

Senate Community Affairs Committee Inquiry into the *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009*

Evidence tabled by UnitingCare Australia and Anglicare Australia - 26 February 2010¹

It is important to acknowledge that investment in programs to support individuals and families where poor financial literacy and/or financial mismanagement compromise wellbeing and place children at risk of harm is much needed. However, investment should be targeted to programs with a robust evidence base which address problems at their root cause. The income management provisions contained in the *Social Security and Other Legislation Amendment (Welfare Reform and Reinstatement of Racial Discrimination Act) Bill 2009* do not meet these fundamental requirements.

There is no information provided in the Explanatory Memorandum or Bills Digest as to the number of persons who will be subject to income management in each of the four categories. However a November media release issued by the Minister and the Member for Lingiari (Macklin and Snowden, 2009) states that the cost of the new income management scheme in the Northern Territory will be \$350 million over 4 years and will apply to an estimated 20,000 people when fully implemented. Thus the average annual cost per person will be in the order of \$4,400 most of which is directed to the administration of the scheme.

In the absence of a sound evidence base to establish program efficacy (see the submission tendered by ACOSS for a sound critique), it is important that the Committee considers the case for redirecting the funds allocated to the income management scheme to programs which are (i) directed to those most in need of support; (ii) able to tackle the causes of problems which are often complex and multi-dimensional; (iii) effective with respect to outcomes achieved; and (iv) cost effective.

We now provide three case studies of programs run by UnitingCare Burnside (an agency of UnitingCare Children, Young People and Families) which fulfil these criteria and focus on families where a child or children are at risk of abuse or neglect.

1. Intensive Family Based Services

Burnside's Intensive Family Based Service (IFBS) began in 1994 and works intensively with families in crisis where children are at the point of removal due to protective concerns. The program is funded by NSW Community Services (formerly DoCS) and is based on a family preservation model called 'Homebuilders' which was originally developed, and is used widely, in the United States. Families are referred to IFBS by Community Services and often have multiple issues relating to finances, relationships, housing, domestic violence and drug and alcohol misuse.

¹ This paper has been prepared by UnitingCare Children, Young People and Families and is tabled by Susan Helyar - National Director, UnitingCare Australia and Kasy Chambers - Executive Director, Anglicare Australia at the public hearings on 26 February 2010, Parliament House, Canberra.

IFBS involves an intensive 6 week intervention in which staff work in partnership with families to protect children; stabilise the crisis; prevent unnecessary out-of-home placement; build on the family's skills and competencies; maintain and strengthen family bonds; and keep children sufficiently safe to minimise further Community Services involvement. In 2008-09 Burnside's IFBS program supported 36 families (comprising 47 parents and 124 children including 78 aged under ten years) at an average cost per intervention of \$13,122 per family.

The average cost of an Intensive Family Based Service intervention per child at imminent risk of removal was \$3,809 (\$600 less than the average cost of income management). This compares to real annual expenditure by the NSW Government per child in out-of-home care (OOHC) of \$36,319 in 2008-09 (Productivity Commission, 2010: Table 15A.3). Figures in all other states bar Tasmania are significantly higher with real annual expenditure per child in OOHC in the Northern Territory reaching \$72,226.

In November 2009 the eminent US researcher Dr Ray Kirk conducted an impact study of Burnside's IFBS program using North Carolina Family Assessment Scale (NCFAS) data collected for the period 2004-09. The NCFAS provides information on family functioning in five domains relevant to the typical IFBS family and provides pre-intervention and post-intervention information in order to measure change that occurs during the IFBS service period. The five domains are Environment, Parental Capabilities, Family Interactions, Family Safety, and Child Well-Being and each of these domains comprises a series of sub-scales. For example, the domain of Environment includes sub-scales on housing stability, safety in the community, habitability of housing, income/employment, financial management capability, adequacy of food and nutrition, personal hygiene, availability of transportation, and the "learning" environment.

The outcomes from the Burnside study of 110 families were very strong and statistically significant (Kirk, 2009). The NCFAS is used to allocate families to one of six categories for each domain at the beginning and conclusion of the intervention. The proportion of families who made positive movements of between 1 and 3 increments on the scale over the 6 week period ranged from 86% for Parental Capabilities to 78% for Child Well-Being.

In the Environment domain (monitoring housing stability, safety in the community, habitability of housing, income/employment, financial management capability, adequacy of food and nutrition, personal hygiene, availability of transportation, and the "learning" environment) just 38% of families were rated at or above the 'adequate or baseline' level on intake to the Intensive Family Based Service but this rose to 70% on closure.

Similarly significant improvements were evident in the other four domains: Parental Capabilities (21% to 66%), Family Interactions (34% to 65%), Family Safety (32% to 72%) and Child Well-Being (31% to 72%). It is critical to note that these results are for families where a child was at imminent risk of removal. Burnside will now seek Community Services data to establish the sustainability of family preservation outcomes. US research is very promising on this front.

