



Interim Report – Overview for carers

10 September 2024

This paper provides carers an overview of our Interim Report on out-of-home care (OOHC) costs and pricing. It reflects what we have heard about the issues facing carers and discusses some of our preliminary findings. It also sets out some of the options for how carers could be better supported, which we are seeking feedback on. For our full analysis please see our Interim Report.

Foster carers, relatives and kinship carers who look after the children and young people in OOHC are vitally important to the success of the system. Carers provide stable, caring and nurturing environments for vulnerable children and young people. They volunteer significant amounts of their own time and energy to care for the children they foster.

NSW is experiencing a shortage of willing and capable carers, and many of those that remain in the system feel overwhelmed and undervalued. Carers are leaving the OOHC system faster than they can be replaced, which puts additional pressure on the system and contributes to poorer outcomes for the children and young people in care.

Some carers told us that they would not recommend caring to others and would not continue to be carers themselves if they didn't love their children. Other carers had observed that many carers are exiting the OOHC system and empathised with their decision to leave. In addition to concerns about financial support, carers told us that the reasons carers are leaving the OOHC system included carer burnout, career impacts, social isolation, poor service from provider staff, and a lack of access to training and professional support.

Our Interim Report examines what we have heard about the challenges that carers experience within the NSW OOHC system. It discusses our preliminary findings that sit within the scope of our review and seeks feedback from carers so that we are able to make recommendations that support carers to continue caring.

Adequacy of the care allowance and funding for contingencies

The standard care allowance is set at a rate that is meant to support carers to cover the daily costs of raising a child or young person in care. Those costs include food, accommodation, energy, clothing, leisure and basic healthcare, like routine GP and dentist visits. Carers are expected to spend the allowance on the children in their care.

Through our consultation so far, carers have raised concerns about the adequacy of the care allowance. We have heard that amidst rising living costs, the care allowance covers little more than the 'basics', such as groceries or accommodation. Consequently, some carers have reported incurring significant debt while caring, whereas others have left the OOHC system as they are no longer able to afford to be carers.



The standard care allowance was originally set based on a 2002 study. Although it has been increased in line with inflation, the relative cost components and types of costs it is required to cover are likely to have changed over the past 20 years. As community standards and expectations have changed, it is likely that the allowance has become out of step with the costs of caring for a child today.

“The allowance I receive is totally inadequate. ... I am now in debt after years of no debt! With the cost of living, I struggle to cover costs including food, electricity, fuel, sporting equipment etc. It’s a constant battle each fortnight.”

Anonymous submission²

We will review the costs of caring to form recommendations about the care allowance in our Draft Report. Ensuring that the care allowance covers the costs that foster carers, relative and kinship carers typically incur when they take on the care of children and young people in out of home care is a key focus for our review. Between now and our Draft Report, in early 2025 we intend to:



Undertake an updated cost of caring study to help inform our recommendations for the care allowance.



Hold workshops with carers to discuss the costs of caring and how carers can be better supported to continue caring.

We have also heard that the reimbursement of contingency payments is an issue. Some carers have told us that they experience problems accessing contingency payments or experience significant delay in being reimbursed or are unsure what they are entitled to. Some carers report being significantly out of pocket for expenses that their children need, such as the cost of attending specialist appointments.

“I asked my NGO to help with the petrol expenses to take the kids to the paediatrician and they flatly refused. I am currently driving 1,000 kms per week and that is the honest truth.”

Anonymous submission³

We will review current contingency payment guidelines and reimbursement processes to ensure that carers understand what contingency payments they are entitled to. We will also consider alternatives to current contingency payment processes, such as additional allowances or loadings to reimburse carers for common additional expenses. We intend to discuss these matters in upcoming workshops with carers.



Further information on what we've heard about the adequacy of the care allowance can be found in Chapter 8 of the Interim Report.

Carer support for children with high needs

We have heard that there is not enough support available for the carers of children and young people with disability and high needs. Many children and young people in care need to attend regular appointments, such as therapy or medical appointments, which can make it difficult for carers to balance work and care duties. Additionally, some children and young people in care may not be able to regularly attend school due to regular school suspensions or school avoidance, requiring carers to forgo employment to provide supervision to their child.

