Uniting

Ms Carmel Donnelly
Chair
Independent Pricing and Regulatory Tribunal
Level 16, 2-24 Rawson Place
Sydney NSW 2000

Via online submission portal

8 May 2025

Dear Ms Donnelly

Thank you for the opportunity to contribute comment on the IPART OOHC Costs and Pricing, Draft Report.

Uniting NSW.ACT contributes to the work of the Uniting Church in New South Wales and the Australian Capital Territory, through social justice advocacy, community services and spiritual care. We provide services for all people through all ages and stages of life, and drive solutions to systemic issues that hold disadvantage in place. We aim to inspire people, enliven communities and confront injustice.

Uniting welcomes this independent review. We support efforts by government to improve the transparency, accountability and efficiency of the out-of-home care sector.

In this submission, we begin by addressing some of the foundational issues which are either raised by the review, or which we believe should be considered when implementing any recommendations. We then respond to the Tribunal's specific questions and findings. In so doing, we draw on our experience as a provider of foster care within the Permanency Support Program since the program commenced in 2017. As we are not a provider of residential care, we have not provided any response to questions regarding this model.

We hold significant concerns that the proposed funding model will make it financially unviable for non-government organisations to provide out-of-home care. For well over 100 years, we have provided high quality and safe care and support to children and young people and their families. We are firmly committed to continuing to do so. However, we do not support the proposed model, as we do not believe we could continue to deliver child centred, quality services within the available funding.

While we support a more structured pricing model, we also hold concerns that the proposed structure comes at the expense of flexibility. Uniting has used this flexibility in the past to deliver support models that evaluations have shown improve the quality of our home-based care. We believe the proposed pricing model either needs to allow greater flexibility or pay for additional aspects of care particularly those which have

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proved crucial and are evidence based for delivering sustainable outcomes for children and young people.

The most effective way to sustainably reduce costs is not to introduce of a model that risks under-funding the largest OOHC sector (home based care). Instead, it should create a structure and pricing model that supports this to succeed.

We note your finding that 40 per cent of the OOHC funding is directed toward just 4 per cent of the OOHC population: children and young people in emergency care and residential care arrangements. A pricing model that maximises the stability of quality home-based care arrangements, by supporting quality care, will reduce over time the number of children in these more expensive settings. This would provide a clear way forward for government to sharpen the sector's strategic focus and break the nexus between care and escalating cost.

A new pricing model will deliver greatest benefit if it is supported by concurrent reform to aspects of the system within which it is embedded. The Draft Report acknowledges several relevant issues identified in existing system reviews, and some of these directly impact review findings. Implementing reform to pricing without addressing these underlying factors may result in unintended consequences or missed opportunities in coming years.

For additional information, please contact [redacted]

Yours sincerely,

[redacted]

[redacted]

Submission to the NSW Independent Pricing and Regulatory Tribunal Out-of-Home Care Costs and Pricing, Draft Report

About this submission

In the main body of this submission we, address the questions, findings, recommendations and decisions which IPART has posed and to which we believe we are able to make a meaningful contribution.

Before doing so, we begin by addressing a number of broader systemic issues and solutions, which we believe IPART and the government should consider addressing concurrently with reform to pricing.

Uniting supports efforts by government to improve the transparency, accountability, and efficiency of the out-of-home care sector. However, there needs to be a balance between a more structured pricing framework and flexibility for providers to exercise discretion. We are concerned that an overly rigid and prescriptive system may not support quality home-based care placements, because it limits providers' and carers' ability to respond to changing needs and circumstances of children in care. This is likely to result in escalation of risks, and eventually to more children entering more expensive residential and emergency care arrangements, ultimately costing the taxpayers of NSW significantly more.

We note your observation that 40 per cent of the out-of-home care sector's costs are used in support of just 4 per cent of the sector's most vulnerable children and young people, in residential and emergency accommodation placements. The pricing model needs to support the system to ensure only those children who require this kind of complex care receive it. More generally it should ensure all children in OOHC are in the most appropriate placement, with a greater proportion in home-based care, and an ongoing reduction in the proportion of children in residential and emergency care arrangements.

About Uniting

Uniting NSW.ACT contributes to the work of the Uniting Church in New South Wales and the Australian Capital Territory, through social justice advocacy, community services and spiritual care. We provide services for all people through all ages and stages of life, and drive solutions to systemic issues that hold disadvantage in place. We aim to inspire people, enliven communities and confront injustice.

In making this submission, we draw on our experience as a provider of foster care within the Permanency Support Program since its inception in 2017 and a provider of child and family services for over 100 years in NSW. As we are not a provider of residential care, we have not provided any response to questions regarding this model. In 2023-24, we provided general foster care to 327 children and young people. Of these:

- 18% were aged between 0 and 5,
- 33% were of primary school age,
- 49% were older – typically in secondary school, in training or education, or work,
- 49% identified as First Nations,
- 12% identified as CALD,
- 43% had a disability.

We are also informed by our vision to disrupt entrenched disadvantage, and two of our strategic goals within this:

- Reduce the number of children in out-of-home care. Reduce the over-representation of Aboriginal and Torres Strait Islander children by 45 per cent.
- All young people leaving state care have appropriate accommodation and are engaged in education or employment at the age of 25.

Part 1. Systemic issues

We welcome the Draft Report, which overall is a high-quality contribution to an urgent fiscal and policy issue. Out of home care is, however, a complex environment, and we have identified a number of missed opportunities and unintended consequences which are likely to arise if the Tribunal's findings and recommendations are applied to it in their current form.

Financial viability

The new pricing model will almost certainly mean it is no longer financially viable for high quality NGOs to deliver the Permanency Support Program and home based foster care.

We base this on a comparison between the current pricing structure and proposed structure, which we undertook by inputting the proposed new pricing model into our FY26 budget (with placements of all types).

After allowing for the direct payment of the carer allowance and child costs by the Department we calculate a funding decrease of 21.5 per cent. This will lead to a forecast 26 per cent reduction in Permanency Support staff numbers. The difference in proportions is because casework-related or frontline staffing is the program's most significant cost. Reductions would likely be required from all parts of the program, including carer recruitment and engagement, administration, coordinators, casework support and project/business services that support the very complex operating environment as identified by CEI in the 2023 PSP Evaluation. We also expect we will be forced to cut our evidence-based, innovative services which significantly improve outcomes, including:

- Family finding and engagement
- In-house clinical and behaviour support to offset market shortages
- Youth development coaches.

This will have significant implications for quality of service, because the staff workload in the PSP program is already heavy. It also threatens child wellbeing and safety, carer satisfaction, staff retention, and program viability. We provide two case studies in part two of this submission which give more detail of the impact this new pricing model will have.

If we have correctly identified the impact of the proposed pricing model, we would be forced to decide whether we continue to participate in the Permanency Support Program at all. While we recognise the imperative for Government to reduce the cost of OOHC provision on the NSW budget, we are also concerned the proposed reductions in funding may place the viability of some service providers at risk. The collapse of multiple providers, or even a single large provider, could place the system itself at critical risk in a region. It is not clear to us that either the Department or other providers will have the capacity to step in and ensure the continuity of quality care. This poses a serious risk not just to the system, but to the safety and wellbeing of the children and young people the system is supposed to serve.

A 12-month period of actively monitoring the new pricing with 12-month review

We request IPART recommend the government actively monitor the new pricing structure in the first twelve months and adjust to avoid any significant unintended consequences. The Department should support this by establishing a forum for ongoing dialogue, and a provider hotline to answer questions and assist in resolving any critical or

significant financial issues associated with the new pricing model. We also propose a formal review with the opportunity for all non-government providers to lodge submissions.

