



Review of Out-of-Home Care Costs and Pricing

Public Hearing Transcript

22 October 2024

Acknowledgment of Country

IPART acknowledges the Traditional Custodians of the lands where we work and live. We pay respect to Elders both past and present.

We recognise the unique cultural and spiritual relationship and celebrate the contributions of First Nations peoples.

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The Independent Pricing and Regulatory Tribunal

IPART's independence is underpinned by an Act of Parliament. Further information on IPART can be obtained from [IPART's website](#).

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1 Out-of-Home Care Public Hearing 22 October 2024

1.1 Introduction and welcome

Andrew Nicholls (IPART): Welcome to our public hearing on the review of the costs and pricing for out of home care. My name is Andrew Nicholls, and I'm the CEO at the Independent Pricing and Regulatory Tribunal, and I'll be managing the public hearing today.

So, I'll start with just a few housekeeping notes. If you could. Please keep your microphone muted when you're not speaking to avoid feedback and background noise. But we do encourage you to keep your camera on. If your Internet connection is up to it, and you're comfortable doing so. And please make sure that your name, and if relevant, your organization is showing. If you're not familiar with Zoom to help you with accessibility. You have the option to turn on zoom captions and there's a message in the chat about how to turn these on now.

Just so you're aware we will be recording today's hearing to allow it to be summarised. We don't plan to make the recording publicly available, but we will put a copy of the summary, and our presentation slides on our website in a few days' time. So you're all aware, being a public hearing, the media and others who are present today are free to publish and refer to what is said during this event.

Now, there will be opportunities today for questions and reflections from participants at several points during the hearing. And so, if you would like to share your thoughts while the presentations are underway, please feel free to put comments in the chat and I will aim to come to as many of those comments as we possibly can when we get to the Q&A session.

Now, if I can just remind everybody that we want to create an environment today where everybody feels really comfortable to speak. And so we do ask that you be respectful of each other's time in the length of your comments, but also in the way that you convey them. And if I could encourage everyone just to try and keep your comments succinct, we've got quite a lot of people here today, and we want to hear from as many people as possible. If you're not comfortable with speaking, please feel free to put your comments in the chat. I will aim to also come to questions and comments in the chat. And if we're not able to get through all of the questions and comments in the chat today, we will be taking all of them into account, and we will publish responses to those points as well.

So, turning to the agenda for this afternoon, in a moment I will hand over to Carmel Donnelly the chair of the Tribunal, to commence with a welcome and introduction to the review team, who will then give a short presentation on the interim report findings and the next steps in the review. We'll then have a short Q&A session before hearing from some guest speakers from the sector who will say a few words in response to the interim report and about the out of home care sector in New South Wales more generally. We'll then have a further opportunity to provide comments or feedback on issues that are important to you. Now, as I say, everyone is encouraged to share their views today. Now we've set aside 2 hours for the public hearing so that we can hear everyone's views, and I'll now hand over to the tribunal chair, Carmel Donnelly, to start the hearing.

Carmel Donnelly (IPART): Thank you, Andrew, and, as Andrew said, my name is Carmel Donnelly, and I'm the chair of the Independent Pricing and Regulatory Tribunal known as IPART for short. I just want to acknowledge that a few people have messaged that they're having difficulty with the sound, and I think the team will look after that while I'm speaking. And of course, we will have a transcript later for people who miss any part of the tribunal.

But that said, I'm really grateful to everyone for making the time to join us today. Also joining me today are fellow tribunal members, Darryl Biggar, Sharon Henrick, and Jonathan Coppel. We're also assisted by a number of the members of IPART Secretariat, including Ineke Ogilvy, Heather Dear, Kira Van Os, Alex Jenkins, and Monica Cusack.

Now we are on Aboriginal land and I would like to begin by acknowledging the traditional custodians of the lands where each of us are joining the meeting today, and I'm coming to you from country. We recognise the ongoing connection of Aboriginal people to the land and waters that we now call New South Wales and pay respect to the elders, past and present. We also extend that respect to Aboriginal and Torres Strait Islander people joining us today.

We know that this is an important review, and we recognise that it is especially important to aboriginal communities. Given the over representation of Aboriginal children and young people in out of home care, we are particularly grateful for the Aboriginal people and Aboriginal Community Controlled Organisations who've been participating in the review and are joining us today.

Now before we move on. I would just like to make a few introductory comments and thank you for making the time, because this consultation is very important part of this review. For those of you who haven't had contact with IPART before, a little bit of background. We are an independent tribunal within New South Wales government, and we investigate and give advice and regulate a range of services, prices, and other issues to give advice to government across a range of sectors.

So, we do operate independently of New South Wales government, we have strong independence. And so, while this review is commissioned by the New South Wales Government, we're undertaking it in a transparent and independent and impartial manner. And that has involved quite a lot of conversations, site visits, consultation to date, seeking information, and our tribunal independently considering that information. And that's the way that the review will be conducted, before making our recommendations, we actively engage with a diverse range of stakeholders. And so today is just one part of the engagement.

A little bit of background about what we've been asked to do. We've been given a term of reference, the detail about that is on our website. But just in summary, we've been asked to investigate and report on the efficient costs for the New South Wales Department of Communities and Justice, or DCJ, and non-government providers, including Aboriginal Community Controlled Organisations, of providing out of home care to children and young people in New South Wales.

We're going to be developing benchmark costs for caring for children with varying needs in out of home care across different types of care and we'll be recommending a pricing structure for those services. And we've been asked to recommend appropriate care allowance for providing care and support to children and young people in out of home care.

