefits associated with a reduction in child abuse and neglect (such as reduced criminal behaviour, improved education outcomes, and reduced expenditure on health and housing services).
3 *Quantitative assessment of costs and benefits that can be monetised*	The following costs and benefits were quantified in monetary terms based on academic literature, and program data obtained from service providers and CPFS: Savings to CPFS through a reduction in inquiries received over the evaluation period due to referral of children and families to the AFSN; Savings to CPFS through a reduction in safety and wellbeing assessments completed during the evaluation period due to referral of children and families to the AFSN; Savings to CPFS through a reduction in future numbers in out-of-home care due to successful intervention via the AFSN; and A reduction in the lifetime costs of child abuse and neglect due to successful intervention via the AFSN.
4 *Qualitative assessment of other socio-economic impacts*	Policy makers and the academic literature suggest a range of other benefits are likely to be attributable to the AFSN, including economic benefits arising from improved employment outcomes, avoided costs to Government and the community from reduced future criminal behaviour, a reduced requirement for housing and health services, etc. These socio-economic impacts have been identified and discussed qualitatively.
5 *Overall value for money assessment*	An overall benefits to costs ratio for the program was calculated based on the monetised costs and benefits. Other benefits were assessed qualitatively and considered alongside the quantitative analysis to inform the overall value for money assessment.

Source: KPMG

The outcomes of the quantitative and qualitative cost-benefit analysis are detailed below.

4.2 Program cost analysis – results

The cost analysis identifies two categories of costs associated with the establishment and delivery of the program, namely the expenditure incurred by CPFS to set up and operate the AFSN, and any additional costs incurred by the AFSN lead and partner agencies. Costs incurred by CPFS are monetised, while partner agency costs are treated qualitatively.

4.2.1 Costs to CPFS

The table below summarises the actual expenditure by CPFS over the assessment period, including both establishment and operating costs associated with the AFSN. The expenditure items include funding for the AFSN services, as well as CPFS costs for employee salaries (one alliance manager, two ASOs, one leader child protection and one administrative officer) and other goods and services associated with administration of the program.

The funding for services in the table below includes capacity building funding, specific to the AFSN, This is often used to directly fund services for vulnerable children and families, where there is determined to be a gap in services available local.

Table 12: Actual CPFS expenditure (in 2013-14 prices)

Expenditure	2011/12	2012/13	2013/14	Total
Funding for services	$255,852	$974,935	$1,230,656	**$2,461,443**
Supplies and services	$39,440	-	-	**$39,440**
Employee expenses	-	$118,116	$116,116	**$234,232**
Other expenses	-	$19	$1,992	**$2,011**
Total CPFS expenditure	**$295,292**	**$1,093,070**	**$1,348,764**	**$2,737,126**

Source: Department for Child Protection and Family Support; KPMG indexation

The results show that CPFS has invested **$2.74 million** in the AFSN over the evaluation period, with expenditure increasing between years as a consequence of increased funding for services (as the program has expanded).

4.2.2 Additional costs to the AFSN lead and partner agencies

The implementation of the AFSN has also led to additional costs for lead and partner agencies, separate to the funding provided from CPFS, such as indirect costs resulting from the extra time spent on administration, attending meetings and setting up processes and systems.

Partner agencies have reported additional indirect costs in the following areas:

- time and resources in maintaining parallel data systems: one for the AFSN and one for the other geographical regions they service;
- time spent designing and implementing new processes and procedures in their own organisations as a result of being part of the AFSN; and

- time spent attending the AFSN meetings and travelling to Armadale.

Inconsistencies between reported outcomes from agencies, together with the paucity of historical data has prevented KPMG from monetising these costs. It is also assumed that the burden on partner agencies will reduce as the program matures, the need for meetings decreases and processes become more streamlined.