Missed opportunity to strengthen early intervention

This cost and pricing review, and the Department's recent review of the out-of-home care sector, are driven in large part by the expanding cost of this sector to the NSW budget. This is a real and important problem. The draft report states: "Past reviews have called for an increased focus of resources in the child protection system toward targeted early intervention, to improve outcomes for children and families as well as creating long-term budget savings. The Audit Office of NSW recently found the Department has made minimal progress in redirecting resources toward such a model. This could be further exacerbating budgetary challenges in the out-of-home care system." (Pg 40).

At the same time, out-of-home care is part of the broader complex child protection system. This broader system has fiscal impacts on out-of-home care, and is also being reformed by the NSW Government via the recommissioning of family preservation. Each entry into OOHC that is prevented saves the Government from expenditure in the most expensive part of the system.

We would welcome analysis of a child or young person's journey into residential or emergency care. Specifically, the number of ROSH reports a child and family experiences before a face-to-face assessment, and the number of home-based care placements a child or young person experiences before entry into residential care.

Multiple reports and placements represent opportunities to consider how the common path of escalating risk could be interrupted by earlier, more effective supports that either prevent entry into OOHC altogether, or see more children remain with the home-based care arrangements for longer.

This investment is urgent: NSW Government data show that in 2023-24, 116,206 children and young people were the subject of a screened-in ROSH report, but only 24,243 received a face-to-face investigation and only 10,044 commenced an intensive family support service. It's unclear from available data what, if any intervention the remaining ~77,000 children received from the child protection system, despite being the subject of a screened-in ROSH report. In our experience and in the experience of many of our peer provider organisations, these families often live with escalating risks that contribute to avoidable entries into care in future years.

There are similar opportunities to improve client and fiscal outcomes within the out-of-home care system itself: more effective support to children in home-based care arrangements (including foster care, relative and kinship care), with an increased focus on placement stability, will reduce entry into the most expensive forms of residential care. We note the finding that 40 per cent of the $2 billion 2023-24 OOHC budget was spent on just 4 per cent of the OOHC cohort in these accommodation types.

The NSW Out-of-home care budget in 2023-24 approached $2 billion (System review into out-of-home care, Final report to the NSW Government). With approximately 14,000 children in the system as at 31 December 2024 (13,809).

From the figures in the draft report:

Home based care	Residential and emergency care
78% of 14,000 used 52% of the $2B budget $1.04B expended across 10,920 CYP = $95,238 per child and young person	4% of 14,000 used 40% of the $2B budget $800M expended across 560 CYP = $1,428,571 per child and young person

Therefore, for every additional

- 1 child or young person who transitions from a home-based care setting to residential care (resulting from placement breakdown[s]) the cost to OOHC and taxpayer is $1,333,333
- 1per cent (140) of children who transition from home based care to residential/emergency care, the cost to the system would be an additional $187 million (cost of residential/emergency per child minus cost of 140 home based care placements).

Uniting strongly advocates for a structured pricing model that will ensure the delivery of quality care (including specialist care and other critical components) to ensure children and young people are safe. The recommendations in the Draft Report would leave Uniting no longer be able to deliver specialist supports that are emerging as effective in improving placement stability, and that reduce expenditure on other NSW government-funded services such as housing/homelessness, health, and justice. These are, in effect, early interventions within the PSP system from the perspective of expensive forms of care within the system, and also of other state-funded services that work with people who have had a care experience. Examples include our Youth Development Coaching, and Behaviour Support that would stabilise home-based foster care arrangement and prevent the drift of children into the more expensive residential and emergency care. For example, an independent evaluation of Uniting's Extended Care program, which employs Youth Development Coaches, showed improved placement stability. Non-participants averaged 4 placements per 10,000 days while young people in the extended care program showed greater stability with 3 placements per 10,000 days. Financial modelling undertaken by the evaluators calculated the post-care savings; our evaluation findings could also be used to calculate likely savings in residential and emergency accommodation.

A cost and pricing model that may reduce the quality of care available for home-based care solution risks perpetuating the crisis driven dynamic that plagues this sector. The system needs to have a clear data driven view of how stable home based-care placements reduce OOHC expenditure. This would provide a clear way forward for government to sharpen the sector's focus on this as a strategic priority, reducing overall costs by improving outcomes for children and young people and breaking the nexus of a crisis driven model.

Unintended risk to specialised supports

We are concerned that the proposed model will not fund providers to continue to provide specialist services to children, including family finding and behaviour support. We request clarification on this issue.

The report makes explicit reference to a defined suite of funded activities (casework, administrative activities, Aboriginal genealogy and family finding, carer recruitment and training etc). It is unclear whether specialist services like youth development coaching and

behaviour support would be funded. Please see the appendix for information about these specialist supports.

We recommend the final report state whether these services are to be continued as standalone services or incorporated into the work of caseworkers. If they are to be continued, we recommend the final report clarify whether providers:

- will be able to include these services in a child or young person's health plan, and then seek reimbursement from the Department as part of the proposed health expenses? Or,
- would be required to outsource these to a third-party provider(s)and then seek reimbursement?

If these services are not proposed to be funded under the revised pricing model, the quality of care and support services is in jeopardy.

Uniting would have to decide whether we continue as a PSP provider if there is an expectation for case workers to take on what are currently specialist activities, as part of their standard duties.

Missed opportunity to invest in business-to-business data transfer.

The lack of direct data transfer between information systems is a significant underlying drive of avoidable administrative costs for NGOs. Without this, our staff are required to enter the same information into multiple systems, taking time away from working directly with children, young people, and their carers.

An upgrade to the Department's Child Story CRM to include this functionality would entail some up-front cost. However, it would deliver sustained operational cost savings to both Government and service providers.

Unintended risk of increasing administrative burden on the Department

We are concerned at proposals for the Department to directly fund additional medical expenses and other extraordinary costs that fall outside of the annual benchmark payments and fortnightly carer allowance.

The Department's recent systems review cast serious doubt on whether it has the capacity and capability to do these things in a timely manner. More generally, this casts doubt on whether transferring functions to the Department can be assumed to be an efficient solution. The review found that under existing arrangements there are already:

- Delays in approval or action;
- A lack of timely reconciliation; and
- Service delays caused by administrative burden.

Given that the draft report and the Departmental review both acknowledge the critical role of volunteer carers and the importance of valuing them, we are concerned at the risk this entails of imposing significant out-of-pocket costs and delays in refunds on carers for essential health (including dental), education and other larger expenses for children and young people in care. There is also a risk that children and young people in care may not receive these essential services in a timely way if their carers are unable to shoulder this burden.

More generally, the Draft Report appears to assume that the Department will carry out functions consistently. Our experience as a provider across many DCJ regions suggests that the Department is currently not implementing PSP consistently across the State.

This is consistent with statements made at the public hearing on this Draft Report, where carers and other providers raised concerns at variations in practice over time and between regions. These raise the cost of participation for providers and carers, and lead to variations in outcomes for some children and young people in care.

See our response to recommendation 7 to 9, below.

Unintended risk of increasing administrative burden on providers

We agree with the draft report that "there is an inconsistency between the flexibility afforded to providers to allocate funding as they see fit and the detailed process for seeking additional funding to meet the needs of a particular child" (page 149).

The Permanency Support Program has a particularly high administrative burden compared with other programs in the child protection or child and family sector. Some elements of this burden are entirely legitimate, such as the need for regular probity renewals (Working with Children Check, National Criminal History Check). Some are inefficiencies that could be eliminated, such as data entry in multiple systems (NGO in-house CRM, DCJ Child Story, OCG Carer Register, OCG Residential Care Workers Register). Many of these arise because the current system is siloed, with an excessive compliance in areas that do not necessarily enhance service quality or safety for vulnerable children and young people. This was the conclusion of the Department's recent systems review of the OOHC sector (page 2). It is consistent with multiple previous reports including the recent Auditor-General's report.