Now, mainly today, we're talking about our interim report and I might just give a quick overview about the interim report. We released this in early September, and it addresses some of the aspects of our terms of reference. It doesn't address everything. We will be providing more in our draft report, but we thought that a staged approach would be useful. And it does, in fact, give the opportunity for us to hear early feedback as we're progressing through the review.

So, it's focused mainly on the current costs of out of home care for government and non-government care. It includes some of our preliminary analysis of key topics like, what are the drivers of costs? What's causing the costs? What's important in the costs? What are the differences in casework costs and administrative costs and overheads? And we've also made some observations about the pricing structure at the moment. We've also looked at some of the issues directly affecting carers and some of our preliminary findings about the care allowance and support provided to carers to help them continue to provide care to children and young people.

Now, as I said, we've structured our review this way to have an interim report. We're hoping that that will be helpful to people in the sector and the government, but it also allows us to get early feedback while we've continuing to work towards the draft report. And so, we will be engaging with people throughout this review. As Andrew said, we've got quite a few people here, and if we run out of time we will follow up with people, and we'll tell you at the end how to get in touch with us and we will make sure that we hear from you.

So, thank you very much for joining this public hearing, thank you for making the time. And thank you to those who are speaking today from the sector. The tribunal and myself are very much here to be listening, and we look forward to hearing and considering everything that's said today. I will now hand over to Heather Dear from the review team, who is going to provide an overview about the report. Thank you.

1.2 Secretariat presentation

Heather Dear (IPART): Thanks Carmel. Good afternoon everyone, I'd like to echo what Carmel and Andrew have said, we really appreciate you coming along today and also appreciate all the input and engagement we've had during the review so far.

Turning now to some of the preliminary findings about the pricing structure, the current pricing structure, for out of home care in New South Wales. We found that although the PSP represented an increase in administrative tasks and costs, DCJ has limited visibility of the services delivered by providers, and more importantly, the outcomes for children. This makes it difficult to assess the cost, effectiveness of different services and different packages.

We also found that there is a lack of clarity about what services are covered in each package and what additional services non-gov providers can request top up funding for. And I would just like to make a note that when I use the term non-gov providers, I'm also including ACCOs in that, unless I say specifically otherwise. So, this means that there's inconsistencies in the payments carers receive, in turn impacting the way care is delivered. And this applies not only to the care allowance, but also the funding allocated for contingencies from child from each individual child's PSP packages.

We've also heard that the funding of some of the individual packages don't reflect the cost of delivery incurred by providers in delivering out of home care and the funding for the care of Aboriginal children by ACCOs and their transfer to ACCOs. Delivered care is not transparent and doesn't reflect the costs involved. We're looking in greater detail at these costs and the associated funding packages along with pricing across the PSP, and how it could best be structured to meet the variations in the cost of delivery for different groups in the community – including differences in the level of need, case complexity and casework requirements.

We've had a lot of feedback from carers and across the sector about the care allowance which we are reviewing, and we will make recommendations on in our draft report. We've so far compared the cost of foster care, including relative and kinship care delivered by DCJ and non-government providers. We found that the NGO provided care costs the Government around \$18,000 more per child per year. Of this, around \$13,000 is the difference in delivery costs and around \$5,000 is the cost to DCJ for contract management and secondary case management. There's likely to be a range of reasons for this cost difference, including the needs of kids in non-government care.

There are also a number of data limitations which mean we need to take these figures with some caution. That said, we have found, or we were able to identify, that it's primarily casework driving the difference in costs, which I'll touch on more in a bit. Shown here on the screen are the main cost components for foster care, you've got labour predominantly, casework, child and carer costs, and admin and overheads. The top 2 bars show how funding is allocated proportionally in the PSP, and this compares to how funding is being spent for the providers delivering foster care. We've separated out specialist packages as we haven't been able to identify where they've been allocated in the cost builder. Anyway, it shows that under the PSP, proportionally more is being spent on casework and admin than was anticipated when it was originally set up, and less on the child and direct child care costs.

The bottom bar is DCJ's pattern of expenditure on foster care, and it shows that slightly more is being spent on child and carer costs and admin and less on casework than by non-government providers. As mentioned, the difference in the caseload is one of the key factors driving the difference in costs between DCJ and the non-government providers. We found that the average DCJ caseworker is responsible for 17 children, whereas across the non-government providers, caseworkers are responsible for 9 children on average. Also the casework managers working for NGOs tend to supervise fewer caseworkers than their casework manager counterparts at DCJ.

Of course, there are many factors that determine how many children a caseworker can manage, and the mix of children with different levels of need is likely to be a significant factor. We found that the non-government providers care for a larger proportion of children with higher needs. Although we do note that the needs of children are assessed differently, depending on whether their care and their cases are managed by DCJ or an NGO. Understanding best practice, caseloads require an assessment of the value of the time caseworkers spend on each child, and this isn't currently measured.

We've heard loud and clear that the care allowance is out of date and needs to be reviewed. We've heard that amidst recent increases to the cost of living and significant rises in housing costs, the care allowance covers little more than the basics, such as grocery and accommodation. It was originally set back in 2002 and although it has increased in line with inflation since then, it's likely to be out of step with today's standards for the types of costs involved in raising children. As I mentioned, we're currently undertaking a cost of caring study as well as running a series of workshops with carers, and we'll make recommendations in our draft report about the care allowance.