4.3 Quantitative benefits analysis – results

The intent of the AFSN is to achieve better outcomes for vulnerable and at risk children and families, through tailored and coordinated services. Specifically, participation of these children and families in the AFSN is expected to lead to avoided costs through a reduction in unnecessary CPFS activity, as well as other cost savings across the broader social services sector, through a reduction in out-of-home care numbers and ultimately a decrease in the incidence of child abuse and neglect.

4.3.1 Reduction in CPFS activity

The implementation of the AFSN is expected to lead to a reduction in CPFS inquiries and safety and wellbeing assessments through the early and appropriate referral of children and families to secondary services. To the extent that this reduction has occurred, this would result in an approximate cost saving to CPFS of around $6,887 per child.[22]

The table below shows the number of the AFSN cases recorded for each year of evaluation together with the average number of children per case in that year. It is conservatively estimated that 20 percent of these cases would have resulted in a CPFS inquiry and assessment but for the existence of the program.[23]

Table 13: Status of the AFSN cases over the evaluation period (in 2013-14 prices)

Activity	2011/12	2012/13	2013/14	Total
Number of AFSN cases[24]	91	469	385	945
Reduction in number of cases[25]	18	94	77	189
Average number of children per case	1.3	1.8	2.0	-
Cost per child	$6,889	$7,025	$6,717	-
Total costs avoided	$161,202	$1,188,630	$1,034,418	$2,384,250

Source: Department for Child Protection and Family Support, FuSioN; adapted by KPMG

The results show that in aggregate, the avoided cost of the 189 cases that would otherwise have come to CPFS amounts to a total saving of approximately **$2.38 million** over the evaluation period.

[22] Department for Child Protection, Annual Report 2011-12, p. 50 (estimate of the average cost per case involving a child protection initial inquiry, safety and wellbeing assessment, and / or protection application); expressed here in 2013/14 prices.
[23] Validity of assumption confirmed with CPFS in August 2014.
[24] Note: Data on the number of the AFSN cases excludes the count of inappropriate referrals.
[25] Note: It is assumed that 20 percent of cases would have otherwise resulted in a CPFS inquiry and assessment.

4.3.2 Reduced costs out-of-home care

As with avoided costs from a reduction in CPFS activity, any reduction in inquiries achieved through the implementation of the AFSN would also be expected to result in a similar decrease in child protection orders.[26]

The table below shows the estimated value of the savings derived from a reduction in the number of children entering out-of-home care for each year under evaluation (where the estimated reduction in out-of-home care cases is multiplied by the average number of days in care for each year group within the out-of-home care system, and the average cost per day of care.

Table 14: Estimate of avoided cost of Out-of-Home Care (in 2013-14 prices)

Inputs	2011/12 Cohort	2012/13 Cohort	2013/14 Cohort	Total
Reduction in OOHC cases[27]	2.2	11.3	9.2	-
Estimated average number of days in CEO's care[28]	1,094	1,103	1,122	-
Average cost per day in CEO's care	$201	$200	$193	-
Total	$483,767	$2,492,780	$1,992,223	**$4,968,770**

Source: Department for Child Protection and Family Support; adapted by KPMG

The results indicate that the total savings to Government from avoided out-of-home care costs equate to a total of **$4.97 million** over the three years.

4.3.3 Reduced costs of child abuse and neglect

While difficult to quantify, it is generally acknowledged that the consequences and costs associated with child abuse are severe and wide ranging. Taylor et al.[29] cite these impacts in terms of a range of short and long-term physical and mental effects, including substance misuse, teen pregnancy, debilitated social functioning, developmental delay, cognitive and neurological impairment, delinquency and adult criminal behaviour, homelessness and even premature death.

