

Ms Heather Dear  
Review of out-of-home care cost and pricing  
Independent Pricing and Regulatory Tribunal  
Financial Wellbeing and Capability Programs Team  
Level 15, 2-24 Rawson Place  
Sydney, NSW 2000

Via email: [heather.dear@ipart.nsw.gov.au](mailto:heather.dear@ipart.nsw.gov.au)

7 March 2024

Dear Ms Dear,

Thank you for the opportunity for the NSW Advocate for Children and Young People (ACYP) to provide feedback on the draft Terms of Reference for the Independent Pricing and Regulatory Tribunal's (IPART) Review of out-of-home care cost and pricing (the Review).

Established under the *Advocate for Children and Young People Act 2014*, the Advocate for Children and Young People is an independent statutory appointment overseen by the Parliamentary Joint Committee on Children and Young People. ACYP advocates for the safety, welfare and well-being of children and young people aged 0-24 years and promotes their participation in decisions that affect their lives. The Act requires ACYP to 'give priority to the interests and needs of vulnerable and disadvantaged children and young people' and to 'focus on systemic issues affecting children and young people'. Further information about ACYP's work can be found at: [www.acyp.nsw.gov.au](http://www.acyp.nsw.gov.au).

As you are aware, ACYP is currently conducting a Special Inquiry into the experiences of children and young people in NSW in alternative care arrangements (often referred to as ACAs or "high-cost emergency placements"), which includes the use of hotels, motels, caravan parks, serviced apartments and other similar settings as emergency accommodation. As of 30 June 2023, there were more than 100 children and young people in ACAs across NSW, including 26 children in hotels and motels, 37 in serviced apartments and 55 in short-term rentals including caravan parks. It is reported that in the 2022-23 financial year, ACAs cost NSW taxpayers approximately 100 million, with the average cost of an ACA been reported to be \$840,000 per annum.<sup>1</sup>

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<sup>1</sup> Gavin Coote and Housnia Shams, "NSW inquiry to hear from children forced into motels, hotels due to shortage of foster carers", *ABC News*, September 24 2023. Accessed via: <https://www.abc.net.au/news/2023-09-24/nsw-inquiry-into-kids-in-hotels-motels-due-lack-foster-carers/102895278>.

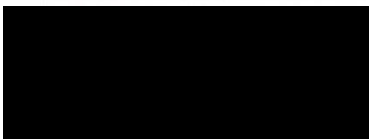
The impetus for the Special Inquiry was 2021 consultations with young people that informed ACYP's [\*The Voices of Children and Young People in Out-of-Home Care\*](#) report (*published in April 2022*), as well as recent reports about ongoing systemic issues in regard to the use of ACAs in NSW, that have raised concerns about the safety, welfare and wellbeing of children and young people in these types of high-cost placements.

The Terms of Reference for ACYP's Special Inquiry include a focus on the cost effectiveness of ACAs, as well the social or economic benefits of alternative approaches to the use of ACAs. As a result, ACYP welcomes the IPART Review's overall focus on improving the performance and financial sustainability of the out-of-home care system in NSW, and we are broadly supportive of the current Terms of Reference of the Review, including the key focus tasks and particular areas for consideration.

Despite this, ACYP would welcome an increased focus within the Terms of Reference on the importance of allowing for flexibility of funding. A key issue raised by stakeholders throughout the work of the Special Inquiry to date has been the need for increased flexibility of funding in order to provide more targeted and individualised support to children, young people and their families at an early point – as a strategy to prevent children and young people from entering high-cost emergency arrangements (HCEAs) in the first place. In addition, we note the importance of ensuring that whilst the Review's has a focus on increasing financial sustainability of the OOHC system, it should also have a strong emphasis on ensuring that funding is tied to delivery of improved outcomes and quality of care for children and young people.

Please do not hesitate to contact me at or my team at [acyp@acyp.nsw.gov.au](mailto:acyp@acyp.nsw.gov.au) if we can be of any assistance as the Review continues.

Yours Sincerely,



Zoë Robinson  
Advocate  
Office of the Advocate for Children and Young People