We've also heard that many carers are unsure what the care allowance is meant to cover and what they can request additional funding and support for. And as I touched on earlier, this means there's often lots of inconsistencies in the support provided, and that carers receive across different providers. We've also found there's a greater need for guidance for carers on what costs are funded by the care allowance and what costs are covered as contingencies.

Moving on to one of the next areas of focus, in our review, as Carmel mentioned, our terms of reference asked us to look at and investigate and report on the efficient costs for DCJ and NGOs to provide out of home care. Defining what efficient costs mean in out of home care is the 1st step. Generally, an efficient cost would be the minimum cost required to achieve a given set of services or outputs. In this respect efficient costs are likely to vary, depending on the quality or the level of services provided. It's important to note that the least cost, service, or placement may not be the most efficient, and may have other impacts that result in higher costs to the children, families, and society.

So, to estimate the efficient cost for DCJ and NGOs delivering out of home care, we need to be able to define the level of service and the quality and the outputs of these services. However, as I touched on earlier, defining the quality and hence the costs of out of home care services or outputs, is complex as currently insufficient information to allow this to be done in a meaningful way. Therefore, we've thought about how we can do it, and we propose to estimate the efficient costs for each component of the different types of placement types using a combination of actual cost data from providers, external data sources, service requirements for staffing, ratios and feedback from providers about cost drivers, as well as the cost of caring study to inform the care allowance. The efficient cost for many of the components will vary depending on the characteristics of the child and this will require us to come to cost items for these items for children assessed with different needs and to look at other aspects that drive costs, such as cultural needs and location.

Many thanks. And I'll now hand back to Andrew for any questions.

1.3 Short discussion and Q&A

Andrew Nicholls (IPART): Thanks Heather, and before moving to several guest speakers, we have a few minutes now for some initial questions or comments. But also noting that after we have our guest speakers there'll be a little bit of time for some further discussions and questions. Now, just a reminder, we're using the chat function here in Zoom, where you can ask a question by entering your name and organisation, and we can either come to you. Or if you don't feel like speaking, we can read out your question or comment. Or also, you can virtually raise your hand and I'll aim to come around to you as soon as we can. And again, if you're speaking, if you could introduce yourself as well, that would be great. So we'll take about 15 min now for any Q. and A.

So, I know Ken you've put a comment there that you're going to have a look at the report and take some time to provide us with some considered response and that's terrific. Just to remind everybody there is an opportunity to provide submissions, and we would very much welcome those as well.

Carmel Donnelly (IPART): I might just add, Andrew, for Ken, that there is on our website a short version of the report that's an overview for carers. That's quite a quick read too, if that's helpful.

Andrew Nicholls (IPART): So again, if you don't have a chance to raise your points today, please make a submission, or even if you do, please make a submission we very much welcome those. But whatever you say today will be taken into account in the same way as submissions. So, you have an opportunity today to let us know if you've got any thoughts, or in particular, if you've got questions about what you've just heard, or any aspect of the review, very happy to take those as well.

So, anyone who'd like to break the ice and ask a question or make a comment before we get to our guest speakers. Please come forward and don't be shy. We're very happy to hear from you. I know we've got a few people online today.

Anthea Leonard: Here's a question, can you hear me?

Carmel Donnelly (IPART): Yes.

Anthea Leonard: Ladies and gentlemen, how are you?

Andrew Nicholls (IPART): Good, I haven't caught your name. You're not coming up for me on the screen. Hello, Anthea! How are you?

Anthea Leonard: Good question, what has IPART done in advising those that you say you're reporting to regarding supporting carers when carers have been mistreated and not heard?

Carmel Donnelly (IPART): That sounds something that we are very aware of, that carers have been raising concerns, and they've been raising them with us. And we've reported some of that in our interim report, but we most certainly will be continuing to highlight what we hear from carers throughout the review and into our final report.

Anthea Leonard: Thank you. Now a bit more specific, what are you telling? Who are you telling about carers not having support and wanting support? Independent support so when they are mistreated, they can talk to someone that's independent will act on their behalf. As we know those carer volunteers are not supported by the industry. But more importantly, how? What advice are you giving?

Carmel Donnelly (IPART): Okay. In some ways, Anthea, it's too soon for us to say what advice we'll be giving, because consultation like this is helping us to understand what the situation is. I'd be interested in whether you want to talk to us today, or in a submission, or offline when you're talking about mistreated carers. You know, that's concerning, and for us to understand what it is that we need to look into that's relevant to our review. So, I'll put that invitation to you that perhaps we can follow up with you separately.

But we haven't made up our mind about everything that will be in our draft report, let alone our final report. We are very much in a listening stage now.

Anthea Leonard: Okay, thank you for that. I will pursue your email. But it's concerning that it seems as though you haven't heard that carers are being mistreated by their provider, by the NGOs and the department. It seems to be a common occurrence.

Carmel Donnelly (IPART): Just to let you know, we have heard some concerns. But I think we're still in listening mode to understand. So, I hope that clarifies that.

Anthea Leonard: Thank you.

Andrew Nicholls (IPART): Great thanks for that. Michelle, you've asked a question about whether the outdated CAT scoring profile has been looked at. Happy for you to speak to that point. Otherwise, happy to throw to the team. Michelle, did you want to?

Michelle Wentworth (carer): How are you?

Andrew Nicholls (IPART): Hello there! How are you?