Research undertaken by Kirk and Griffith (2008) for the North Carolina Department of Health and Human Services was based on a five-year history of families served by the IFBS program in North Carolina. The results were extremely impressive. For example in 2008, the IFBS programs served 374 families in which children were at imminent risk of being removed in 769 cases. After IFBS services just 15 of the imminent risk children (2%) were not living at home. The placement prevention rate was 96% with respect to families, and 98% with respect to individual children. The comparable five year trend figures were 95% and 94%. Other important 5-year findings suggest that the IFBS program appears to have a significant effect on determining the level of service need for children who are ultimately placed in out-

of-home care. Data indicate that children at risk of placement in correctional or psychiatric care at the time of intake into the Juvenile Justice or Mental Health systems often can be served in less costly, less restrictive alternative placements after receiving IFBS (Kirk and Griffith, 2008: 2). Kirk and Griffiths (2008: 59-62) provide highly detailed analysis of the program's cost effectiveness. **In 2008 IFBS yielded a very favourable cost/benefit ratio of \$1.00 : \$8.05.**

2. Moving Forward

Moving Forward is a unique drug and alcohol program based at the Burnside Multicultural Family Centre in Cabramatta. It helps young people and families affected by drug and alcohol misuse to achieve stability in their lives through a family-centred approach and the use of highly trained, bilingual staff to reach out to drug users and families from culturally and linguistically diverse (CALD) backgrounds. Caseworkers assist Moving Forward clients with financial management and housing issues, child care, building relationships and staying safe and work with children to monitor their safety and well being. Participation in structured groups prevents relapse by helping those in recovery to understand what triggers their lapses and how to manage them.

In 2008 the Moving Forward program assisted 249 clients including 120 drug affected adults and young people and 129 family members (61 of whom were children, the overwhelming majority under ten years of age). **The average cost of Moving Forward per client per year was just \$1,858.**

In 2007-08, Moving Forward was instrumental in assisting a number of drug affected parents achieve stability in their lives. This resulted in ten children (eight aged under 10 years) being returned from OOH to parental care (Collings, 2009). Using the Productivity Commission data on real annual expenditure per child in OOH this saved the Government in the order of \$363,000 in a single year (Productivity Commission, 2010: Table 15A.3). In addition, Moving Forward also assisted 61 children to remain safely in parental care and assisted 10 families to reunite with 10 young drug users who had run away from home and were living on the streets or in youth refuges (Collings, 2009). These important outcomes have been achieved at half the unit cost of the proposed income management scheme.

Given the child protection concerns that Minister Macklin rightly cites as a driver of welfare system changes (Macklin and Snowden, 2009), it would be sensible to redirect income management funding to programs with a proven track record of assisting families where there are protective concerns flowing from parental drug or alcohol misuse. An explicit focus on children as part of a coordinated and family-based response to alcohol and substance misuse is demanded by the unfavourable outcomes for children who grow up in substance-affected households. These children display poor indicators in school performance, peer relationships, self esteem and impulse control (see Kumpfer, 1997; Lawson et al., 1983 cited in Collings, 2008). Research on the impact of parental alcohol misuse reveals that children can and do suffer from a range of maladaptive outcomes spanning cognitive, behavioural, psychological, emotional and social development (NSW Department of Community Service, 2006: iii).

The National Drug and Alcohol Research Centre (2008: 7) note that while there is evidence of an association between substance misuse and child abuse and neglect, it does not describe a causal relationship. Instead substance abuse may act as a marker for the presence of, as well as compound the effects of, other risk factors such as poor mental health, social isolation, and financial difficulties. That said, children of substance-affected parents who have experienced abuse or neglect face a higher risk of dual diagnosis for substance abuse and mental health issues over their lifetimes (Sandau-Beckler et al., 2002: 308 cited in Collings, 2008). New

FaHCSIA funding for Family Drug Support under the 'Kids in Focus' initiative is a welcome start but will fund only one program in each state. More is needed.

3. Newpin

Burnside has been operating the Newpin (New Parent Infant Network) program in Western Sydney for ten years. Newpin offers an intensive long-term program for families whose children may be undergoing a statutory child protection intervention and who may be at risk of removal from their families. The Newpin model was pioneered in the United Kingdom and has been adapted by Burnside (the national licence holder) to suit Australian conditions and to meet the needs of local communities and specialist target groups. There are four Burnside Newpin Centres based in Western Sydney and another four Newpin programs operated by other non-government organisations in Tasmania, Victoria, Western Australia and the Australian Capital Territory.

