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Your submission for this review:

The financial realities of being an OOHC carer are often at odds with the immense responsibility carers shoulder. They are more than just caregivers; they are mentors and confidantes providing a safe haven, emotional support, and the foundation for these children and young people to heal and thrive. Their unwavering dedication deserves commensurate financial support. The current landscape in NSW is fraught with socio-economic and environmental challenges that significantly impact the viability of fostering. Factors such as escalating mortgages/rents, soaring energy costs, and the skyrocketing prices of household essentials, compounded by the enduring effects of the COVID-19 pandemic, floods, and fires, have created an environment where fewer individuals may feel financially equipped to embark on the noble journey of fostering. The current funding model fails to recognise the true cost of providing quality care. It leaves many carers struggling to afford the essentials, educational resources, extracurricular activities, and specialised care needed by foster children. This financial strain can lead to carer burnout and a reduced carer pool, ultimately compromising the stability and well-being of the children and young people in their care. Furthermore, the lack of carers in NSW has led to the system's reliance on Alternate Care Arrangements (ACAs) as a temporary housing solution, creating significant additional costs. Placing children in motels or other high-cost accommodations disrupts the sense of stability and family life crucial for healing and development. Investing in OOHC carers is an investment in the future of vulnerable children and young people. Increased financial support will create a more sustainable system, attracting and retaining high-quality carers who can provide the nurturing environments these children desperately need.

My IPART submission - Review of Out-of-Home Care costs and pricing

I am writing to you on behalf of the dedicated out-of-home care (OOHC) carers in New South Wales (NSW) who selflessly commit themselves to the welfare and future of vulnerable children and young people across our state. I'm writing this as an individual not on behalf of my place of work. However, I note that I come with some experience as a senior policy officer deeply invested in the well-being of children and young people, their families and their carers in the NSW Child Protection System. I implore you to consider my urgent request for increased financial support for OOHC carers.

The financial realities of being an OOHC carer are often at odds with the immense responsibility carers shoulder. They are more than just caregivers; they are mentors and confidantes providing a safe haven, emotional support, and the foundation for these children and young people to heal and thrive. Their unwavering dedication deserves commensurate financial support.

The current landscape in NSW is fraught with socio-economic and environmental challenges that significantly impact the viability of fostering. Factors such as escalating mortgages/rents, soaring energy costs, and the skyrocketing prices of household essentials, compounded by the enduring effects of the COVID-19 pandemic, floods, and fires, have created an environment where fewer individuals may feel financially equipped to embark on the noble journey of fostering.

The current funding model fails to recognise the true cost of providing quality care. It leaves many carers struggling to afford:

- The essentials: a safe and comfortable home environment, nutritious food, clothing, and basic necessities for the children in our care.
- Educational resources and extracurricular activities that foster a child's development and self-esteem.
- Specialised care: Many children in the system have experienced trauma or have complex behavioural needs requiring therapeutic supports. This may lead to the decisions to reduce work hours or cease employment altogether to accommodate the needs of foster children.
- Caring for an additional child or sibling group extend beyond direct expenses to encompass choices related to family holidays, vehicle selection, entertainment expenses, and self-care activities. Failure to adequately include and address these financial stressors not only compromises the well-being of OOHC carers but also undermines the stability and effectiveness of the placements they provide.

The financial strain can and is leading to:

- Carer burnout: Feeling constantly stretched financially can lead to exhaustion and negatively impact the quality of care they can provide. The strain of day-to-day

challenges compounded by financial worries may prompt carers to consider stepping back or exiting from their carer roles, ultimately compromising the stability and well-being of the children and/or young people in their care.

- Reduced carer pool: Inadequate compensation discourages potential carers and incentivises existing carers to leave the system, creating an increasing carer shortage which ultimately impacts the children.

Furthermore, the lack of carers in NSW has led to the system's reliance on Alternate Care Arrangements (ACAs) as a temporary housing solution creates significant additional costs. Placing children in motels or other high-cost accommodations with ever-changing social worker support creates a transient and impersonal environment. This disrupts the sense of stability and family life that is crucial for healing and development. The constant change in social workers further disrupts the ability to build trusting relationships, a critical element for these vulnerable children and young people.

Investing in OOHC carers is an investment in the future of vulnerable children and young people. Increased financial support will create a more sustainable system, attracting and retaining high-quality carers who can provide the nurturing environments these children and young people desperately need.