Michelle Wentworth (carer): Great thanks, thanks for having me. Look, the CAT score process for myself as a carer, but also previously as a worker, completely excludes the carer. Often the process is completed without the worker completing it even knowing the child in person. So, I'm just wondering if you know that information, if you have looked at that already?

Because that informs the level of care that the child is entitled to, and the level of care that the carer is entitled to. So, I was just wondering if you could speak to that today?

Carmel Donnelly (IPART): Thank you Michelle, and I will just say we've acknowledged that, we've certainly heard that there are different ways of assessing children in different parts of the sector. I've certainly heard that sometimes those assessments are not timely, and then that means that there's a delay.

And that that might lead to increased costs that the carer is bearing, or that the non-government organisation is bearing. And then they've got to work out how they're going to find that money or recover that money. We're certainly aware that for children and young people, there are critical times in which they need support, and delays are likely to have other impacts for children. If so, it's not desirable. So, there's some of the things that we've heard a little bit more detail.

So, this is very helpful for you to just highlight that concern about the process for the assessment being undertaken, and that can be something that we can look at too. But I know that there's been some discussion amongst the tribunal about the importance of having the assessment process functioning well in order for the right level of support to be given. So that'll be something we'd be interested in, Michelle.

Michelle Wentworth (carer): Okay, can I just give you a real life example very quickly?

Carmel Donnelly (IPART): Yeah.

Michelle Wentworth (carer): Okay, so my very high needs child last year, due to extreme behaviours, was unable to continue at school. So, he was at home for quite a number of months and was only allowed to return an hour a week – after much prodding via the Education Department to get him into a school. During that process, I had to leave my job at [provider] working in foster care. So, I was without an income and had to be at home full time with a child with very high needs. And would you believe my child is categorized as medium needs?

So that's something that I was really hoping that this review might be able to look at and I'd like to be involved in more discussions.

Carmel Donnelly (IPART): I would be very keen to have the team follow up with you afterwards. You might have seen in the interim report, we do have a few case studies. Now we're taking care to make sure that they're completely de-identified, and we're respecting the privacy and only with consent. But I think it really does help to have real life examples that we could perhaps either use it to look into things more, or with your consent, perhaps demonstrate. This is a real-life case study or example. So, the team will follow up with you separately outside of this.

And I will also just ask and invite everyone who's joining us today, either in your submission, or if you want to follow up via email later, that if you have examples, we're very keen to hear about examples, because we can look at the available data and statistics, and so on, but it doesn't tell you the exact picture. And we know that there's a lot of diverse needs and situations.

Michelle Wentworth (carer): This is an Aboriginal child. This is an Aboriginal child who is unable to attend school and his right in the Charter of Rights is to an education, and he was unable to access that. So, thanks for this opportunity include that in there.

Carmel Donnelly (IPART): Thanks for letting us know about it, and we acknowledge that's a setback for that young person as well. Yeah.

Andrew Nicholls (IPART): We'll take you out of your misery there, Lee. Holding your hand up for so long and your patience so we'll go to you, and then a couple of the questions online before we go to our guest speakers. Thanks, Lee.

Lee Kaylock (carer): I just wanted to add to what Michelle was saying. And we've got real life experiences in the same area of CAT levels, our children are very similar. We have 2 Aboriginal children in our care and 2 non-Aboriginal, they are all siblings.

We have school being an issue where we're at the school all the time. Our children also have been categorized as medium, even though with the previous CAT levels that were done through DCJ, they were scoring CAT+2. The agency reduced that down to medium which is equivalent to a CAT+1 payment, stating basically that that's how the agency funded. So, it differs from what DCJ actually do.

On top of that, for one of our children, the funding for the CAT level increase was never passed on to us, it was absorbed by the agency. They've told us that they have the right to do that, and that they will cover any supports needed for the child. When we've asked for supports, we're told there's no budget. So whatever way you turn, that money gets absorbed into the agency. You get very little say over it, and the child either gets funded by us, or it doesn't happen.

Carmel Donnelly (IPART): Thanks Lee. I might get the team to follow up with you also outside, if you're happy to do that.

Lee Kaylock (carer): Can you do that?

Carmel Donnelly (IPART): Yes, just so that we get to really understand the situation. Thank you very much. The CAT assessments are quite a key thing. But there are other issues there as well that you've raised. Yeah.

Lee Kaylock (carer): Something that I think needs to be really looked into is how they categorise the children. So, we're told that virtually they need to be in a vegetative state to get the highest possible category. They've got to be in a wheelchair, they've got to have a lot of medical issues. And as we've pointed out to our agency, that is not where the workload steps in.

A lot of the children in out of home care suffer from trauma. Most of them have trauma backgrounds, trauma infused brains. So, behaviour is a big, big factor which eliminates them from a lot of activities that normal children, or the average child, can actually attend. So, to get them categorised above medium, it's not going to happen. And yet that is where most of the children are falling through the cracks.

Carmel Donnelly (IPART): Okay. Thank you.

Andrew Nicholls (IPART): I'll just go to a couple of the online questions and then we are just going to need to jump to our guest speakers. But we will come back to any questions you're putting in the chat. Maree, you asked a question about the differences in pricing between foster and residential care. Is that something that you wanted to talk to?

Maree Walk (ACWA): Just in terms of the report, it often is something that you need to kind of pull apart to be able to get the average, because they're so significantly different. I'm just wondering how you manage that difference in developing the interim report?

Carmel Donnelly (IPART): Thanks Maree. I might go to someone from the team.

Heather Dear (IPART): We haven't got into residential care yet. That analysis comparing DCJ and NGOs was focused on foster care only.

