



Ms Heather Dear
Independent Pricing and Regulatory Tribunal (IPART) NSW
PO Box K35
Haymarket Post Shop
NSW 1240

Via email: heather.dear@ipart.nsw.gov.au

7 March 2024

Dear Ms Dear

Response to the Terms of Reference Review of Out of Home Care cost and pricing

We thank you for this opportunity to respond to these terms of reference.

Uniting NSW.ACT is the social services and advocacy arm of the Synod of the Uniting Church in NSW and Australian Capital Territory. We provide innovative and person-centred services that in 2023 supported over 130,000 people at all stages of their lives, including children, young people and families, older people, and people with disability. In responding to your terms of reference, we are drawing particularly on our experience as a provider of out of home care within the Permanency Support Program (PSP).

Overall, the terms of reference identify many of the broad issues which need to be addressed. However, there are some very significant gaps and the review would benefit from greater detail around the specific issues it should consider. This is essential if the review is to produce findings which reflect the true cost of achieving positive outcomes for children and young people under the Permanency Support Program. It is also important as a means of reassuring the sector that the review will be thorough and fair.

We specifically recommend the following changes to the terms of reference:

1. **Require IPART to consult with children, young people, parents, carers and communities as part of its review.** The voices of those with lived experience of the out-of-home care system would be particularly valuable for establishing what an adequate system and suite of services would look like.
2. **Broaden the scope beyond the Permanency Support Program in its narrow sense and as currently conceived, to include the full suite of services relating to out-of-home care.** This narrow scope is implied in Task 1a and Task 2 and is not sufficient to capture the full costs of out of home care. These services and activities overlap from the perspectives of the children, young people and families

Head Office

ABN 78722 539 923
Level 4 / 222 Pitt Street
Sydney NSW 2000

PO Box A2178
Sydney South NSW 1235

T 1800 864 846
E ask@uniting.org

in them, and must work together to achieve positive outcomes. For example:

- a. Immediately before a child or young person enters care their family will typically be in contact with intensive family supports and other child protection services. Child protection and foster care services need to work together to reduce trauma and improve the chances of restoration.
 - b. While in care, access to specialist services, particularly health services such as psychologists and paediatricians, has a very significant impact on quality and costs. Difficulties in finding specialists, long wait lists and (in some areas) a complete lack of suitable services lead to increased expenditure on casework, travel and mitigating supports.
 - c. Young people who age out of care are entitled to aftercare support, both from their PSP provider and from specialist aftercare services. Many families would benefit from support when a child or a young person is restored from care, but these supports are lacking. Care leavers are most likely to succeed after turning 18 if they have received coaching from around age 15, and if they have the option to stay with their carers until at least age 21.
3. **Reword Task 2b and 2e along similar lines to 2d**, so that IPART can assess the adequacy of packages for varying levels of identified need in foster care and emergency placements as well as residential care. Current funding levels are not adequate. For example, the increased funding flowing from a move from an assessed level of need from Low to Medium does not cover DCJ-published rates for carer pay increases.
 4. **Acknowledge the different permanency outcomes which providers may required to work towards under s10A of the *Children and Young Persons (Care and Protection) Act 1998* and assess the varying costs arising from the differing activities required for each.** This is not sufficiently covered by Tasks 1a-e and should be a separate Task in its own right along similar lines to Task 2. For example, restoration outcomes require significant effort at family finding and family support; successful transitions to independence for young people ageing out of care require coaching from age 15. Both also require significant casework effort that differs substantially from that required for relative or kinship care.
 5. **Refer to the importance of working well with Aboriginal children, young people, families and Aboriginal Community Controlled organisations, and acknowledge that doing so has cost implications.** This is not sufficiently covered by current casework or administration tasks (Tasks 1a-d), which could be interpreted as referring only to current requirements such as the development of “cultural plans”. For example:
 - a. The transfer of case management of Aboriginal children and young people to the ACCO sector has significant costs over and above business as usual operations. These costs arise for ACCOs (as they grow their capacity through recruitment and develop their capability to provide care), for existing providers (as they partner to transfer operations to ACCOs), and for government.
 - b. All providers who work with Aboriginal children or young people need to invest significant effort in building and maintaining relationships with local communities. This is true regardless of whether the provider is an ACCO or not and arises from activities such as carer recruitment and ongoing

provision of cultural care. This should be recognised as a cost. Failure to do so amounts to a requirement that Aboriginal staff make an unfunded donation of cultural and social capital to care providers.