We are concerned that some of the processes proposed in the Draft Report will further increase the administration burden on both non-government service providers and the Department, while likely imposing further delays in care while carers and service providers await approval.

See our response to recommendation 7 to 9, below. Please see also recommendations 16 and 17 where we outline concerns regarding persistent administration regarding the carer allowance.

Opportunity to reduce administrative burden with a P-Card

We note your proposal for a health care card, and Service NSW vouchers (page 71) as a means of reducing out-of-pocket expenses for carers and the administration burden of claiming reimbursements (page 113).

We strongly endorse the intent of this proposal and propose the P-Card as an even simpler alternative for both expense types. A P-Card would have several advantages.

- It could be implemented more rapidly, as the underlying systems are already within place within Government (including the Department) and some providers (Uniting uses P-Cards). It could also eliminate the majority of out-of-pocket expenses, and thereby the administrative burden on providers and carers to seek reimbursements.
- Additionally, the digitisation of expenses in each card's transaction records, could eliminate the double handling of financial data, a significant contributor to the administration burden for providers. They could also address the ambiguity of funding for carers regarding permissible expenses (cards can be restricted to specific expense codes).
- Including relevant expenses within scope of the P-Card would eliminate the need for Service First vouchers. This also eliminates a risk to carers that the Government

may stop these family subsidies when the cost of living is deemed to have sufficiently decreased. Leaving carers out of pocket once again.

We note your assessment that "paying actual costs could lead to an increase in services being recommended, however, we consider that requiring a needs-based assessment by a suitably qualified provider should limit this exposure".

We propose the transition to an audit process where a proportion of a provider's P-Cards are audited annually, with audit activity targeted in a way that is proportionate to compliance by carers and agency case managers.

Unintended risk that the prescribed staffing structure reduces service viability

The Draft Report's recommendations for caseloads and team structure imply teams of seven caseworkers supported by one casework support, reporting to one casework manager. This means teams in locations with fewer than seven caseworkers will not be able to afford a full-time manager or casework support role under the proposed funding model.

This may have unintended consequences for smaller providers and for the viability of service provision in regional areas. Uniting has a geographically dispersed Permanency Support program. The effect can be seen by applying the proposed funding model to our Mid North Coast region, for example. We currently operate with 57 children and young people, who are supported by five caseworkers. This region will not be viable in its current configuration. Casework managers and case work support staff may need to work across multiple geographically dispersed sites, which will increase travel costs, or be reduced to part-time roles.

Unintended risk of strengthening transparency and accountability at the expense of discretionary use of funding and outcomes

In seeking to tighten accountability for expenditure, the proposed model removes the discretion providers currently enjoy redeploying funds within an existing envelope to support innovation and specialist services that strengthen placements and outcomes.

We propose three solutions to address both administration burden and retain some level of discretionary funding:

- Payments under created funding allocations (health costs) are paid without needing prior approval or a reimbursement-based mechanism (our P-Card proposal above).
- A contingency fund that can be used for additional quality care – behaviour specialist, carer supports, CALD support worker etc. Once approved for a child or young person, we propose the contingency fund be accessed without approval. We propose this arrangement as a replacement for the additional carer support package.
- In place of (often significantly delayed) approvals, we propose both funding sources are audited annually for all providers. The frequency and intensity of audit should increase or decrease over time for each provider on the basis of their demonstrated compliance and outcomes for children and young people. This is consistent with a more outcomes focused sector (see proposal below).

Opportunity to implement a standardised minimum dataset

The NSW government should implement a consistent minimum dataset (MDS) across early intervention, child protection and out-of-home care. This should standardise terminology and definitions across the sector and should form the basis of all programs and a commissioning pre-requisite for providers to demonstrate they have adopted the dataset and definitions. The Department should provide funding to all current providers to support the transition including any CRM upgrades that may be required.

This should form the basis of increasing data linkage, transfer and information sharing as all providers will information received as being (a) consistent in use of terminology and (b) aligns with agreed definitions.

A single defined minimum dataset will serve as the foundation for future data sharing and pave the way for a reduction in double handling data.

Opportunity to transition to an outcomes driven system

Introduce **a new common needs assessment** for use across the sector.

Both your report and the Government review identified the lack of consistent needs assessment (pg. 29). We support a common assessment tool that is applied annually to produce a complete care plan with annual goals for the child and their carers (as required). This will create an opportunity to standardise and elevate the quality of needs assessments. It will allow for comparison of children's needs and produce a wealth of (standardised) data to better understand factors impacting support, cost, outcomes and other critical domains. We recognise this will take significant investment of time and sector collaboration. We see this as a critical investment in the sector. Ensuring it is designed as a digitally native platform for use on tablets and phones. This will allow the integration of all dimensions of a child or young person's needs, including cultural, health, education, behaviour support plans etc. As a smart digital assessment, it will customise its configuration in accordance with the child or young person's demographics – an education plan for a child at pre-school or school age, a cultural assessment in accordance with cultural heritage, etc. This approach would ensure the Department and providers have oversight of required care plan components and their status in real time.

We propose that the common needs assessment should be introduced alongside the development and introduction of a **single annual care plan** that consolidates all current plans (permanency, health, cultural, education, leaving care). The plan would include annual outcomes that represent short term outcomes in the context of a child or young person's care journey. These would serve as valuable data with regards to the types of outcomes that are being achieved, and the proportion of short-term outcomes overall, that are being achieved. Development of this plan as a digital native would allow translation from the needs assessment, and also to the Department. Digitising care plans would also allow for automated workflows with inbuild escalations around critical events like pre-school/school enrolments, health checks, routine dental appointment etc. This would enable escalations within providers agencies, and potentially through to the Department if the critical care activities remain unfulfilled.

Leveraging the common assessment and comprehensive annual care plan we propose an increased emphasis on annual outcomes across all key wellbeing domains, including safety, health, autonomy, social connectedness, and participation in education or work.

Create a commissioning model that rewards outcomes

We propose the Department adopt a commissioning model that provides:

- a base payment determined by the common needs assessment (split between fortnightly carer payment) and P-Cards for carers and case managers to use on non-core expenses.
- supplementary payments for each annual case plan goal that is achieved.
- supplementary payment for attainment of permanency outcomes (both annual and when a young person formally leaves care).

This model would require providers to attain a proportion of supplementary payments for annual case plan outcomes to remain financially viable over the long term. This would establish a process of self-selection where high quality providers continue to bid for and deliver OOHC services.

A move to a model of this type, where funding is based on a child's needs assessment, would allow providers to deliver services to agreed standards while also freeing government and providers up from a process driven system.

Embedding continuous quality improvement into system changes

We see the introduction of continuous quality improvement to all levels of the system as a means of deeply embedding a quality and safety culture and accelerating the sector's maturation in this regard.

In section 12.1 Overview of draft findings and recommendations, you propose annual indexation, and a comprehensive review of the care allowance every 8 to 10 years.

Uniting sees an opportunity to deepen the principles of quality, particularly continuous quality improvement, through the introduction of quality cycles for all critical components of the child protection and OOHC systems.

We advocate indexation model be reviewed on a continuous 5 yearly quality by a panel of experts comprised of government, non-government, and specialist advisors (academics and international funding experts).

While this process sits outside of individual service providers (government and non-government), the introduction of a quality cycle for this review, is consistent with the recent efforts by the Office of Children's Guardian to provider oversight with on quality assurance and continuous improvement, promoting continuous improvement.