Andrew Nicholls (IPART): And Sandy, you've asked if there's a plan to develop a universal needs assessment tool for children and young people. Sandy, did you want to speak to that? Or did one of the team want to respond to that question?

Ineke Ogilvy (IPART): I can respond to it, Andrew. So, I think that the needs assessment and the CAT tools are outside the scope of our review. I think we can have a look at the impact of the different level of need when we're looking at the costs and the pricing. But in terms of the actual tools that are used, they're set by DCJ and developed by DCJ, that's outside of the scope of our review.

Andrew Nicholls (IPART): Great thanks for that, Ineke. We'll keep those questions rolling in, we will come back to the questions, but we do have several guest speakers. Now we'd like to invite them to speak on these important topics. Our first guest speaker this afternoon is Sarah Barrett Reid, who's the director of out of home care programs at DCJ. Welcome Sarah, over to you.

1.4 Stakeholder presentations

Sarah Barrett-Reid (DCJ): Thank you, thanks for the introduction. As Andrew mentioned, my name is Sarah Barrett Reed, I'm the director of out of home care programs within the System Reform Division of the Department of Communities and Justice. So, I'm responsible for strategy policy and program management across a range of out of home care programs, focusing on improving outcomes for children, young people and families.

I'd just like to start by acknowledging the traditional custodians of the lands on which we're all meeting. I live and work on the lands of the Darug people, and I pay my respects to elders, past, present, and emerging, and extend that respect to Aboriginal people on the call with us today. I'd also like to take a moment to acknowledge the incredible work that our ACCOs, NGOs and carers do to support Aboriginal children, to return them home and remain connected to family, kin, culture and community.

So, the New South Wales government is taking some critical steps to reform the child protection and out of home care system. We know that the existing system is not working despite less children coming into care. We've seen growing costs in out of home care, continued over-representation of Aboriginal children, reductions in the numbers of children returning home, and poor outcomes across a range of domains for children and young people. The recent evaluation of the permanency support program confirms that that previous reform hasn't worked, and that the cost of the reform outweighed the benefits to children and young people. Recent reviews by the New South Wales Auditor General, the Ombudsman, and Advocate for Children and Young People and Children's Guardian all confirm the need for a comprehensive system review and reform.

So, there's already a significant body of reform work that we are commencing across the department to reform the system. We're recommissioning key services supporting vulnerable families via targeted early intervention, family connection and support, and family preservation. We're evaluating and redesigning the approach to assessing and responding to child protection reports, which includes reviewing DCJ structured decision-making tools, prioritization, triage and allocation policies and evaluating child wellbeing units. And we're also developing a comprehensive reform strategy to guide the future system design.

In addition to this work, the New South Wales Government's 2024-25 budget included a \$224 million investment to continue important work, to build a better foster care system through a range of initiatives. Some of those initiatives include:

- DCJ re-entering the market as a foster care provider through the expansion of government recruitment of emergency foster carers to include longer term carers,
- development of government run intensive and professional foster care models,
- delivery of government run residential care for children where non-government providers are unable to offer stable placements,
- commissioning additional residential care options to ensure children are supported by high quality, accredited providers,
- commencing recruitment of family time workers and additional caseworkers to undertake carer authorization assessments, and
- rolling out a statewide quality assurance framework for children in out of home care.

So, these reforms are progressing alongside DCJ's important commitments under Closing the Gap, Family is Culture, Safe and Supported the National Framework for Protecting Australia's Children and the National Strategy to Prevent and Respond to Child Sexual Abuse.

In terms of progressing further with significant system reform, understanding the cost of delivery of out of home care will be really vital for us. And that's why the New South Wales Government has engaged IPART as part of the reform agenda to review the cost efficient to the to review the efficient cost of delivering out of home care and to develop benchmark costs across home-based care, residential care, independent living and emergency care arrangements.

As we've heard today, IPART have been asked to include a range of relevant considerations, such as the difference in the level of need and case complexity; potential cost variation by location – for example, the difference between metro and regional; where any there are any additional costs for Aboriginal Control Community Organizations in delivering out of home care; the additional support required by Aboriginal children and carers; children and carers from a culturally and linguistically diverse background; and additional support needs for children with disability.

As we've also already heard today, IPART will be reviewing the adequacy of the current foster care allowance rate. The current care allowance hasn't been reviewed formally in over a decade, and we want to make sure that carers are receiving the financial support that they need to provide day-to-day love and support for the children and young people they care for. So, we really recognize that the IPART review will be an important input into the government's reform strategy and will help to inform our decisions around future cost, pricing and structures.

It's great to see that the interim report already provides some important insights, including some of the drivers of cost differences between government and NGO delivery, issues impacting carers and some of the challenges facing our NGO partners. So we're really looking forward to the examined further in the draft and final report.

And finally, I'd like to thank everyone today for participating in the public hearing and other consultation processes as part of IPART's review. Your input is really important to making sure that we get these reforms right, and so I encourage you all to openly share your experiences and insights. Thank you.

Andrew Nicholls (IPART): Thank you very much, Sarah, for that presentation. Okay, unless our tribunal members have any questions or comments, I might move to our next guest speaker, Maree Walk, who I think we've already heard from today? She's the CEO of the Association of Children's Welfare agencies. Welcome, Maree.