To quantify the economic impact of child abuse, including lifetime costs and prevention costs, The Australian Childhood Foundation and Child Abuse Prevention Research Australia has released *The Cost*

[26] Prior to the implementation of the AFSN, between March 2010 and February 2012, there were a total of 2,209 initial child protection inquiries for children aged 0 to 17 years in the Armadale District, with 6.2 per cent of inquiries leading to child protection orders (138 orders).
[27] Note: Reduction in OOHC cases are a function of the estimated reduction in CPFS inquiries, multiplied by the proportion of potentially affected children per 100 cases. For 2011/12 the factor '2.2' is equal to a 20 percent reduction in case inquiries for that year (i.e. 18.2) multiplied by 0.12 (on the basis that 12 fewer children enter care for every 100 cases).
[28] Note: Based on the average length of time in care for an individual's most recent period of care, rather than the 'lifetime' length of care (in situations where a child experiences more than one period of care).
[29] Taylor, P., Moore, P., Pezzullo, L., Tucci, J., Goddard, C. and De Bortoli, L., 2008 The Cost of Child Abuse in Australia, Australian Childhood Foundation and Child Abuse Prevention Research Australia: Melbourne and Child Abuse Prevention Research Australia.

of Child Abuse in Australia report, which has identified the following costs associated with child abuse.[30]

[30] Ibid.

Table 15: Costs associated with child abuse

Area	Description
Health system	The short-term costs related to treatment of victims of child abuse and long-term physical and mental health effects related to child abuse and neglect.[31]
Education costs and productivity losses	Child abuse and neglect may result in poorer academic performance, greater delinquency and substance abuse, and other behavioural problems. Education system costs and productivity losses include: cost of in-school interventions; reduced productivity at work; greater unemployment and under-employment; and shorter working life.[32]
Crime	Short-term costs associated with the justice and corrective services system; and longer-term costs associated with second generation impacts, such as juvenile delinquency; adult criminality; intergenerational transfer of child abuse and neglect; homelessness; and prostitution.
Costs of protection and care programs	Expenditure on remedial services that include primary interventions such as support and education before problems arise; secondary interventions such as intensive family support; and tertiary interventions such as care and protection services.
Efficiency losses	Losses that occur when money is transferred through the public sector and money needs to be raised through taxation and expenditure incurred through administration of government payments and systems.
Burden of disease	Personal costs of depression and anxiety, as well as suicide.

Source: The Australian Childhood Foundation and Child Abuse Prevention Research Australia

In aggregate, the analysis performed by Taylor et al. has estimated the one-year cost in WA of child abuse (excluding burden of disease) at $397 million, with an estimated whole-of-life cost of $673 million (in 2008 prices).[33]

While there is no estimate provided of the whole-of-life cost per child in WA, a related study in Victoria estimated a lifetime cost of over $101,000 for each child experiencing abuse or neglect (excluding

[31] AIHW (2005) Health system expenditure on disease and injury in Australia, 2000-01. Second edition. AIHW cat no. HWE 28 Canberra: AIHW (Health and Welfare).
[32] AIHW (2007) Education outcomes of children on guardianship or custody orders: a pilot study. Child Welfare Series no. 42. Cat no. CWS 30. Canberra: AIHW; and Osborne A and Bromfield L (2007) Outcomes for children and young people in care, Australia Institute of Family Studies research brief, No. 3
[33] Taylor, P., Moore, P., Pezzullo, L., Tucci, J., Goddard, C. and De Bortoli, L., 2008, "The Cost of Child Abuse in Australia", Australian Childhood Foundation and Child Abuse Prevention Research Australia: Melbourne.

government expenditure on care and protection).[34] This equates to $116,534 per child in 2013/14 prices.

The table below provides an estimate of the avoided costs to the community of child abuse and neglect, based on a reduction in the need for out-of-home of care as a consequence of the AFSN program for WA. It puts the total avoided cost to the community at approximately **$2.65 million**.