Part 2. Response to Draft Report

We welcome the Draft Report. However, we are concerned that the proposed funding model is not sufficient in several key respects. It does not account for some important costs (such as the higher costs of regional service delivery, and the cost of systemically imposed overheads such as accreditation and reportable conduct). Nor does it align payments with the timing of key drivers of costs (e.g. payments to carers at the start of each placement). As noted above, we are also concerned at proposals around implementation which will increase administrative burdens and reduce flexibility for providers and carers to respond to changing circumstances and needs.

Draft decisions and recommendations

All decisions and recommendations should be reviewed for clarity. There are multiple payments of less than $5,000 where the frequency and nature are unclear, and this has significant impacts on funding and indeed provider viability.

For example:

- Specifying whether a payment accrues on carer or child engagement with a service provider (a once off payment) or whether it is repeated for each new care engagement.
- Specifying whether a payment is allocated on the basis of the number of children in a provider's care, or the number of carers.
- Specifying whether a carer payment is per carer-household or per carer.

Decisions 11 & 12: We estimate the efficient cost of recruiting a new carer to be $18,190. This does not include the cost of assessment. We estimate the efficient cost of assessing a new carer to be $5,250.

We welcome your recommendations that carer recruitment will for the first time receive some funding in its own right (Chapter 7, 7.8.1, page 122).

Carer assessments happen multiple times in the carer journey, not just upon their commencement as a carer. Some examples are:

- if a child and young person already cared for within an organisation has a placement breakdown and another carer is then assessed to care for them
- if a child and young person already cared for within an organisation has family found and assessed for kinship care
- respite carers for an existing child and young person.

The table below provides an overview of the funding for each of these scenarios. There will be occasions where these scenarios overlap (e.g. newly authorised carers are matched to a new child) requiring one, not two assessment payments. We have provided the figures to show the payment for authorising carers only would leave service providers significantly out of pocket.

Payment for assessing new carers in 2023/24	Payment for assessing primary placement changes to existing children in 2023/24	Payment for assessing placements for new children in 2023/24
$5,250 x 31	$5,250 x 80	$5,250 x 44
$162,750	$420,000	$231,000

The assessment process for carers (authorisation/deauthorisation and variation of authorisation) is extremely robust (as it should be); and therefore, resource intensive. The proposed pricing model must factor this in.

The risks of not having this service available are:

- more children and young people entering high cost emergency care arrangements;
- children and young people not having the opportunity to be cared for by kin;
- respite carers not being assessed or authorised.

The report should clarify exactly what situations carer assessments are funded for and the following situations should be considered:

- Establishment of any new care arrangement that brings a child(ren) and carer/er together for the first time in a care arrangement, including
    - when a child and young person already cared for within an organisation has a placement breakdown and another carer is then assessed to care for them
    - when a child and young person already cared for within an organisation has family found and assessed for kinship care
- Respite carers for an existing child and young person.
- Assessing the re-establishment of care arrangements after a significant period (e.g. 12 months or more). This may include:
    - after a child or young person self-places, and then returns to formal care arrangements with previous carers
    - Respite carers.

<u>Decision 13: We estimate the annual efficient cost of carer training to be $1,500 per carer.</u>

We understand your proposal is to fund providers annually for carer training on the basis of the number of children in care.

The proposed $1,500 and payment on basis of children in care is insufficient. Carers require ongoing support to remain engaged in the Permanency Support Program. The report itself acknowledges that "carers who are well trained and have access to resources and support are vitally important for delivery of quality OOHC (page 124).

We operate a team dedicated to carer engagement and support. This team supports carers by:

- Facilitating events both online and in person that bring carers together
- Creating carer development plans
- Checking in regularly with carers about their wellbeing
- Producing a regular carer newsletter with useful information for carers e.g. about Cyber safety, ACCO transition advice, upcoming training etc.
- Supporting carers during reportable conduct investigations. These allegations are a very challenging time for carers and their families.
- Running 6 monthly carer satisfaction surveys, and post-survey workshops to understand the feedback and and introduce new continuous improvement supports to enhance the carer experience.

All active carers require annual refresher training. That is, if a child or young person is being cared for by a couple, that the payment would be ($2,700). And that providers would receive the funding for all active carers, including emergency carers, and those who may be awaiting a child or young person at the commencement of a funding window.

We believe that without this service, carer dissatisfaction will likely rise, and more carers would exit the foster care system.

Decision 14: Administrative costs vary by placement type on a dollar per child basis. We estimate the efficient administrative costs for non-government providers by placement type to be:

a. Home-based care: $11,940 per child per year.
b. Residential care: $50,970 per child per year.
c. Independent living: $22,830 per child per year.
d. Emergency arrangements: $50,970 per child per year.

The draft report states that "we have not factored in administrative and overhead costs to the primary casework provider, as we consider this would be absorbed elsewhere in their costs". However, emergency placements come with significant administrative costs for the primary casework provider. These include:

- Subcontracting:
  - seeking in-principle approval from DCJ in the first instance for the placement provider chosen by DCJ (often at short notice)
  - requesting all the necessary paperwork from said provider (e.g. insurance certificates, statement of staff probity compliance from CEO, etc.) to be returned to casework provider in timeframe given by DCJ (usually 2 weeks)
  - submitting paperwork and form signed by Principal Officer to DCJ
  - when approval received, filing all of the above
  - keeping an updated list of subcontractors and their activities to submit to DCJ when requested
- Financials - For IPAs:
  - seeking purchase orders from DCJ,
  - paying the invoices received from the emergency provider,
  - tracking the expenses outlaid on the IPA
  - invoicing DCJ for the amount paid with supporting evidence, and
  - ensuring payment is received
- Home visits/contacts bi-weekly with CYP in emergency placements requiring additional casework hours and write up.

We are concerned that your reduction in administration funding for home-based will be insufficient to cover the administration costs associated with establishing an emergency care arrangement.

The final report should recommend administration costs are paid for the establishment of an emergency care arrangement.

Decision 26: We estimate an upfront cultural planning cost for family finding and genealogy of $6,700 per Aboriginal child entering care

Funding should be available for all children to locate relatives who may be able to offer relative care, or form part of a child's broader support network. Please see our proposal in part 1.

Restriction of these services would significantly reduce the care we are able to provide to children and their carers from high quality to baseline support.

Uniting undertook family finding for 60 non-Aboriginal children in 2023-24 and was able to identify, on average, 35 family members in each child's genogram.

The table below shows the costs to Uniting for family finding.

Family Finding model	Total cost per CYP
Research	2110.6
Transition networking	2954.9
Advanced Search	4748.9

The final report should recommend funding family finding for all children and young people as an element of best practice service provision.

Decision 28: The estimated benchmark costs for home-based care placements are as set out in Figure 13.2 for non-government providers (Pg 184).

Benchmark cost per child for home base care delivered by non-government providers ($2024-25)

For each child with a non-government provider, the provider incurs costs for:

Administration	$11,940
Casework	$15,200
Carer training	$1,350

One-off on establishment of placement

Carer recruitment and assessment costs	$21,100

PSA insurance (reimbursed by DCJ)	Average $580

Based on the needs of the child, costs may also include:

Restoration and permanency	$14,000
Aboriginal cultural support	$4,830
CALD support	$1,260

Aboriginal connection to Country	Actual costs

One-off on establishment of placement

Aboriginal genealogy and family finding	$6,700

For each child in their care, a carer receives:

Standard age-based care allowance ($ per fortnight)

0-4 yrs old	$698
5-13 yrs old	$789
14-15 yrs old	$1,109
16-17 yrs old	$1,083

Reimbursement of medical, therapeutic and family time costs	Actual cost
Current annual average	$8,200
Care+1 current annual average	$14,710
Care+2 current annual average	$40,990

Respite care
24 days of care allowance per year

One-off on establishment of placement

Set-up allowance	$1,500

Depending on the needs of the child, a carer may also receive:

High needs care allowance (% above standard care allowance)

Care+1	50%
Care+2	100%

For each child with an ACCO, the ACCO incurs cost for:

ACCO organisational costs	$6,820

One-off (if transitioned)

Transition from non-ACCO	$21,300

For each child with a non-government provider, DCJ incurs costs for:

Secondary casework expenses	$1,800

DCJ contract administration	$3,290

Note: all figures are annual amounts unless stated otherwise

Administration	$11,940
Casework	$15,200
Carer training	$1,350

There is a risk that under the new pricing model it is no longer financially viable for NGOs to deliver the Permanency Support Program. We base this on a comparison between the current pricing structure and proposed structure, which we undertook by inputting the proposed new pricing model into our FY26 budget (with placements of all types). After allowing for the direct payment of the carer allowance and child costs by the Department we calculate a funding decrease of 21.5 per cent.