Newpin is a centre-based secondary prevention child protection service that helps vulnerable families with children aged 0-5 years at risk of child abuse and neglect, to improve their lives and keep children safe. It achieves this by developing parental self-esteem, building strong attachments between parents and children, and supporting parents to develop parenting and vocational skills. Children participate in play programs that combine therapy, development and social skills. Participation in the Newpin program is voluntary. On average, a Newpin family attends the Centre 12 hours per week for 48 weeks each year over an 18 month period. In New South Wales, 50 per cent of referrals come through NSW Community Services offices while other referrals come via word-of-mouth, GPs, Drug and Alcohol programs and other local service providers.

The average annual cost to support a family (comprising on average 1 adult and 2 children) to participate in Newpin is \$15,000 per annum. In practice, this means \$7,000 per adult and \$4000 per child. While the unit costs exceed those of the income management scheme the service support received in the Newpin program is intensive and effective and the results are sustained over a long-duration.

The critical question in determining relative cost effectiveness is to determine what outcomes each funding commitment secures and the associated savings in expenditure on OOH and mental health services. While rigorous cost-benefit analysis requires longitudinal data for Newpin participants and persons subject to income management, UK and Australian research on Newpin outcomes demonstrate the potential for cost savings arising from significant preventative effects.

The compelling case for Newpin is that it builds the self-esteem of parents and assists with TAFE pathways and vocational qualifications so that parents are work-ready and able to come off welfare benefits.

Between 1986 and 1989, the Department of Health in the UK (Cox *et al.*, 1991) conducted a randomised control trial to evaluate Newpin. This major study concluded that Newpin provided intensive therapeutic services without creating dependency and had significant positive impacts on mental well-being, self esteem and social connectedness. These findings were confirmed in subsequent major studies by Oakley *et al.*, 1995 and the National Family and Parenting Institute (Barrett, 2007). In addition, a randomised control trial of Newpin in the UK for peri-natal mothers at risk of depression showed that mothers linked to a Newpin befriender had a reduced rate of post natal depression (Harris, 2008). Australian research studies provide further support for the UK results. Research by Macquarie University (2002) found a significant reduction in parental stress and physical child abuse

potential in Newpin parents after one year in the program while Nixon (2000) reported a decrease in Newpin mother's sense of depression, isolation and lack of control in her life.

In March 2009, a longitudinal study of Newpin in Victoria by the Centre for Community Child Health (2008) was released. Key findings from the study include:

- After Newpin 86 per cent of children were engaged in early childhood services compared to 23 per cent prior to the program.
- 86 per cent of previous Newpin members found work, completed a TAFE certificate (24 per cent), were involved in volunteering (19 per cent), were linked with employment agencies (9 per cent) or returned to secondary school (24 per cent).
- Financial analysis found that the delivery of Newpin was comparable in per unit cost terms to the delivery of other family service programs.

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UnitingCare Australia's position on involuntary income management

Gareth Beyers

15 February 2010

There has been substantial debate in the public and political arena recently surrounding the Government's announcement to roll out involuntary income management across the country.

The current Government *Welfare Reform and Reinstatement of Racial Discrimination Act* Bills before parliament would provide the legislative framework for the national roll-out of compulsory income management. Indigenous Affairs Minister Jenny Macklin has appealed for Coalition backing for her plan to manage the incomes of all welfare recipients.

Lin Hatfield Dodds, UnitingCare Australia's Director of Network Development, articulated UnitingCare's concern with the national rollout of involuntary income management in a [media release](#) last year:

"Instead of addressing the gap between income support payments and the cost of living, instead of ensuring that all families who seek help with their parenting role, mental health, substance abuse, and family violence issues can get their needs met, the Government has chosen to quarantine the income of all people on particular income support payments in specified communities. What the government is saying that it's too hard to address the issue of multiple disadvantage in a manner that preserves dignity and respect for welfare recipients, instead we should simply focus on populist and simplistic approaches which demonise people in our community who need support."

UnitingCare Australia's specific concerns regarding this reform is that it does nothing to address the inadequacy of welfare payments, which UnitingCare agencies see evidence of everyday in the Emergency Relief and Financial Counselling services the network provides. We are also concerned that the legislation compromises the dignity of and respect for income support recipients. As argued by ACOSS and others, what disadvantaged and vulnerable people need is government commitment to investment in strengths-based, enabling approaches to addressing the causes and consequences of disadvantage and vulnerability.

Minister Macklin has said she wants the legislation through parliament by the end of March so that the Government can begin implementing the extension from July 1 this year. As Labor has only 32 senators in the 76-seat upper house, it requires the support of either the Opposition or all seven minor party and independent senators to pass the legislation.

The Federal Coalition has indicated it agrees with compulsory income management. However, in early-February it was reported that the Coalition were threatening to block the Bill, worried that it would 'water down' key aspects of the Northern Territory intervention. The Australian Greens have opposed this motion from the outset, asking for a Senate Community Affairs Legislation Committee [Inquiry](#) into the Bill, which is currently underway.