6. **Refer to carers.** The Permanency Support Program requires a very different carer workforce from previous models of out-of-home care. This has significant and ongoing cost implications for marketing, recruitment, training, authorisation, and support. There is a significant carer shortage across Australia, which has implications for providers' operating and financial models because it requires additional unfunded recruitment and engagement effort. These things should all be costed based on real, contemporary pricing models.
7. **Refer to workforce issues.** These are implied in Tasks 1c and 1e but need to be addressed explicitly. Caseworker recruitment and retention are significant drivers of costs, both directly as activities and indirectly via the need to train new staff. The Permanency Support Program requires a very different approach to practice, which has implications for workforce training and ongoing support. These should also be costed based on reasonable estimates. The review should produce a finding on benchmark caseload ratios.
8. **Refer to regional variations.** Costs for providers vary significantly between metropolitan, regional and remote locations. There are several reasons for this, including distance (which increases both direct travel costs and implied time costs), and thin markets for carers and external specialist supports. These are not accommodated for in baseline funding packages for children and young people and there are additional unfunded costs incurred by providers in the process of applying for additional funding for carers or children. For example, providers incur significant overheads to obtain funding to meet identified additional Complex Needs and Additional Carer Support.
9. **Include systemic overheads alongside "administration and corporate overheads".** Interpreted narrowly, Tasks 1c and 1e focus on overheads within provider organisations, and do not necessarily require IPART to take account of activities which are imposed on providers by the system itself, and which have very significant impacts on the costs of operation.
 - a. Some relate to oversight, such as Reportable Conduct management the complex accreditation requirements for Office of the Children's Guardian.
 - b. Some are transaction costs embedded in the way Government entities work. The OCG, Courts and DCJ impose significant requirements on providers for complex documentation as part of ongoing reporting and when making decisions.
 - c. Some are theoretically optional for individual providers but beneficial for the system as a whole to function, such as this review by IPART and the Independent Evaluation of the Permanency Support Program (which delivered its final report last year). None of these is adequately costed under the current funding model, and hence all take time away from caseworkers that they could be spending working with children, young people and their families.
10. **Include the costs of providing contemporary and safe information and digital technology.** The introduction of ChildStory, which has occurred at roughly the

same time as the implementation of PSP, has had significant impacts on providers.

- a. Assessment of this impact should take account of the costs providers would have incurred even if implementation had proceeded as planned, including the cost of data entry into multiple systems.
- b. It should also take account of the actual costs providers have incurred in responding to implementation challenges. For example. IT issues have exacerbated problems for providers in obtaining reimbursement from DCJ for additional activities undertaken as part of alternative care arrangements and dealing with complex needs. Providers are effectively required to seek reimbursement after providing the service, on uncertain timeframes, with impacts on financial viability.
- c. Finally, the increasing digitisation of the care sector implies increasing risk to privacy from data breaches in services delivering to very marginalised, vulnerable clients with sensitive information requirements. These costs are not recognised under the current model.

11. **Require IPART to take account of the Independent Evaluation of the Permanency Support Program.** The evaluator's report articulates many of the current issues with the PSP system and its implementation and would be a very useful resource for the Tribunal.

Thank you again for seeking feedback on the draft terms of reference. We warmly welcome the review, and we look forward to working with the Tribunal. For more information, please contact Dr Tom McClean, Head of Research and Social Policy, at

Yours sincerely,

Anita Le Lay
Director, Communities (Acting)