Table 16: Calculation of avoided cost of out-of-home care (in 2013-14 prices)

Benefit	2011/12	2012/13	2013/14	Total
Reduction in OOHC cases[35]	2.2	11.3	9.2	-
Lifetime costs per child	$116,534	$116,534	$116,534	-
Total	**$256,375**	**$1,316,834**	**$1,072,113**	**$2,645,322**

Source: FuSioN; adapted by KPMG

4.3.4 Quantitative benefits analysis - summary

The table below summarises the benefits that have been monetised for inclusion in the cost benefit analysis for each year of analysis. The estimates provided are based on conservative assumptions and should be considered indicative of the magnitude of benefits likely to be derived from the AFSN.

Table 17: Summary of monetised benefits associated with the AFSN (in 2013-14 prices)

Benefit	2011/12	2012/13	2013/14	Total
Reduction in CPFS Activity	$161,202	$1,188,630	$1,034,418	**$2,384,250**
Reduced costs of OOHC	$483,767	$2,492,780	$1,992,223	**$4,968,770**
Reduced costs of child abuse	$256,375	$1,316,834	$1,072,113	**$2,645,322**
Total benefits	**$901,344**	**$4,998,244**	**$4,098,754**	**$9,998,342**

Source: KPMG

As shown above, the total monetised benefits derived from the AFSN over the evaluation period are estimated to be **approximately $10 million,** and **$4.10 million for $2013-14**. Noting the inclusion of avoided lifetime costs, these benefits will be realised over the lifetime of the children participating in the program.

[34] Summary of Incidence Abuse and Costs, Victoria (2009-10), prepared by Deloitte Access Economics and presented in *The report of the Protecting Victoria's Vulnerable Children Inquiry*

[35] Note: Reduction in OOHC case values are a function of the estimated reduction in CPFS inquiries, multiplied by the proportion of potentially affected children per 100 cases. For 2011/12 the factor '2.2' is equal to a 20 percent reduction in case inquiries for that year (i.e. 18.2) multiplied by 0.12 (on the basis that 12 fewer children enter care for every 100 cases).

4.4 Qualitative benefits analysis

In addition to the above, the literature attributes a range of other economic and social benefits to investment in secondary family support services to assist individuals and families who are at risk or in crisis. The nature and potential scale of these benefits are detailed in the table below.

Table 18: Qualitative assessment of other impacts derived from the AFSN

Benefit category	Qualitative assessment
Improved coordination of services via shared IT system and central management of referrals / case allocation	Improved collaboration and information sharing between the AFSN providers during the pilot should reduce duplication in terms of assessment and referrals over the life of the program, with potential to impact the average cost per case. Furthermore, use of the FuSioN IT system will minimise duplication in data collection as cases are referred and allocated between providers.
Children and families receive services that meet their needs in a more timely manner	The AFSN should generate benefits for children and families through better coordination of services. Improved coordination should: reduce the time that families spend on waiting lists; reduce unnecessary referrals within the system; reduce the need for families to make multiple approaches to different providers; and reduce long-term costs associated with families who have become disengaged from the system.
Second generation benefits	Reduction in youth homelessness, juvenile delinquency, adult criminality, intergenerational transfer of child abuse and neglect and prostitution. These impacts are not easily quantified with non-monetised impacts in addition to those quantified.
Benefits to families	The AFSN is also expected to result in other benefits such as improved family functioning and improved workforce engagement of family members through participation in the program. This will result in additional lifetime earnings for those family members and a reduction in Government support through welfare and other services.

Source: KPMG

These benefits are additional to those quantified above, which suggests the actual benefits associated with the AFSN are likely to be substantially greater than the estimated $9.34 million.

4.5 Cost-benefit analysis – overall conclusions

The table below summarises the overall outcomes of the quantitative cost benefit analysis. It shows that the benefits accruing from participation in the AFSN are likely to significantly outweigh the direct costs associated with the program, with **3.65 dollars saved by the community** (in reduced expenditure on future CPFS activities, out-of-home care, and avoided lifetime cost of child abuse and neglect) **for every 1 dollar invested by Government**.