Maree Walk (ACWA): Thank you. And I'm standing on Gadigal land today and want to acknowledge elders past, present, and emerging. And I particularly want to acknowledge the role Aboriginal leaders here today are playing in the child and family sector. Thank you, members of the tribunal, along with our sister Aboriginal Peak, Absec. ACWA is the lead body for child protection and out of home care agencies. In New South Wales we have strong links nationally with our fellow peaks as well, and we've been operating for over 65 years in this area.

We've got 6 headline issues and some of them I'm going to leave for my colleagues from other NGOs who will be speaking today. The first one is caution about making cost comparisons, the variables are numerous and the needs of children also vary. Secondly, around caseload disparities, complexity and staff retention. The third one is the value of the NGO casework model, the predictability, the stability and the planning engaged in that – and I'm sure that's what our NGOs will talk to today. The fourth area is a proactive investment in specialist services for long-term stability, the intensive work around education, disability assessments, those things. And then the 5th thing around reducing the administrative burden and increasing flexibility and accountability in the system. And then finally, carer recruitment and retention, which really should be the first and foremost thing that we should be talking about, because without foster carers there is no care in the system.

So some caution in making cost comparisons, variables are numerous and the needs of children also vary throughout their lifespan. The goal, of course, is not providing the cheapest form of care to some of the most vulnerable children in this State, and we don't approach health or education in that way of trying to find the cheapest form. But what we do know is that we need to provide the most efficient and effective way for care to be delivered in order to make the greatest difference for these children's lives.

NGOs are frequently managing the care of children and young people with multiple and complex needs as we heard from the report. They require more intensive levels for support for both the child and the carer household. And already today we've heard from carers who've said that even though the intent is there, there's just not enough for support for the carer. Household complexity intensifies as well when children involved are living in regional and remote areas where there are fewer treatment and support services available via the public system. So, it's therefore unsurprising that the driver of the key difference in delivery cost is casework.

Despite higher casework salaries within DCJ, it's more costly to deliver care to children with high or more complex needs. And this difference needs to be factored in when comparing caseloads. And you know, we really caution DCJ, planning to enter into the delivery of foster care, when it was their high caseload ratios that actually led to Wood recommending that casework be delivered by agencies that specialising in foster care rather than an agency that has the dual purpose of delivering statutory child protection work. Which of course, only they can do, and instead of trying to deliver both.

Caseload disparities, complexity and staff retention. Look, while caseloads differ, depending on the complexity of caseloads being managed at any given time, our providers say that the real sense about this is maintaining a busy but not overwhelmed caseload. That's what's really essential for providing quality, trauma-informed, and in fact, trauma-transformative care. It prevents staff burnout, and it promotes placement stability. The goal for our agencies and the carers is to provide care that's planned, not crisis driven.

I'm not going to talk about the value of the NGO casework model because we've got some specialists talking about that today. Also, I'm hoping that they will cover the proactive investment in specialist services for long-term stability that they deliver as well. Some of them run schools because they found their work with the Education Department has been, no matter how consistent and how tough. And we've already heard from Michelle about that, that they were not able to have their child even in a classroom for an hour a week.

The next thing that I do want to talk about though, probably in closing because of the time, is the proactive investment, reducing the administrative burden and increasing flexibility whilst maintaining accountability. Currently, there is an absolutely unreasonable administrative burden placed on NGOs by the PSP reporting and approval processes. It's combined with a lack of flexibility in the funding package approval and assessment processes. And we could hear that today and it is stated in the report that there's a lack of transparency about just what the payments within the overall package are for. It's a lack of transparency for the agency, and of course, that flows on to the carers as well. It's created an inefficient and a rigid system, and it's not sufficiently child centred nor carer supportive.

Most concerningly, this increasing administration data entry and compliance tasks tie up NGOs. And it's been at the expense of frontline case practice and hasn't led to DCJ delivering a data system which gives the whole sector a greater line of sight over the outcomes it's collectively achieving for children. It's not lost on NGOs that many of us participated in the Quality Assurance Framework trial, both ACCOs and NGOs. That was stopped with the introduction of Child Story, which has been massively unsuccessful in being a single source of truth for both NGOs and, in fact, for DCJ. The NGOs strongly advocated for a business-to-business operability since Child Story's inception 7 years ago. And while some progress has been made, we're still a very long way off from agencies being able to cease double entry of data and duplicate reporting. One of our agencies told us that the additional cost of unreasonable administration creates an impost of around \$1,500 per 100 children, or the equivalent of one and a half casework staff.

Then finally, carer recruitment and retention. NGOs invest heavily in carer recruitment and ongoing support. Given the critical importance of retaining our carers in an already stretched carer market, our agencies know all too well that without providing practical support every day and where necessary intensive support to carers, we run the risk of carer burnout and placement breakdown. ACWA has just produced 2 documents, one based on the demographic group which showed that international structural issues around the availability of foster carers is now critical. We actually question the sense of the department putting a lot of energy and effort into recruiting foster carers rather than supporting those ones that we have, and, in fact, investing in relative and family care.

All agencies have reported that the increasing cost of living, the need for 2 incomes have led to fewer applications from new carers. It has contributed to carers no longer being available or having restrictions on the level of availability and time to be carers. Many of our agencies embed carer support and retention teams in their care models and employ a suite of creative strategies, but even that has proven very difficult. I'll leave it there because I think I have finished my 5 min. Thank you very much.

Andrew Nicholls (IPART): Just a little bit over. But thank you very much for that presentation, Maree, appreciate it very much. I think our next guest speaker is Deidre Cheers from Barnardos.