<table>
<tr><td colspan="2">Case study 1: 14yo assessed as being general foster care (GFC) (not Care+1/+2) in a stable foster care placement of more than 1 year with a single carer.
This scenario showcases the highest carer allowance, and lowest IPART average direct child costs ie $8,200.
Under the proposed pricing model an NGO service provider will be $7,420.38 (↓21 %) worse off per child in the category.</td></tr>
<tr><td>Current funding
An NGO service provider would receive $35,910

This factors in (removing):
• $22,943 for carer allowance,
• $1509 for 24 nights carer respite,
• $580 for PSA insurance and
• $8,200 for child costs to achieve comparability with the new model</td><td>Proposed pricing model
We calculate an NGO service provider will receive $28,490

Consisting of
• casework costs
• administration costs
• annual carer training</td></tr>
</table>

<table>
<tr><td colspan="2">Case study 2: 5-13yo age group assessed as being general foster care (GFC) (not Care+1/+2) in a stable foster care placement of more than 1 year with a single carer.
Under the proposed pricing model an NGO service provider will be $13,644 (↓ 32 %) worse off per child in the category.</td></tr>
<tr><td>Current funding
An NGO would receive $42,134.

• This deducts the following to achieve comparability with the new model:
• $17,103 for carer allowance
• $1,125 for 24 nights carer respite
• $580 for PSA insurance
• $8,200 for child costs</td><td>Proposed pricing model
We calculate an NGO service provider will receive $28,490. Consisting of:
• casework costs,
• administration costs, and
• annual carer training).</td></tr>
</table>

Please see our more extended response in part 1 of our submission under the header - Financial viability.

The final report should factor in funding for

- child or young person's complexity (Care+1 and Care+2) for service providers.
- specialist care support services demonstrated to improve:
    - placement stability of home-based placements (and preventing the expansion of residential and emergency care)
    - outcomes for children and young people during and after care. (These include family finding, cultural planning (at the same rate as for Aboriginal children), behavioural support, youth coaching, carer support).
- rural and remote loading for casework and casework administration to allow for the additional hours of travel time and accommodation. Or recommend a fund for providers to seek reimbursement for these expenses on a case-by-case basis.

Recommendation 3: The Department of Communities and Justice should consider reimbursing carers up to $1,500 for the upfront costs of establishing a placement when a child first enters the out-of-home care system.

Upfront costs are associated with each home-based care arrangement, not just their entry into the OOHC system. We request consideration be given to either

- a fixed payment for any subsequent placements, or
- a fund of up to $1,500 that carers could claim back for costs associated with a new placement arrangement.

We note this second option will increase the administration burden on the Department, and result in out-of-pocket expenses for carers. Both issues we have already raised previously in this submission.

The table below shows the funding difference between payment for children who are new to Uniting, or for new placements (both new and existing children). During your public workshop on Thursday 1 May it was pointed out that DCJ provided no means to assist children to move larger items of furniture between placements. So, the fee of $1,500 could be either used for new items or to pay for moving (or a combination of the two).

Placements	Number	Fund scenario	Funding ($1,500)
Children new to Uniting	44	This only (current proposal)	$66,000
Existing children with new placement	80	Also included	$186,000

Recommendation 6: The care allowance for children assessed as eligible for Care+1 or Care+2 (or their equivalents) in homebased care should be set at the rates in Table 5.10 and set out below

Updated Care+1 and Care+2 fortnightly allowances $2024-25

Ages	Standard allowance	Care+1 (50%)	Care+2 (100%)
0-4	698	1,047	1,396
5-13	789	1,184	1,578
14-15	1,109	1,664	2,218
16-17	1,083	1,625	2,166

The current pricing model provides carer payments as:

- General foster care (GFC)
- Care +1
- Care_+2

Critically service providers are also funded for children"s complexity as:

- Low
- Medium
- High

Additionally, providers are also able to claim for Additional Care Support (ACS) for a child (low, med, high) categories. Your proposed model appears to be re-categorising additional expenses around:

- Restoration or permanency
- Children or young people with Aboriginal backgrounds - cultural support, and connection, genealogy and family finding
- Children or young people from CALD backgrounds.

The proposed pricing model stops service providers of any direct funding linked to a child's complexity, currently funded as Low, Medium, or High. The model also removes the $29,000-38,000 ACS package option.

While we note the standard, Care+1 and Caare+2 medical, therapeutic and family casts are also currently allocated to carers to claim, at $8K, $15K and $41K respectively.

While 70 per cent of our children and young people are standard general foster care, 44 per cent of our children and young people are on a behaviour support plan. Uniting funds behaviour specialists to support case managers and carers.

Currently children whose care is managed by the Department can receive an additional loading on their care allowance in recognition of the additional support required and disruption to daily routines that results from caring for a child with challenging behaviours and/or complex health and developmental needs. The increased allowance rate set by the Department is almost 50per cent(Care+1) or 100per cent (Care+2) higher than the standard rate.(Pg 119) Eligibility for the Care+1 and Care+2 allowances is determined by the child's DCJ caseworker, who considers the following factors:

- the extra or unusual physical care services the carer must provide to meet the high needs of the child
- the additional housework created for the carer resulting from the high needs of the child
- the extra or unusual supervision and support needed because of the child' s disability and/or behaviour
- the stress and restriction of activities the child' s disability and/or behaviour creates for the carer.120

The proposed pricing configuration for providers around cultural background excludes a swathe of complexity factors associated with neurological, psychological and physical factors, commonly combined as sources of significant complexity. The proposed flat rate for administration ($11,940) and casework ($15,200) will not cover the substantially more hours of administration and casework required for children and young people with complex needs.

Summary of current and proposed provider payments for children with complex needs			
Current		**Proposed**	
Low ($5,664.80)	ACS funding also available ($38,136.73)	Administration ($11,940) Casework ($15,200)	CALD ($1,260)
Medium ($8,898.70)	ACS funding also available ($34,902.83)	Aboriginal cultural support ($4,830)	
High ($13,859.05)	ACS funding also available ($29,942.48)	Aboriginal genealogy and family finding ($6,700)	

The final report should recommend

- the new pricing model establish an equivalent payment structure for service providers as that for carers (standard, Care+1 and Care+2).
- DCJ establish a process where service providers can request a contingency fund be created to support their care of a child or young person – equivalent to an ACS package. We propose each fund would require an individual application.

See Appendix 4 for information regarding the ACS package.

Recommendation 7: The medical, dental and wellbeing costs for children case managed by non-government providers should be included in the child's case plan and directly funded by the Department of Communities and Justice based on these approved costs.

Recommendation 8: The Department of Communities and Justice should investigate the establishment of an out-of-home care Health Care Card that could be used to meet the out-of-pocket costs for medical and wellbeing services for all children in out-of-home care.