The carers of children and young people who are assessed as having high needs may be eligible to receive an increased care allowance. However, some carers have told us that even with the additional loadings to the care allowance for children with high needs, they still struggle to cover the costs of caring for children with disability and high needs.

“The child I care for has 8 diagnosis. While I receive a higher than average allowance, this in no way compensates for the lost wages and super I would have earned if I didn't have care of them or if they had lower needs.”

Anonymous submission⁴

Some stakeholders have told us that it can be extremely stressful for carers to work with provider staff who are not trained to understand the disabilities of the children they are case managing. When provider staff are not aware of the support needs of children with disability or high needs, carers may not receive the support they need to care for their child, such as increased care allowance rates.

As part of our review of the care allowance, we will review the rates for carers of children with high needs to ensure they meet the costs of caring. We will also seek feedback from the carers of children with disability and high needs about how they could be better supported by the out-of-home care system in upcoming carer workshops.

Children and young people in care who have high therapeutic and supervision needs, may require more structured support. For these children there may be other forms of care considered. These could include professionalised models of care. Professionalised models of care vary but they typically cover approaches whereby a qualified foster carer who has the particular skills or experience required to provide care to children and young people with complex needs is paid a higher allowance or a salary.⁵ We will consider whether our review should benchmark the costs associated with different types of professionalised care.



Further information on what we've heard about the availability of carer support for children with high needs can be found in Chapter 9 of the Interim Report.

We want to hear from you

We have received some very valuable information from carers of children and young people living in OOHC which has helped us in our early analysis. We are keen to keep engaging with you and hear your feedback on the questions and preliminary findings in our Interim Report.

Have your say

Your input is critical to our review process. You can give feedback by:

Making a written submission through IPART's website by **29 October 2024**

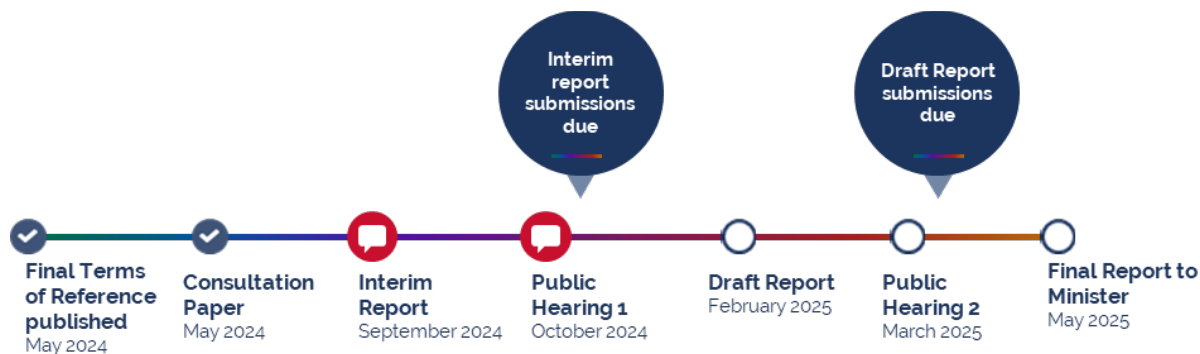
Attending an online public hearing on **22 October 2024**.

[Submit feedback »](#)

[Attend the public hearing »](#)

Additionally, we will be hosting workshops with carers soon. We will be in contact with carer networks across NSW to arrange these sessions.

We will publish a Draft Report in February 2025, which will cover the remaining parts of our Terms of Reference and progress the issues considered in the Interim Report in response to feedback we receive. The Draft Report will set out all Draft Findings and Draft Recommendations for feedback. Our Final Report is to be submitted to the Minister for Families and Communities in May 2025.



¹ IPART, Quick feedback form: Out-of-home care review, 2024.
² Anonymous submission to IPART Consultation Paper, June 2024, p 1.
³ Anonymous submission to IPART Consultation Paper, June 2024, p 1.
⁴ Anonymous submission to IPART Consultation Paper, June 2024, p 1.
⁵ Australian Institute of Family Studies, Identifying strategies to better support foster, kinship and permanent carers, July 2022, p 11.