Deidre Cheers (Barnardos): Okay, thank you Andrew for the opportunity. I'm Deidre Cheers of Barnardos, and I've got half a dozen or so points that I would like to make. Barnardos, as you may know, have a long, long history of providing out of home care in Australia. We've been an Australian company now for quite a long time. We also have specifically around 30 years of experience in foster care cost analysis, including participation in international research.

And it's unique in that its research linked to outcomes for children. So, this included the UK Costs and Consequences study, which was a very large piece of work. And last year, when I was with those researchers, they were talking about the need to update it because it's more than 10 years old. But it was a very significant piece of work and publication on the costs of service and child outcomes. It actually linked costs with what happened to the children. We are very welcoming of IPART's involvement. I know that our people have been very closely involved with ACWA as well as providing information directly to IPART, and we're particularly keen on that work because foster care costs are not easily transparent or comparable between DCJ and non-government providers.

And thank you to our carer online, Lee, for raising that CAT issue, and others who have been carers who've lived through multiple ways of assessing child needs. The CAT, it's called a child assessment tool, but it is not about child assessment – it's a funding mechanism. And it's a complete misnomer to say that it's a child assessment tool. Also, it's actually approved by DCJ, so I was quite shocked to hear what Lee said about her particular agency. And I won't go there, but the approval sits with DCJ, not with NGOs. Barnardos is actually the only organization in New South Wales that's able to complete CAT scores because we have a deed of delegation of parental responsibility. No other NGO can actually approve the CAT, it's done by DCJ.

The third point I'd like to make is the connection between outcomes and exits in out of home care. And the point here is that we really do want to minimize the time that children spend in out of home care, because quite a lot of talk at the moment about child protection is that it's broken. It's not a healthy system for children. There's a lot of international research about this, it's not new. And talk of an outcomes framework being the priority – it's great but we know what works. We all know what works in producing better outcomes, and the less time spent in out of home care the better. It reduces damage further damage to children, and it also reduces cost to government. But most non-government organisations have not used the past 5 years of PSP reform to look at that.

The next point is about specialisation and thank you to Maree for raising that. Specialisation means looking at that connection between what it costs and what the outcome is and relating it to things like how much it costs for a social worker or a caseworker, how many children they have on their books. Because the social worker mostly costs the same, I mean there's differences in levels, but it's the social worker's time. So, if they have 5 children, they'll be able to do X amount of work with those children and carers, and if they have 17 children, then they'll be able to do a whole lot less. So, it's not just about child need, it's about child outcome.

And then, of course, there's carer allowances. They are allowances and no 2 children are the same. So, it's very important that there is an ability to move allowances around. And those NGOs that have paid differential rates, however they've calculated it, have had under the current reform the ability to move the money flexibly without paying a statutory allowance rate in order to meet what a carer needs to look after a child.

Barnardos has direct evidence that specialisation works using both our own data and FACSIAR data. We know that children in our front-end programs on interim orders still before the court are 3 times more likely than any other placement in New South Wales to be restored to their families. We have specialist programs that do that, but they're pretty much one of a kind.

The other big exit end, of course, is open adoption, which is a very small number of children. Adoption is not for every child. However, our last FY financial year statistics show that while everyone else's adoptions are going down, ours proportionally go up. So, we're now doing 2 out of 5 adoptions from foster care in both New South Wales and Australia-wide for non-Aboriginal children.

The ACCO transition, I'll just touch on that briefly because we know that's not working very well in New South Wales. Barnardos has comparatively fewer Aboriginal children in care. However, we accounted with specialisation for 28% of the small number of Aboriginal transitions to Aboriginal Community Controlled Organisations, specialisation definitely works. It's connected with caseload ratios. It's connected with how much you're able to pay a carer to achieve the outcome for a child. Minimising that time is, as I've said, better for everyone, reduces damage to children, reduces cost to government. Most NGOs have not been able to focus on that for whatever reason.

The big thing about the current system in terms of specialisation is that it has enabled costs per child to be flexibly moved to achieve an outcome. So, we would be particularly keen not to lose that ability in the contractual environment. So, the 5-year PSP contracts are acquittable at the end of the 5 years, and we report annually. But I won't go to the data problems, Maree said that, and I'm sure that's something you're looking at. But most NGOs have not been easily to be able to do that.

So just to close, it's that costs need to be linked to outcomes, specialisation definitely works, we have lots of evidence of that. Outcomes frameworks are important. But please don't let them distract us from the main game, which is making sure children who can go home, go home, those who can go to family, go to family, and those who can't go home and a court has made that decision, get the most permanent solution that's appropriate for them. Thank you.

Andrew Nicholls (IPART): Right. Thank you, Deidre, appreciate those perspectives very much. I'll just check with our tribunal if you had any questions or comments. If not, we might jump to our next guest speaker and pleased to hear from a carer, Helen Ross-Brown. Welcome Helen today to the hearing.

Helen Ross-Browne (carer): Hi, thanks very much. I am a carer to 3 young children. In preparing for today, I've been speaking to many carers. I did not want to rely just on my point of view when we are so many. Still, I can't talk to everybody, so it is a snapshot. But I do want to thank the people who trusted me with their stories. Some have been utterly heartbreaking at the hands of the system, and I'm full of respect for carer's resilience, and the bottomless love that we have for our children.