Research underscores the critical link between financial stability and fostering engagement. The transition from latent interest to active contemplation of fostering can span months to years, with the initial step of making an enquiry already fraught with time and emotional investment. The 2023 NSW Carer Survey conducted by My Forever Family revealed that 45% of carers identified additional financial support as a pressing need that went unmet in the past year.

The parallels drawn from international experiences, such as those highlighted in England's Fostering Network's State of the Nation 2022 report, underscore the universality of the challenges faced by foster carers. Insufficient support, lack of recognition, and financial strain persist as pervasive issues, exacerbated by the current cost of living crisis.

I urge IPART to consider the following:

- Conduct a comprehensive cost analysis that reflects the true cost of quality OOHC.
- Develop a tiered funding model that recognises the varying needs of children and the complexity of care provided.
- Advocate for a significant increase in base payments for OOHC carers.

By prioritising financial support for OOHC carers, we can ensure a brighter future for the children and young people entrusted to the Minister and our Governments care. These children deserve a chance to heal, grow, and reach their full potential. Let's create a system that empowers carers to be the heroes they truly are.

We cannot afford to overlook the invaluable contribution of OOHC carers in NSW, nor can we ignore the dire need for immediate action to alleviate their financial burdens. Therefore,

I urge the NSW Government to prioritise the well-being of our foster families by allocating additional resources to bolster financial support mechanisms. By investing in our carers, we are investing in the future of our children and the resilience of our communities.

The following offers evidence of the elevated cost of living, recognising that there are additional factors beyond those listed.

Utilities

- **Electricity:** [On 1 July 2023, the “default market offer” or “DMO” changes for NSW residential and small business electricity customers. This year, the default market offer increased by around 20%. The default market offer is price cap for standing offer contracts set by the Australian Energy Regulator.](#) NSW Govt ipart.
- **Water:** The Bureau of Meteorology's National Performance Report 2021-22 indicates a 40% increase in capital expenditure per property for water services in NSW. This doesn't directly translate to bill increases, but it suggests potential future cost rises.
- **Wholesale electricity prices:** These surged in mid-2022 due to various factors, including global energy market volatility and coal supply disruptions. While wholesale prices have eased, the full impact on consumer bills is still expected to flow through, leading to further increases in 2024.

Food – some discrepancy in pricing amounts but one thing for sure all have definitely increased!

- Australian Bureau of Statistics (ABS): Reports a 4.50% increase in food costs in NSW for December 2023 compared to December 2022.
- Trading Economics: Forecasts a food inflation rate of 3.50% for NSW in the first quarter of 2024.
- UBS Australia's Evidence Lab: Tracked online prices of 60,000 grocery items, finding a 9.6% increase for major supermarkets in NSW during the 12 months to April 2023.

Rental Market

- New Insights into the Rental Market | Bulletin – June 2023: <https://www.rba.gov.au/publications/bulletin/2023/mar/renters-rent-inflation-and-renter-stress.html> - This report states that rent inflation across all capital cities and regional areas of NSW rose around 6% over the year to February 2023. *Note that this figure applies to advertised rents and might not fully reflect the actual rents paid by new tenants.*
- In Sydney, the average asking or advertised weekly rent for units has jumped 23.6 per cent in the past year to \$680, according to Domain.

Transport

The increase in transportation costs in NSW over the last two years (as of February 9, 2024) varies depending on the specific mode of transportation:

Public Transport

- Fares: Public transport fares in NSW increased by an average of 2.8% on 1 July 2022 and again by 3.5% on 1 July 2023.
- Fuel surcharges: Public transport operators may also adjust fuel surcharges based on fuel price fluctuations. These surcharges vary by operator and type of service.

Private Vehicles:

- Fuel: The price of petrol and diesel has fluctuated significantly over the past two years.
- While there were price spikes in early 2023, overall, the average national petrol price (including taxes) in December 2023 was 8.7% higher than in December 2021.
- Registration: Vehicle registration fees in NSW increased by 3.7% on 1 July 2022 and again by 3.9% on 1 July 2023.
- Tolls: Toll prices on some major roads in NSW have increased depending on the specific road and operator.

Links:

- Transport for NSW: <https://transport.nsw.gov.au/>: <https://transport.nsw.gov.au/> for information on public transport fares, tolls, and registration fees.
- Australian Institute of Petroleum: <https://www.aip.com.au/>: <https://www.aip.com.au/> for historical and current fuel price data.

Thank you for your attention to this critical matter. I remain at your disposal to provide any further information or assistance required.

Sharon Bennett