

# Barnardos Australia's Response to the IPART OOHC Costs and Pricing Review Consultation Paper



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<b>Subject:</b>	IPART OOHC Costs and Pricing Review Consultation Paper
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For over 100 years Barnardos Australia (Barnardos) has been a leading child protection charity, providing support to 15,000+ children and families across New South Wales (NSW) and the Australian Capital Territory (ACT) each year. This includes up to 1,200 children placed in Barnardos out-of-home care (OOHC) per annum.

Barnardos provides evidence driven foster care programs based on planned child outcomes, with discrete and specifically trained managers, case workers and teams. Barnardos OOHC programs and planned child outcomes are closely aligned to previous and current NSW legislation, specifically the *Children and Young Persons (Care and Protection) Act, 1998*.

Barnardos OOHC comprises:

- Temporary Family Care (children entering care on NSW Children's Court Interim Orders)
- Kinship Care
- Open Adoption (for non-Aboriginal children)
- Permanent Care (children on NSW Children's Court Orders for Parental Responsibility to 18 years of age).

Barnardos is the only NSW non-government organisation (NGO) to hold a Deed of Delegation on the Exercise of Aspects of Parental Responsibility for Children and Young People under the Minister's Responsibility, agreed in 2007 and renewed ongoing since that time.

In addition to research and documents submitted in relation to the Draft Terms of Reference for this Review, Barnardos provides the following information in response to the questions posed in the Consultation Paper.

## Questions for All Stakeholders

1. *What are the key challenges you face in providing out-of-home care services?*
  - Lack of Department of Communities and Justice (DCJ) and wider system recognition that foster care is not a 'one size fits all' approach and must be evidence driven and based on outcomes for children.
  - Recruitment of Foster Carers: Competing with many other providers to recruit foster carers, where the referrals for foster care placements far outweigh the capacity to place children due to the low number of carers.
  - Administrative processes: Administration requirements have increased substantially, where the burden to meet compliance with administrative processes potentially delays services' capacity to meet the needs of children.
  - Absence of DCJ referrals with an open adoption case plan goal for non-Aboriginal children who cannot safely be restored to family, reducing permanency outcomes for vulnerable children and leading to child protection systems abuse: There appears to be a negative view of open adoption as a permanency goal, indicative in the absence of referrals with an adoption case plan goal. This may be a missed opportunity to provide children with long term permanency.
    - a. *How has the increased cost of living impacted the delivery of out-of-home*

*care services? What cost increases have had the most impact?*

- Whilst daily living costs have impacted on carer recruitment, employment related costs (wages) and operational expenses including petrol/fuel costs have had the most impact on OOHC operating expenses. This is especially prominent where case management involves home visits, supporting children and carers who are widely spread in some geographical locations. For example, Western NSW.
- Also, costs associated with supporting parents and relative kin with restoration related activities in conjunction with the family action plan for change has also impacted costs. While investment in restoration related activities is a crucial part of delivery of OOHC services, costs are amplified due to cost-of-living pressures.
- Private health practitioners engaged for children in need: NSW Health pathways programs can have invariably has long wait times for essential services. Sometimes Health services are inaccessible due to service gaps especially in remote/rural areas. To ensure timely and appropriate services to children in need, private health practitioners are often engaged, and these expenses are not reimbursed.
- Administratively burdensome costs related to child safety regulation are also increasing, with no appreciable benefit to children (particularly those in kinship care).

*2. What is the most important change you would like to see come out of our review?*

A reinvigoration of commitment to the PSP permanency outcomes and appropriate pricing evidenced by:

- Adherence to the permanency placement hierarchy and genuine commitment to PSP permanency outcomes. Consideration should be given to nominating preferred providers for those funded service providers who demonstrate the ability to achieve permanency across the full range of placements in the legislated permanency hierarchy.
- Primary and secondary case management, as articulated in the Permanency Case Management Policy – rules and practice guidance, being more clearly evidenced in practice. It is Barnardos' practice experience that all case management responsibilities rest with funded service providers, therefore we question the necessity of secondary case management. If necessary, then consideration of the resourcing of secondary case management to be redirected to the primary provider.
- Reduction of administrative burden alongside streamlining processes such as monitoring and responding to the broadcast system (concerning which there is system agreement regarding failure to deliver as initially planned); which results in less resourcing for funded service providers to invest in permanency outcomes for children.
- Increasing the carer allowance rates especially when supporting the case plan goal of restoration, and
- Review the role of Temporary Care Arrangements (voluntary care) in exacerbating cost-of-living stress. Temporary Care Arrangements render short-term foster carers

ineligible for the family tax benefit due to the duration of temporary care arrangements (12 weeks). Therefore, carers are disadvantaged and decline placement/s under temporary care arrangements. Further, primary case management under temporary care arrangements sits with the DCJ; however, in practice it is Barnardos' experience that this is not an advantage and in fact is a hinderance to provision of responsive services to carers and children.

### Questions for non-government providers

- 3. How has the Permanency Support Program (PSP) impacted the way out-of-home care services are delivered by your organisation?*

The way OOHC services are delivered by Barnardos predates the Permanency Support Program (PSP) reform, where Barnardos OOHC services have proved successful in achieving permanency outcomes. Barnardos' Adoption program consistently achieves approximately 30% of all adoptions in the state. Please see attached 5 year (embargoed) Barnardos PSP data report.

- 4. Does the current package-based approach make it easier or harder to deliver services to children and young people and why? How well does the funding of the PSP packages reflect the cost of providing care to a child? Are there any particular packages or service types which do not cover the cost of providing care?*

Barnardos agrees that as a funding system, the application of individualised funding packages is appropriately applied by differentiating baseline, child needs and case plan goal packages. However, where there are changes in circumstances e.g., reclassification of child needs and requirement for additional services and supports, to ensure child safety and wellbeing, the process to review and respond with additional funding is arduous and not guaranteed. It is our experience that the baseline funding package encompasses a multitude of expenses, where this package fails to clearly define the parameters of baseline funding criteria.

- 5. How effective is the structure of the PSP and funding for current PSP packages in enabling you to support the cultural, family and community connections for Aboriginal children and young people?*

The use of funding packages creates administrative burden when the baseline package is generally set as low, in terms of the Child Needs Package. Inappropriate or inaccurate categorising of child needs in terms of the Child Assessment Tool (CAT), invariably causes time and administrative delays in responding to child needs. It is Barnardos' practice experience that the Baseline package is insufficient to accommodate the extensive application of this funding to provide Out-of-Home Care.

According to Barnardos' Aboriginal Cultural Unit, Gurung Wellama, current funding based on the Child Assessment Tool (CAT), does not adequately assess the current and or ongoing

support that is required for Aboriginal children and young people. PSP funding packages to provide cultural support to Aboriginal children and young people is insufficient as this funding package does little to develop and maintain cultural connection within the country on which Aboriginal children and young people live as well as their traditional country. Maintaining cultural connection cannot be done in isolation as it requires ongoing relationship with extended family and vast community relationships.

*6. What is good or bad about the current PSP packages in supporting Aboriginal children and young people in out-of-home care? Are there costs that may not be covered?*

Costs are not covered directly but are considered within the baseline package funding, including for Family Finding and undertaking multiple relative Kin assessments. Barnardos notes service system gaps in rural and regional areas e.g. Western NSW, where cost of travel to support placements in regional and rural areas is significantly higher due to distances between placements. Case management tasks are limited due to geographical distribution of caseloads.

As stated above, NSW Health Pathways is not always useful/accessible because of wait times and the lack of services in some areas. Further, PSP funding package to provide cultural support to Aboriginal children and young people is insufficient as this funding package does not adequately cater for maintaining cultural connection within the country on which Aboriginal children and young people live as well as their traditional country, noting maintaining cultural connection cannot be done in isolation as it requires ongoing relationship with extended family and vast community relationships.