Recommendation 9: The costs of maintaining family connections for children case managed by non-government providers should be included in their case plan and directly funded by the Department of Communities and Justice based on these approved costs.

We support your proposal to fund on medical and therapeutic requirements on a contingent basis for each child and to shift away from average costs with the requirement to often move funds between children.

We note this is the process currently undertaken by the Department. While we are supportive of noting a child or young person's medical and therapeutic requirements in their annual care plan, this should not also require upfront planning of treatment schedules. We foresee this will require significant work and from our experience such regimens are prone to change or modification.

We therefore propose a hybrid where health and medical requirements are documented, alongside likely medical or therapeutic supports (e.g. occupational therapy, speech pathology). Appointments should be made in consultation with treating professionals and then paid via the Health Card (P-Card option).

We do **not** support:

- seeking to document these treatment plans in advance, because this will impose an unnecessary and excessive administrative burden on everyone involved and will likely result in an inflexible system where new needs arise between assessments.
- the need for carers or providers to seek reimbursement as a permanent arrangement. We are willing to accept temporary reimbursement arrangements while the P-Card system was being set up.

The draft report and the Departmental review both acknowledge the critical role of volunteer carers and the importance of valuing them, we are concerned about delays in refunds to carers for considerable health (including dental), education and other larger expenses.

We are concerned about establishing a payment system requiring carers to seek reimbursements. We support the Health Card proposal and have suggested what we believe would be an even simpler system, in the P-Card option.

The above table illustrates the administrative burden that would be placed on carers if they are required to reclaim health and therapeutic claims, and family time claims. (Where the top line is health and therapeutic only, excluding family time. The bottom line covers all claims including health, therapeutic and family time; and also other claims (education). We have not coded claims in accordance with the proposed structure as yet.

Provider requests of this type to the Department are limited in volume, not every child or young person is eligible for additional carer support, and the Leaving Care financial plans are only done once in the young person's care journey.

We are concerned that the proposed approach represents a step change in the administrative workload for the Department with a risk of significant approval delays slowing down casework in disrupting outcomes.

Request: Establish a direct payment system (P Card) for carers for medical, therapeutic and family time costs.

Recommendation 13: The pricing structure to meet the needs of Aboriginal children in out-of-home care should include the following additional estimated components:

1. an upfront cultural planning cost for family finding and genealogy of $6,700 (170)
2. an annual Aboriginal cultural support payment of $4,830, which covers additional casework and cultural programs to support connection to culture 170

We support the proposed annual cultural support payment for Aboriginal children. Uniting proposes that a family finding payment be made available to all children and young people. Please see part 1 of our response: your proposed funding model risks Uniting's specialised support to carers.

A cultural plan is conducted annually for each child. Therefore, an annual payment is required to support this work. Given the diversity of cultures, Uniting may engage a single specialist or pay multiple contractors for each cultural plan on the basis of a child"s culture.

Recommendation 16: The care allowance should be comprehensively reviewed every 8-10 years to ensure that it meets the cost of the goods and services required to provide quality care for a child in out-of-home care. 179

We see an opportunity to deepen the principles of continuous quality improvement, through the introduction of quality cycles for all critical components of the child protection and OOHC systems.

We advocate indexation model be reviewed on a continuous 5 yearly cycle by a panel of experts comprised of government, non-government, and specialist advisors (academics and international funding experts).

Recommendation 17: Between comprehensive review cycles, the care allowance should be adjusted annually in line with the CPI.

We foresee there will still be an administrative cost of this process for NGOs. In particular, while current contracts require primary placement information to be entered in Child Story within 5 business days there is not the same requirement currently for respite placements. But in order for the Department to pay respite carers correctly this would need to change to match primary placement requirements. With 24 nights of respite per child, this will be an additional administration burden.

Recommendation 18: The costs and pricing of out-of-home care in NSW should be reviewed, as soon as practicable, within 5 years of the implementation of the decisions and recommendations in our Final Report, to measure the impact of any reforms on funding and contracting arrangements. 179

We support this recommendation and see it as an opportunity to strengthen the principle and practice of quality and safety and the practice of continuous quality improvement. We recommend an expert panel to undertake this process on a 5 yearly basis, with the panel comprised of government, industry representatives, and also carers. We see this approach could also be expanded to a cycle of continuous quality improvement for program commissioning and the common assessment tool (and case plan), each with their own expert panels.

Recommendations 19: The care allowance should be paid at a consistent rate for all children assessed with the same level of need across both non-government providers and the Department of Communities and Justice.

Recommendations 20: Clear guidelines should be developed outlining what the care allowance covers and what additional costs carers are entitled to be reimbursed for (including any evidence needed for the claim to be paid).

Recommendations 21: The Department of Communities and Justice should consider paying the care allowance and reimbursements directly to all carers.

Regarding Departmental direct payment to carers, we seek clarification as to who will be responsible for overpayments to carers arising from changes to care arrangements. Direct Departmental payment introduces an additional layer of complexity for service providers. Currently the challenge is to ensure that carer status is up to date and correct. Direct Departmental payment will impose the additional requirement on service providers to ensure changes are entered into Departmental systems.

We are concerned that carers will also seek the support and involvement of their service provider in resolving payment disputes with the Department.

Uniting supports a consistent care allowance paid directly to carers. Given the variable care requirements of children and carers (including location) we propose a basic care allowance to cover a child or young person's contribution to shared household costs: accommodation, utilities, food and family related transport costs.

Earlier in this submission we proposed the use of a P-Card for expenses that are specific to the child in care including all health, education, cultural, and family connection related activities. The P-Card is already familiar to the government and many larger providers, supporting faster implementation. It would ensure compliance with payments through approved expense streams. Importantly this process would address two strategic issues – reducing double handling of data and the work of both providers and carers to be seeking reimbursement. We believe this approach would support the scope of the allowance and eligible costs and remove the need for the Department as the central repository for discretionary authorisations and funding, and reducing additional over-burdening.

In part one of our submission, we also proposed a standard child needs assessment instrument. We propose as part of the Government's longer-term reforms that the complexity score be used to set and allocate funding for health, therapeutic and other expenses on the basis of this score. And that this funding be available for carers and service providers via the P-Card.

We propose the assessments and use of funds be audited annually for all providers with audit oversight increasing or decreasing for providers on the basis of their compliance and outcomes achieved.

Draft findings

We respond below to findings on which we have a relevant contribution.

Finding 1: Most Aboriginal children are currently case managed by non-ACCOs, even though Government policy recognises Aboriginal children are best placed with ACCOs. Current funding structures likely present barriers to ACCOs building up the capacity to care for all Aboriginal children in the system.36

Uniting have assisted Goodradigbee Cultural and Heritage Aboriginal Corporation to begin in the PSP space resulting in the transfer of 28 CYP from Uniting to Goodradigbee PSP in 2024. One of the biggest hurdles for emerging ACCOs is that funding can only begin once they have a DCJ contract for PSP and this can only occur after they have obtained OCG accreditation. This means there is significant work which must be done prior to receiving a contract, and this is unfunded. Uniting assisted Goodradigbee in this space including sharing all intellectual property such as PSP policies and procedures. The PSP space is complex to navigate for new providers and there is currently no funding provided for either the ACCOs or the NGOs to assist them. Under the proposed framework there does not appear to be any funding available to contribute to this kind of partnership approach to NGOs assisting ACCOs.

Finding 2: There is no discernible relationship between individual out-of-home care performance metrics and caseload for non-government providers, highlighting the complex dynamics between casework time and short-term measurable outcomes.

We understand the requirement for IPART to determine caseload as part of this review within the constraints of the current funding model. We remain concerned at the lack of adequate data to support this work and the finding.

