

9 May 2025

Ms Heather Dear
Independent Pricing and Regulatory Tribunal
Level 16, 2-24 Rawson Place
SYDNEY NSW 2000

Dear Ms Dear

OUT-OF-HOME-CARE COSTS AND PRICING DRAFT REPORT

The Australian Services Union NSW & ACT (Services) Branch (the ASU) welcomes the opportunity to provide feedback on the Draft Report for this timely and significant review.

The ASU represents workers throughout the non-government social, community and disability services sector. Of specific relevance to this review, the ASU represents workers who are employed in the NSW non-government out-of-home-care (OOHC) sector. Our members work in a range of roles including residential care workers, case workers, house managers, senior management and chief executive officers.

ASU members work across New South Wales in metropolitan Sydney, Wollongong and Newcastle, outer suburban areas, regional cities and towns and remote parts of the state. They also work in related services such as child protection, early intervention, family support, youth justice and youth advocacy.

ASU members are highly skilled practitioners. They hold qualifications in law, psychology, management, social sciences, welfare work, disability work, social work, youth work, child protection, aged care and community work, mental health, drugs and alcohol counselling and a long list of other specialist qualifications.

ASU members have a strong commitment to protecting children and young people from neglect, abuse, exploitation, and injustice. They also work with and support children, young people and their families in times of crisis and trauma and work to prevent young people entering the criminal justice system.

The ASU provides the following feedback to the Draft Report and would be willing to meet with IPART to further discuss any element of our feedback should the Tribunal require clarification or evidence.

The Draft Report includes several recommendations and decisions the ASU welcomes. These include:

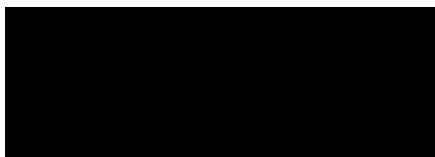
1. The recognition of the changes to labour costs that result from the Fair Work Commission's National Award Cases and the need for these costs to be fully funded.
2. The recognition that the cost of physical and sexual abuse insurance that non-government providers are required to obtain should be met by the NSW Government.
3. A simplified funding structure that is transparent around wages and IR conditions in the SCHADS Award.
4. The proposed SCHADS grade for non-government caseworker manager is appropriate at Level 6 of the SACS Stream of the SCHADS Award.

We provide the following feedback on specific aspects of the Draft Report:

1. The proposed grade and salaries for non-government providers casework staff – the ASU believes that Level 3 of the SACS Stream of the SCHADS Award is not the most appropriate grade for high needs residential care support workers. In our view this is more aligned to Level 4 of SACS Stream which is based on the SCHADS classification descriptors and the ASU / ACOSS / Commonwealth Government industry classification guide for SCHADS. Roles where workers need to exercise judgement, apply critical knowledge and skills, and perform duties of a specialised and complex nature are typically classified at Level 4 SACS. The ASU is aware that in previous costings for the sector carried out by EY under the former NSW Government, the provisional decision of Level 3 SACS, was later uplifted in recognition that Level 4 is more appropriate in most circumstances. Furthermore, experienced OOHHC Case Workers / Residential Care Support Workers dealing with young people with complex needs would be working at Level 5 SACS and their positions should be funded at this level. The ASU's strong expectation is that the funded classification rate is what providers are required to pay no less than.
2. The ASU notes that the Draft Report estimates a 2.5-to-3-year staff turnover when considering labour cost estimates. The ASU believes that appropriate pay levels together with the new condition/entitlement of portable long service leave (PLSL) for NSW community and disability workers will result in a lower turnover of staff, which could afford further savings to the costs. We also note that many of our members have worked for greater than 10 years in the sector and many agencies would have turnovers higher than 2.5 to 3 years.
3. The ASU notes the absence in the costings of provision for redundancy pay as provided for in the National Employment Standards (NES). In the circumstances of program closure or change of provider, this cost of redundancy pay will need to be met for each worker entitled to the payment. This cost should be met by the NSW Government either within the contract or by additional support from government at the time, or by way of a transmission of business arrangement for continuity of jobs and service in the circumstances of a change of provider.
4. The NSW PLSL scheme for workers in the community sector will begin on 1 July 2025. The levy rate to be applied from 1 July 2025 is 1.7%. The ASU notes that the Draft Report has costed long service leave at 1.65%, this costing needs to be adjusted to reflect the actual rate of 1.7% that will apply to non-government organisations in the sector.
5. The costings for overtime expenses is absent in the Draft Report, while the report factors in on-call allowances, and sleepover allowances, it does not factor in paid overtime for work performed while on-call or for work performed during a sleepover shift due to disturbance during a shift. It is also unclear from the report as to how relief costs will be met where an employee works overtime and therefore is required to take a 10-hour break before returning to work.

The ASU thanks you for the opportunity to make this submission and looks forward to the final report of the review. Should the review have any questions of the ASU please contact me [REDACTED].

Yours faithfully



Angus McFarland
Branch Secretary