

Summary of public workshop on out-of-home care costs and pricing

1 May 2025

On 1 May 2025, IPART held a public workshop to receive feedback on our [Draft Report on out-of-home care costs and pricing](#).

This document provides a summary of the topics discussed.

The workshop was attended by 76 stakeholders representing a range of stakeholder groups including out-of-home care providers, carers, and staff from the Department of Communities and Justice. The main point of discussion were around:

- challenges for carers and barriers to their retention, including the high cost of living
- a lack of clarity around what the care allowance is meant to cover and costs that are perceived to be important for child wellbeing not being covered by the current allowance
- a need for timely reimbursements of costs as well as accurate development of children's care plans to set out costs to be reimbursed.

Carers

Topic	Feedback from stakeholders
Centralisation of care allowance	<ul style="list-style-type: none"> • While streamlining carer payments is positive, having all payments come from DCJ may create unintended friction for carers with non-government providers, for example if there were issues with payments. • Centralisation of allowances was observed to have the potential to lead to higher administrative burden and higher levels of complaints.
Transparency of care allowance	<ul style="list-style-type: none"> • It is not clear to carers what the care allowance is meant to be spent on. For example, children may miss out on receiving pocket money which should be part of the care allowance.
Care allowance levels for 16–17-year-olds	<ul style="list-style-type: none"> • The current care allowance rates (for 16–17-year-olds) assume access to certain means-tested benefits and vouchers. If the carer earns over these thresholds, they find themselves having to pay out of pocket. Several carers found that the current care allowance level for 16–17-year-olds is too low. • Some carers suggested costs of social and life skills should also be considered more closely, for example sports, cooking classes, swimming and driving lessons.
Reimbursement of medical, therapeutic and family time costs	<ul style="list-style-type: none"> • There could be problems with reimbursements based on what is in the child's care plan if the child has not been able to have necessary assessments or diagnoses. • Carers said they currently face delays in reimbursements or may even be denied reimbursements for medical treatments. Some carers also discussed difficulties to afford upfront payments. • One carer spoke of challenges in being reimbursed for private health insurance gap payments when accessing private healthcare, which is often faster to access than the public health system.

Topic	Feedback from stakeholders
	<ul style="list-style-type: none"> One carer expressed support for prioritising development of a health care card, rather than relying on reimbursement of costs.
Carer recruitment	<ul style="list-style-type: none"> IPART's one-off costing of carer recruitment and assessment doesn't account for the ongoing recruitment as well as cases where providers have to assess multiple relative/kinship carers. This means the benchmark cost may be underestimated.
Carer support	<ul style="list-style-type: none"> One carer emphasised the need to retain carers, which means investing in their skillset. Several carers observed that word of mouth is one of the strongest forms of carer recruitment. One carer suggested the focus should be on retaining carers, with the cost of them leaving and needing to be replaced being high.
Impact of caring on carers' ability to work, and household income	<ul style="list-style-type: none"> Several carers talked about the difficulty of maintaining full time employment while being a carer, and the resulting impact on their superannuation. It was observed that becoming a carer is untenable for many due to the cost. Also, consideration should be given to the gender disparity that emerges, with most carers being women, and the consequences on their superannuation and career opportunities.
Start-up allowance	<ul style="list-style-type: none"> Carers observed that when children move between placements, it is often not possible for them to take the goods purchased for them with them to the new placement. As a result, these new placements also incur start-up costs. Carers discussed that when they are asked to care for children at short notice, they may sometimes get an emergency payment to cover initial costs. This amount is typically around \$70 but it has not been updated for a while.

Casework and administrative costs

Topic	Feedback from stakeholders
Administration and overheads	<ul style="list-style-type: none"> A stakeholder observed that the baseline costs of governance for small providers to deliver out-of-home care were high, and that these costs are difficult to compare with those of DCJ which has larger economies of scale. One carer suggested that overheads for emergency placements may be higher as the carer tends to be less involved with organising care for the child.
Casework for children with a culturally and linguistically diverse (CALD) background	<ul style="list-style-type: none"> It is not clear whether the pricing for CALD children includes the development of cultural care plans. There are other associated costs, for example hiring translators or interpreters.
Wraparound services	<ul style="list-style-type: none"> Several stakeholders emphasised the importance of in-house wraparound services delivered by providers. One carer found that in-house psychology teams are very valuable and suggested they should be included in baseline funding.
Staff turnover	<ul style="list-style-type: none"> One carer queried whether IPART had considered turnover of staff, reflecting on their own experience of having a new caseworker every 3-6 months.
Staff costs	<ul style="list-style-type: none"> Two stakeholders discussed the high cost of staff being stood down for investigations, and uncertainty over when they can return to work.

Benchmark placement costs

Topic	Feedback from stakeholders
Costs in regional areas	<ul style="list-style-type: none">Several stakeholders observed that placement costs are higher in regional areas due to travel distances and reduced access to services.
Changes in costs over time	<ul style="list-style-type: none">One carer suggested that placement costs may not always decrease after the first year, especially for younger children who may have additional special needs identified as they age.
Residential care	<ul style="list-style-type: none">One provider stated that staff in residential carer should be paid at SCHADS grade 4 not 3. This was very important to attract and retaining staff.Another provider discussed the often-high costs of damage of residential care properties.