We propose the missing variable required to make such determinations is a common child needs assessment instrument used by all providers. This would provide the basis for contextualising outcomes and also the case load of workers as they work toward achieving these outcomes for the children and young people in their care. This could be supplemented by a common carer capability assessment instrument to capture the degree of support case workers may be required to bring for carers.

In section 2 below, we outline a future outcomes based funding model that incorporates a new assessment tool to standardise the sector's appraisal of children and young people's needs. This would make any consideration of caseloads within the funding model, redundant.

Finding 3: There is material variation in the observed average administrative costs of non-government providers during 2022-23 for the following placement types:

a. Home-based care: between $4,400 and $38,500 per child per year
b. Residential care: between $25,000 and $157,000 per child per year
c. Independent living: between $3,000 and $47,000 per child per year
d. Emergency arrangements: between $13,000 and $64,000 per child per year.

The proposed funding model appears insufficient to support providers to continue to provide quality, safe service improvements, to innovate and trial evidence based approaches and to meet accreditation standards.

The current funding model allows agencies to use their discretion to fund quality work including internal audits, practice uplift and a drive for continuous improvement. It also

allows agencies to fund internal investigations of reportable conduct situations where needed or to fund external independent assessors to investigate and provide advice on complex situations that arise with children, carers and families.

The report refers to administration and overhead costs, including a quality component namely "teams to ensure adherence to regulatory and service requirements" (page 110). However, the same funding item also includes accounting, advertising, computers, rent, and many other things. (page 110). Elsewhere, the report calls out that analysis of administration and overheads has been limited by the "granularity of data", and also that costs reported in admin/overheads vary widely among providers (page 111).

Accreditation under the PSP program is a stringent and robust process where constant monitoring is required to ensure quality outcomes for children and child safety (and this is as it should be). The concern is that pooling the funding for quality and accreditation with all the other costs included in this type reduces the flexibility and resources available to providers.

As this is such an important part of the PSP program, we propose a specific funding allocation proportional to funded places and therefore the number of casework related employees, with recognition of the benefit of specialist casework related support including (but not limited to) family finding, cultural planning, behavioural support, leaving care preparation.

Finding 4: The average administrative costs incurred by non-government providers are materially higher than those anticipated in the Permanency Support Program's pricing assumptions. We found foster care only non-government providers spend 17 per cent of total out-of-home care expenditure on administration and corporate overheads, while the Permanency Support Program pricing assumed 8.7 per cent.

We support your proposed approach of dollars per funded child for administrative costs, creating a level playing field across all providers regardless of size (Pg 119).

We consider the initial allocation of 8.7 per cent to be unrealistic. Your report provides no insight as to how this initial figure was derived, and implicitly assumes it to be correct.

The NSW Treasury, Grants Administration Guide (2020) recommends a range of between 5 and 15 per cent. We note your assumption of 10 per cent is in the middle of this range.

The UK Charity Commission, Charity Reporting and Accounting: The Essentials (CC15c) found charities typically spent between 10 and 15 per cent of funding on administrative overheads.

We see your classification of costs will result in ongoing ambiguity. We propose a more program-centric disaggregation of costs focused on a common set of duties for both the Department and non-government providers for:

- Casework and casework administration
- Program administration

Where corporate costs are applied uniformly to the EFT undertaking each of these roles.

We propose consideration of overarching program administration be excluded from your considerations as this is unique to the Department in oversight of both NGO's and their own program staff. We propose this is simply factored into the program budget and managed separately.

Commissioning and program management is typically undertaken by specialist teams unrelated to casework and other direct support activity. Costs associated with this activity are better compared across programs (both within the Department and across NSW Government agencies) to establish normative budgets for this activity.

Aside from overarching program management, all agencies should need to perform the same functions (OCG accreditation, ongoing staff training and professional development etc).

The tables below outline our proposed structure for considering activity and associated use, and allocation of program funds.

Proposed high level disaggregation of OOHC costs			
	DCJ	**Non-Government service providers**	**Activities (examples, not a comprehensive list)**
Overarching program administration	✓		Commissioning Contract management Program evaluation and revision
Program administration ‡	✓	✓	Contribution toward OCG accreditation (noting this is agency, not program specific). Quality Assurance including internal audits Continuous improvement Carer recruitment Carer training & development Carer & Child surveys Reportable conduct Complaints (e.g reportable conduct) Staff supervision Staff training & development Staff performance management ACCO transition support Subcontracting Financials Asset Management Conflict of Interest management Client Record System data quality & system improvement Child safe organisation Legal matters including victims of crime
Casework (including specialist support) and casework administration ‡	✓	✓	Direct child support Direct carer support Data entry Transportation Placement matching Care-plan development and management – including components – family time, cultural engagement, health and welfare, future planning, education, life story work, behaviour support Carer annual reviews Incident reporting Safety planning & risk assessments
* Proposed (%) loading applied to all staff for corporate activities common to all staff – accommodation, recruitment, computers and phones, health and safety, insurance etc.			
‡ Will vary across service delivery modes – home-based care, residential care, independent living, emergency arrangements. However, there will likely be activities common to all care modes, with variation in intensity, and additional bespoke activities for more intensive supports			

Proposed disaggregation of OOHC costs by care type				
	Home-based care	**Residential care**	**Independent living**	**Emergency care**
Case work (including specialist support)	See activities common across government and non-government providers as detailed above.			
Casework administration				
Program administration ‡				
* Table excludes overarching program administration functions unique to DCJ corporate.				
Agreement on core functions supports funding to be provider agnostic, between government and non-government service provision, noting two distinct awards will require additional 'loading' for DCJ service provision.				

We foresee a cost breakdown in this way will overcome the lack of transparency you encountered in your review. We propose that ongoing definition and clarity regarding common duties that can be assigned to each of these functions, will support ongoing refinement.

This will allow a more direct comparison of costs between all providers and between government and non-government. (page 112).

There remains a question as to how to structure funding to ensure transparency and accountability while also support best practice and innovation that continues to deliver improved outcomes for children and young people.

We will continue to work with Government to ensure administration costs are minimised for the NSW taxpayer. We propose this we revisited as part of a 12 month review of the draft funding model we discussed at the start of this submission.

Innovation costs

With the current funding being discretionary Uniting have some funds available to improve our delivery of the PSP. This includes:

- Supporting Goodradigbee to transition to an independent ACCO in 2024. We were able to support them through accreditation, service commissioning, and providing staff and resources to transfer 28 children across in 2024. Uniting also contributed its own funds to this work.
- Undertaking research activities, evaluations and child and carer surveys to better inform and improve practice. Currently we are conducting the Child Journey Project; a human centered design process to consult with children and staff about how to improve the PSP program.
- Undertaking the carer journey project to improve the experience of carers and their support from Uniting using a human centered design process.
- Investing in evidence based coaching to support young people's transition to independence (using our learning from externally evaluated Extended Care Program).

The recent child survey in March 2025 found that:

- Nearly all children and young people felt safe and OK
- Nearly all had someone they trust to talk to
- Nearly all felt connected to their carer and family

The risk is with a highly prescriptive model is that this kind of innovation will no longer be viable, reducing service provision among non-government providers to basic casework.

Participation in the PSP program requires service providers to:

- provide evidence based care to children and support for carers, continuously refining this to remain in-step with emerging evidence.
- Maintain accreditation with the Office of the Children's Guardian
- Work within the Reportable Conduct Scheme
- Support the transition of Aboriginal children to ACCO's.

This is a complex human service environment. While Uniting supports the need for transparency and accountability, we are concerned that moving from the current funding model to the proposed, highly structured model, in a single step will risk defunding the diverse range of specialist supports. This will ultimately affect the quality of care that children receive and the level of support for carers.