*7. How does the current PSP package funding impact your ability to deliver care to children with specific needs (including but not limited to children and families with a CALD background or disability)?*

Application processes, including providing evidence in support of applications are arduous and can cause service gaps and time delay in meeting needs while awaiting funding approval. Even when funding is approved there is substantial delay with reimbursements, where expenses incurred can be in excess of \$500,000.00 and waiting for over 12 months to be reimbursed from DCJ.

Navigating the NDIS system is an added administrative burden when children in OOHC can be, or are, eligible for NDIS supported services.

*8. What are the benefits/drawbacks of the PSP compared to previous funding models?*

In principle, funding packages are individualised and in accordance with child needs which is a benefit of the PSP funding model. [Barnardos supports the PSP model and urges its continuation and extension for providers with proven capacity to deliver permanency outcomes for children in OOHC.](#)

*9. What are the key changes you would like to see made to the out-of-home care funding model?*

Pre-placement funding negotiations with an initial quarterly review to assess if funding allocation is adequate to support the placement and achieve the case plan goal is urgently required. The requirement to apply to extend permanency case plan goals such as Restoration and Open Adoption, when there are external drivers that significantly impact timeframes for these processes to finalise; it is more often the norm than exception that Adoption outcomes are not achievable within two years, due to Supreme Court scheduling and Adoption matters being contested. Therefore, this key change needs to occur for the funding model to be aligned with the system it is operating in.

*10. Does your location impact the cost of delivering out-of-home care? If so, what costs are impacted by location?*

Barnardos acknowledges service system gaps in rural and regional areas e.g., Western NSW, where cost of travel to support placements in regional and rural areas is significantly higher due to distances between placements. Case management tasks are limited due to geographical distribution of caseloads. As stated above, NSW Health Pathways is not always useful/accessible because of wait times and the lack of services in some areas.

*11. What are the additional types of costs faced by Aboriginal community-controlled organisations (ACCOs) in providing out-of-home care compared to non-ACCO PSP providers?*

Not applicable.

*12. Is the current carer allowance you receive for each child in your care sufficient to cover the day-to-day costs of caring for that child? If it is not, what types of things do you typically spend more (of your own money) on?*

Barnardos interprets this question is asking Carers (rather than an agency) to answer, however from an agency perspective, costs to facilitate Family Time arrangements vary, contingent on the number of Family Time visits per week and the distance of these arrangements from the carer's home. In some circumstances, parents are supported financially to attend Family Time visits.

Costs associated with supporting parenting capacity, Family Finding, behaviour support and relative Kin assessments are not covered in separate funding and is mostly absorbed in the baseline package.

Barnardos' experience, over 35 years, is that particular placement types require payment of higher than statutory rates of carer allowance. Barnardos achieves this via administrative adjustments within contract payments. Additional information regarding Barnardos' scales for carer allowance rates is available on request.

*13. How often do you need additional financial support from your agency on top of your usual carer allowance? How easy is it to access additional financial support?*

Barnardos interprets this question is asking Carers (rather than an agency) to answer, however also adds that agency funds are generally sought when foster care placements break down and children are placed in non-home-based care. Within these high-cost emergency arrangements, although very low in number i.e., less than 1% of the OOHC cohort, expenses incurred over a period of 6 months can amount to approximately \$500,000.00, where the cost of this arrangement is entirely covered by the agency and takes in excess of 12 months to recover through reimbursements. Any variation to initial quotes for these instances is rejected in reimbursements, although supported by external, sub-contracted service invoices.

Application processes and evidence requirements for additional funding can be difficult to navigate and provide, where the interpretation of complexity in cases is not fully grasped by those reviewing and considering applications.

Please also note that since 2012 Barnardos has undertaken detailed annual actuarial data analysis by independent firm PFS Consulting ([PFS Consulting - PFS Consulting](#)), in relation to costs and outcomes for children in Barnardos OOHC. These reports can be made available on meeting request, with possible connection to the PFS Managing Director.

Thank you for the opportunity to submit these comments on the Consultation Paper for the IPART Review of OOHC Costs and Pricing.

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