Table 19: Quantitative cost benefit analysis outputs: aggregate impacts over the 2011/12 to 2013/14 period

Item	Nominal 2013-14 prices
Approximate value of additional costs to Government	$2,737,126
Approximate value of benefits derived from investment	**$9,998,342**
Net quantitative benefit / (cost)	*$7,261,216*
Benefit cost ratio	**3.65**

Source: KPMG

4.6 Sensitivity testing

This section examines the sensitivity of the above analysis to variations in key assumptions underpinning the quantitative benefits analysis. This reflects the inherent uncertainty in attributing longer term or whole of life outcomes to the participation of children and families in AFSN over the evaluation period.

The table below describes the alternative assumptions applied.

Table 20: Sensitivity analysis

Variable	Current assumption	Sensitivity assumptions
Reduction in CPFS inquiries and assessments	20 per cent of the AFSN cases would otherwise have resulted in CPFS activity.	10 per cent of the AFSN cases would otherwise have resulted in CPFS activity.
Reduction in numbers in out-of-home care	The AFSN assumed to result in a reduction of 12 out of 100 cases in future out-of-home care numbers.	The AFSN assumed to result in a reduction of 6 out of 100 cases in future out-of-home care numbers.
Reduction in child abuse and neglect	The AFSN assumed to contribute to a 100% reduction in lifetime costs of child abuse and neglect (less government expenditure) for 12 children out of 100 cases.	The AFSN assumed to contribute to a 50% reduction in lifetime costs of child abuse and neglect (less government expenditure) for 12 children out of 100 cases.

Source: KPMG

The outcomes of this sensitivity analysis are summarised in the table below. As shown, while a reduction in the quantum of benefits for each evaluation theme produces a net cost for each individual item, in aggregate – even applying what equates to a more than fourfold reduction in benefits - a positive net benefit outcome is produced of close to $2 million.

Table 21: Outcomes of the sensitivity analysis (2013/14 prices)

	2013-14 prices		
Sensitivity outcomes	**Total costs**	**Total benefits**	**Net benefit / (cost)**
Reduction in CPFS inquiries and assessments	$2,737,126	$1,192,125	($1,545,001)
Reduction in numbers in out-of-home care	$2,737,126	$2,484,385	($252,741)
Reduction in costs of child abuse and neglect	$2,737,126	$1,322,660	($1,414,466)
All of the above	**$2,737,126**	**$4,999,170**	**$2,262,044**

Source: KPMG

Appendix A: Stakeholders

The following stakeholders (14) were consulted in preparing this report.

Name (A-Z by surname)	Title	Agency
Jill Ashcroft	Alliance Manager, Mirrabooka Family Support Network	MercyCare
Philippa Beamish Burton	Chief Finance Officer	Department for Child Protection and Family Support
Robert Becker	Armadale District Director	Department for Child Protection and Family Support
Alice Findlay	Manager, Research and Evaluation	Department for Child Protection and Family Support
Mick Geaney	Executive Director, Family and Community Services	MercyCare
Natalie Hall	Director Research, Quality and Development	Parkerville Children and Youth Care Inc.
Misty Hayden	Executive Manager, Policy and Learning	Department for Child Protection and Family Support
Sue Looby	Leader Child Protection, Armadale Family Support Network	Department for Child Protection and Family Support
Matthew McGerr	Senior Contracts and Grants Manager, Non-Government Policy & Funding Division	Department for Child Protection and Family Support
Pippa Monger	Manager, Service Standards and Contracting	Department for Child Protection and Family Support
Kathleen Parker	Alliance Manager, AFSN	Parkerville Children and Youth Care Inc.
Caroline Speirs	Specialist Community Child Protection Worker	Department for Child Protection and Family Support
Sylvia Tjai	A/Manager, Management Accounting	Department for Child Protection and Family Support
Vanna Williams	Leader Child Protection, Mirrabooka Family Support Network	Department for Child Protection and Family Support