



28 February 2024

**Independent Pricing and Regulatory Tribunal NSW
Review of Out-of-Home-Care Costs and Pricing**

ipart@ipart.nsw.gov.au

To Whom It May Concern

Re: Draft Terms of Reference - Review of Out-of-Home Care cost and pricing

The following submission on the draft Terms of Reference (TOR) for the Review of Out-of-Home cost and pricing is made on behalf of Burrun Dalai Aboriginal Corporation (ICN 9572) [Burrun Dalai].

Burrun Dalai is an Aboriginal Community Controlled Organisation (ACCO) providing Out-of-Home (OOHC) services to Aboriginal children and young people, their birth, and foster families across 52,000 square kilometres of NSW servicing an area that encompasses Kempsey, Taree and Tamworth. Burrun Dalai is the second largest OOHC ACCO in NSW with the care for 220 Aboriginal children and young people, 130 Foster Carer Households and 100 staff of which 97% are Aboriginal.

In response to the draft TOR, Burrun Dalai would like to make the following suggestions for inclusion or amendment:

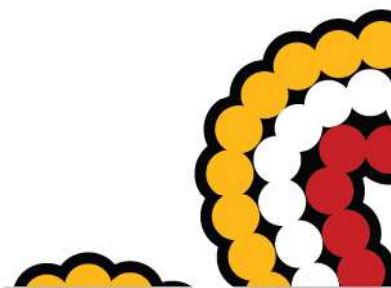
1) Investigate and report on the efficient costs for DCJ and non-government providers, of providing out-of-home care, including the costs of:

Burrun Dalai suggests **1)** should include:

- The variations in costs associated with service delivery in metropolitan, rural and remote locations including the availability of services and the distances associated with service delivery.
- The costs associated with accreditation, compliance and governance associated with OOHC when dealing with multiple government authorities with overlapping, complementary or related accreditation, compliance, and governance requirements in the absence of adequate government standardisation or data sharing.
- The absence of any coordinated response from the NSW Department of Communities and Justice (DCJ) to utilise the existing procurement tools at their disposal of NSW Government to adequately benchmark, and through a competitive market mechanism minimise costs. Such an initiative would enable the non-government sector to then take advantage of these standardised costs in such areas as the High-Cost Emergency Arrangements (HCEA).

Out of Home Care & Family Support Service

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- Assess the appropriateness of a single government agency, namely DCJ, being simultaneously a service provider, a service funder, and a service compliance authority in OOHC and the service, commercial and ethical risks associated with this trinity of overlapping service provisions.
- 2) Develop benchmark costs for DCJ and non-government organisations associated with caring for and supporting a child or young person in out of home care**

Burrun Dalai suggests **2)** should be amended:

e) In Emergency Placement options (High-Cost Emergency Arrangements (HCEA), namely: Alternative Care Arrangements (ACAs) and Independent Placement Arrangements (IPAs)], Short Term Emergency Placements (STEP), ~~Individual Placement Arrangements (IPAs)~~ and Interim Care Model (ICM).

Reason: ACAs are the single highest cost Emergency Placement model and should be specifically mentioned in the TOR.

3) Make recommendations on:

Burrun Dalai suggests **3)** should include:

- Appropriate budgetary structure and levels to incentivise outcomes and delivery of services within NSW Department of Communities and Justice.
- A methodology for adjusting budgets moving forward within NSW Department of Communities and Justice.

Reason: DCJ is the largest single provider of OOHC services in NSW and any review targeting pricing and cost control needs to include an evaluation of any potential cost saving within DCJ's current budgetary practices and a method for adjusting these budgets within DCJ's own OOHC service delivery.

Relevant considerations

Burrun Dalai suggests **Relevant considerations** should include:

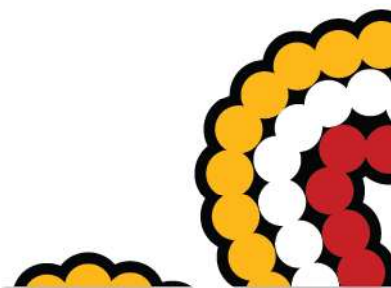
- What mechanisms are already in place within NSW Government that have not been accessed or adequately utilized by DCJ to control escalating costs including existing procurement options and a greater flexibility within the Department's own Delegations, Business Rules & process to enable a timelier response to resolve service issues prior to the escalation of costs.

Reason: DCJ is the largest single provider of OOHC services in NSW and any review targeting pricing and cost control needs to include an evaluation of what impact DCJ's prior procurement process, Delegations, Business Rules and processes have had on contributing to the escalation of costs within the NSW OOHC sector.

I trust the suggested amendments to the draft TOR provided above are of benefit to iPART in undertaking this important initiative.

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Should you require any additional clarification of any of the information provided above then please contact me directly on [REDACTED]

Yours sincerely,



Chief Executive Officer

28/2/2024 | 3:25 PM AEDT

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