Additional feedback on the draft pricing model

Cost of OOHC in rural and remote locations

Section 4 of the Draft Report discusses service delivery costs in rural and remote New South Wales. We accept your finding that the cost for carers may not vary significantly (e.g. lower accommodation costs offset increased travel). We also assume higher medical and therapeutic costs arising from the need to access private health, will be refunded by the Department.

We contest your finding of "contradictory evidence for the impact of regionality on casework time" (Pg 58). As we agree with submissions citing "that children living in regional or remote areas require additional casework support as they may require more time spent accessing services and travelling." (pg58)

Regional and remote service provision incurs costs associated with distance where travel is frequently required for routine care. Because of the distances involved, overnight stays and associated accommodation costs are common.

Functions that incur these costs include:

- Home visits
- family time
- cultural connection
- connection to country
- genealogy and family finding
- health and therapeutic support
- respite care

Often case workers are required to travel to visit the child and carers in the carers home; or travel for the child to access the activities listed above. Where these do not require overnight stays, they may consume a case worker's entire day, restricting care activity with other children and carers who are part of their case load.

Uniting would welcome the opportunity to more closely engage with IPART to assist them in better understanding the cost drivers of home-based care in rural and remote NSW. We believe additional data may support a deeper understanding of this issue.

Resourcing support for carers during reportable conduct investigations

Complaints by children and young people against carers are a common occurrence and require significant resources to support the carer during this difficult time. Uniting calculates each reportable conduct incident at $2,208 in staff and associated resources. We request these costs be factored into program administration costs.

Appendix 1: Summary of current and proposed funding

Feature	Current Model (PSP)	Proposed Model (IPART Draft Report)
Funding Structure	Bundled **Permanency Support Program (PSP)** packages	Split model: core provider payments + direct funding for child-specific costs
Types of Payments	- Case plan goal - Baseline - Child needs - Specialist packages	- Case management/admin/overheads paid to provider - Medical, therapy, family costs reimbursed by DCJ
Types of Payments	- Case plan goal - Baseline - Child needs - Specialist packages	- Case management/admin/overheads paid to provider - Medical, therapy, family costs reimbursed by DCJ
Payment Frequency	Quarterly in advance, annual reconciliation	Annual payment, for reimbursements, reconciliation process unclear, unclear frequency, but likely reimbursement-based or health card system for some expenses
Spending Flexibility	Providers can **reallocate funds across children** (limited flexibility) Providers can innovate and direct funds to areas of specialist need e.g. family finding	Less flexibility – expenses like therapy or health must be **approved and reimbursed per child**
Administrative Burden	High – complex funding applications and acquittals	Aims to reduce burden for carers but may **increase admin** for providers
Transparency to Carers	Often limited visibility into what funding is available or how it's used	Carers may receive clearer info on entitlements; potential for direct reimbursements
Cashflow Impact	Predictable funding with some buffer from pooled allocations	**Potential cashflow risk** due to shift from upfront to post-approval payments
Equity and Accuracy	Funding may not reflect actual needs; some under/over-funding	Intends to be **needs-based**, aligning funding more closely to each child's actual needs

Appendix 2: About some of Uniting's specialist support functions

Family finding

It is widely acknowledged that building a network around a child is extremely important to their long-term wellbeing and safety. Uniting determined that undertaking family finding in a planned and comprehensive way exceeds the capacity of our casework teams amidst more essential activities. Therefore, Uniting has a team dedicated to family finding.

This team work on a referral basis and conduct –

- Research - desktop, known networks, existing contacts
- Advanced search - in depth to establish and connect family, re-engage with estranged family, give children a choice about who is in their life
- Full Search model - all of the above and facilitate blended conference meetings with family, support children to engage with family over a year
- Transition networking - preserves a child's existing networks and ensures network cohesion.

The Uniting team dedicated to this work have had some excellent results. For example:

- A genogram for one child has expanded by 210 family members
- Finding previously unknown birth fathers and reconnecting children with large paternal families
- A child moving to from long term care to the care of a kinship carer, another child moving from long term care to a restoration goal with a father who did not know his child existed prior to Uniting's family finding work.

The risk of not having this service available is that children and young people will not have the opportunity to connect with or to be cared for by family or to have a wide family support network available to them.

Positive behaviour support

A large number of children and young people in permanency support require behaviour support plans due to trauma history and/or disability or diagnosis. These may include the use of restrictive practices by carers such as administering psychotropic medication. Carer difficulties with challenging behaviours are key reasons behind placement breakdowns.

Positive behaviour support aims to reduce challenging behaviours by helping the child or young person, and carers to better understand their behaviour and implement strategies to prevent and manage dysregulation.

In a market where access to skilled professionals is often competitive and limited, retained consultants or in-house psychologists advise and support case workers in developing and reviewing behaviour support plans.

Having an in-house or retained consultant psychologist for this work means the individual gets to know the individual CYP very well over time, they are available when needed and they are experienced in the foster care space (well versed in the historical trauma that CYP have often endured).

Without these behaviour specialists it is likely many carers will feel less supported, there will be an increase in behaviour related placement breakdowns, and more carers exiting foster care.

Any combination of these would result in more children in emergency care and residential care – with the associated increased costs to government.

Appendix 3: Additional Care Support funding package currently available to NGO service providers

The following information is provided by the Department of Communities and Justice and is available at: https://dcj.nsw.gov.au/documents/service-providers/out-of-home-care-and-permanency-support-program/contracts-funding-and-packages/PSP_Packages_Eligibility_and_Inclusions_FC_ITC.pdf

The ACS package provides additional funding where enhanced carer capacity and casework responsiveness is needed to meet the needs of children. Increased carer capacity and casework support enables children with additional needs to receive innovative, specialised, tailored foster care arrangements that promote placement stability and avoid escalation to Intensive Therapeutic Care (ITC). For children in ITC, this additional support allows them to 'step down' to foster care. PSP providers may flexibly allocate package funding towards carer support or caseworker availability as required. The package may be used to fund additional:

- recruitment, matching and training of carers to reflect the additional support needs of these children
- respite to carers - in addition to the existing allowance of 24 nights (or equivalent) per annum provided by standard PSP packages
- caseworker availability to provide direct, individualised support to carers and increased relationship-based interventions with the child or advocacy (for example, accessing the NDIS).
- provision of a higher carer allowance to reflect the additional capacity required of carers. The package also includes provision for additional therapeutic and behaviour support for the child equivalent to a high child needs package. The package will be paid annually in a lump sum.

PSP Providers must complete the ACS package application form to access the package. Approval is delegated to the relevant DCJ Director

ACS inclusions -

- Additional recruitment, matching and training of carers to reflect additional support needs.
- Increased carer allowance
- Additional respite to carers
- Additional caseworker availability to provide direct, individualised support to carers and increased relationship-based interventions with the child or advocacy (for example, accessing the NDIS).

PSP Packages: Eligibility Rules and Inclusions - Version 2.0 July 2023 32 Notes: This package may be applied flexibly where the eligibility cannot be met. This may be where significant additional time-limited supports are required to enable establishing or maintaining a placement to promote placement stability in a foster care arrangement. This includes where a child is being supported to step down from an Alternative Care Arrangement, Individual Placement Arrangement, Interim Care Model or Intensive Therapeutic Care placement into a foster care placement. The package can only start when the child is in the foster care placement. Approval by the relevant DCJ Executive District Director is required. The ACS package is paid individually for each eligible child. If

there are multiple eligible children in a household, each eligible child receives an ACS package. PSP Providers need to advise DCJ annually that the eligibility criteria are still met in order for the package to be renewed but an additional application form is not required. Note: The application form does not need to be resubmitted each year however the Additional Carer Support package needs to be re-added annually within ChildStory. DCJ may review eligibility for the ACS package when circumstances change.