Thankfully there are others in the community also telling a more respectful and deeper story about the experience of poverty, exclusion and the more enabling-strengths-based approaches that are needed to make a real difference in the lives of disadvantaged and vulnerable Australians. Some of this commentary has been highlighted in [Issue 83](#) of UnitingCare Australia's weekly eNews.

UnitingCare Australia is working with other advocacy groups to ensure the government understands our position and hears the voices of people who will be impacted by this policy reform. If you would like to keep in touch with advocacy work on this issue, please subscribe to the UnitingCare Australia [eNews](#).

UnitingCare Australia Opposes Involuntary Income Management

Uniting Care Australia National Director Lin Hatfield Dodds has called today for the Australian Government to focus on delivering effective support for disadvantaged and vulnerable families.

"Minister Macklin's announcement today that involuntary income management will be rolled out across the country has missed the mark," said Lin Hatfield Dodds, National Director of UnitingCare Australia.

"Instead of addressing the gap between income support payments and the cost of living, instead of ensuring that all families who seek help with their parenting role, mental health, substance abuse, and family violence issues can get their needs met, the Government has chosen to quarantine the income of all people on particular income support payments in specified communities. What the government is saying that it's too hard to address the issue of multiple disadvantage in a manner that preserves dignity and respect for welfare recipients, instead we should simply focus on populist and simplistic approaches which demonise people in our community who need support."

"UnitingCare Australia welcomes the financial support component of this measure, which will see \$53m provided in matched savings, money management and financial counselling services. This part of the Government's response delivers in part on recommendations made earlier this year by the Major Church Providers on improving the financial health and wellbeing of disadvantaged and vulnerable Australians. If in addition to this families seek assistance with managing their income, and Governments can partner with these families to help them to meet their costs of living and save for the future, then good."

"What is not acceptable is involuntarily and indiscriminately quarantining the incomes of everyone who receives a particular type of income support payment, in specific communities, and failing to deliver on the deeper causes of hardship and deprivation."

"UnitingCare services work with disadvantaged and vulnerable children and families in the Northern Territory and in every other part of Australia. We know that what these families need is adequate income for a decent life, financial stability, affordable and secure housing and a service system that makes sense and meets their needs for as long as is necessary to address the challenges they face. Our experience in the WA income management trials is that the cost of administering income management far outweighs any benefit to children."

"This measure is expected to cost \$350m to implement. I would prefer to see those funds going into targeted and individually relevant services that have been shown to deliver longer term positive outcomes for children living in disadvantaged and vulnerable families."

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Northern Synod of the Uniting Church in Australia feedback and position on the NTER

The Intervention.

The Northern Territory Emergency Response continues to cause havoc in Aboriginal communities. The main issues of concern as have been advised to Minister Macklin are:

1. Full restoration the *Racial Discrimination Act 1975* and other human right obligations suspended or removed by the Intervention legislation.
2. Place development of a *Treaty* back on the national agenda and proceed to develop an *Australian Human Rights Act*.
3. Disengage the spin doctors and provide meaningful information, with an appropriate range of options as applicable, to aid meaningful communication, especially for Indigenous community consumption.
4. Stop further consultation process (as the possible outcomes for these have been pre-set by government) and refocus these processes as negotiations with community representatives, open to a wider range of possibilities.
5. Cease head-deals with a very small number of influential Indigenous powerbrokers and instead engage with local community or regional leaders as relevant to the matters to be addressed.
6. Where negotiations/discussions involve people whose first language is not English, use interpreters/translators to ensure community leaders and members understand what is being considered.
7. Where negotiations/discussions involve people whose first language is not English, conduct negotiations in the languages of the Indigenous peoples involved.
8. Refocus the work of current Government Business Managers and other public servants interacting with Indigenous people from being community administrators/controllers to act as community development consultants.
9. Ensure that Government Business Managers and other public servants interacting with Indigenous people have completed some form of cross-cultural awareness training.
10. Allocate funding (for the employment of consultants, etc) so community groups may be able to develop their own local community or regional Alcohol Management Plans. This will probably involve revocation and re-declaration of Prescribed Areas as the Alcohol Management Plans will most likely contain boundaries that relate to specific communities and surrounding lands.
11. Remove the existing and offensive Prescribed Area alcohol and pornography signs that stigmatise communities and the people who live in them.

It remains a tragedy that the statement made by the annual meeting of the Northern Synod in September 2007 is just as relevant now as it was then. Accordingly we repeat our 2007 statement that:

The Northern Synod calls on the Australian Government to enter into a real partnership with Indigenous people in the Northern Territory by enacting legislation that upholds human rights, affirms self-determination and enhances the capacity of individuals and communities to contribute to solving issues of concern within their own lives. Are they listening? If so, actions that would attest to this are yet to be seen.

Peter Jones
General Secretary
5 February 2010