I can speak with confidence that my experience and those described in the IPART interim report are felt across the board. My partner and I have found fostering to be the most rewarding experience. Like many carers, we're just head over heels with our kids. We've got 3 siblings, and they've been with us for 3 and a half years. We've had 2 caseworkers in most of that time, and I know that's pretty rare, and they've both been fantastic. However, it's the system which has seriously let us down in failing to provide the support we've required to meet our children's needs.

I want to protect our children's privacy, so I'm not going to be putting any examples or detail into my talk today, but I will be putting them into my submission to the review. What I will say is that the extent of our children's trauma, the impact it has had on their development, only transpired after the children came to us. They all require a much greater degree of adult support and supervision than their peers, even for routine activities. Their trauma will last their lifetimes. Our children deserve the very best support in order to break the cycle of abuse they come from, and to live decent lives with healthy relationships.

I initially planned to return to the workforce after the first year of the children being with us. Obviously, it's turned out, it's not possible due to the children's needs. Our children, and I mean all our children in the out of home care system, will spend their lives carrying their trauma with them. They are at risk of all kinds of lifelong conditions as a result. That is where we come in, all of us. Not just carers, it's government, NGOs, DCJ, therapists, and where possible, our birth parents. It is down to us to work together to ensure our children have a fair shot at life. It's the least that they deserve. I've got many suggestions, unfortunately we've only got 5 minutes. So, I'm going to go into just 2 points. And again, I'll be putting the rest of my suggestions in in my submission.

So, speaking to the other carers, I found that all of us are digging deep into our own savings. As the care allowance fails to meet the needs of our children and does not account for the inability of many carers to work. As a result of their caring responsibilities, everyone had suffered an unplanned loss of income, career, loss of superannuation, and in some cases, are living with a huge amount of debt. Carers should receive adequate financial support, which accounts for the inability of many of us to work. As volunteers, this should not be means tested and it should be based on the children's emotional and physical needs, not a diagnosis.

My second suggestion is for a representative and independent carer voice. Currently, carers I've heard from are concerned that organisations currently responsible for representing carers have strongly vested interests. This influences who is chosen to speak, and the perspectives that are represented to government and decision makers. This is my biggest concern that I've learned over this week. I've heard that carers are reticent to complain about the system for fear of retribution from their agencies, DCJ, or other bodies. I found the relationship between carers and agencies, DCJ, and other bodies has just broken down. I found that this divide and the financial impact of caring is a major contributor to the pressures felt by carers.

The loss of carers and a reduction in recruitment, we need to overcome these differences for the sake of the children in the sector and for those that are entering in the future. We are at a pivotal point in the history of foster care, this is our moment to get this right. The number of children coming into care is increasing, while the number of carers is falling. It is our collective responsibility to share, to ensure that all children have the chance to grow up in a safe and nurturing environment while breaking the cycle of abuse. By offering foster children a really decent shot at life, we're giving them an opportunity to thrive and succeed. I believe that we can work together, and by hearing each other we can make that change. Thanks very much.

Andrew Nicholls (IPART): Thank you very much, Helen, for that very open and honest perspective. If there are no questions and comments for Helen from our tribunal, I might now move to our next guest speaker, who is Mykol Paulson from Burrun Dalai.

Mykol Paulson & Russell Smith (Burrin Dalai): Thank you and thank you for the opportunity to speak. Today I do have Russell as our CFO. So, I want to make 3 points, but I'd like to start with just a statement, if I may. The Wood Commission recommended the transition to the NGO sector because of the understanding that the NGO sector could provide out of home care services in a more innovative and timely fashion. One of the things I found the most frustrating over the last 10 years is, as has been mentioned previously, the amount of red tape that we have been bound up with that doesn't give us the capacity to do exactly what was required in the sector to act timely and innovatively for the best benefit and outcome for these children.

You could almost say that DCJ treats the NGO sector as a separate department and thinks that we should work within the constraints that a public sector organisation needs to work with. And that I find very frustrating, I know my colleagues across the sector, and certainly my colleagues within Burrin Dalai, do too. In many instances we have the capacity to provide outcomes for the well-being and benefit of our children that are simply stymied by the incapacity of DCJ to make a timely decision or trust us to make a timely decision. So that was the one statement I wanted to make in relation to the pricing.

I find the pricing frustrating because of there seems to be no good recognition of the child's needs. It's been touched on by a number of the speakers today. The change in the child need package funding between low, medium, and high, is tokenistic at best. And what it does mean is that there is no capacity within the child's needs component of the package to take into account the child's life journey throughout their whole out of home care experience. So, you get a fixed amount whether you're talking about a 5-month-old baby or a 17-and-a-half-year-old young man. I don't find that that makes any sense. Particularly when DCJ has recognised that there are changes in the child's circumstances throughout their life cycle, and that's already reflected in the foster care allowance – whether rightly or wrongly, at the correct rate.

But the actual child's need package continues at the same rate, and I would like to see some consideration of changes in the child's needs. So, for example, for Burrin Dalai, our cohort of young people is ageing. So, costs such as orthodontic services are increasing, and they're not being taken account. There is no capacity for us, except for the complex needs package, to take account of the changes in needs of the children through their life cycle.

I do want to touch on a very broad-brush stroke issue when it comes to the PSP funding, and it's not particular to the PSP program, it happened with the out of home care program before it. But this misunderstanding of not-for-profits, it doesn't mean that we don't make a profit. It means we cannot distribute a profit; we have to retain that profit to be spent within the parameters of our constitution. DCJ's constant requirement that we bring ourselves back to a break even program each year, or at least for the life of the program, leaves us no capacity to manage ourselves in a financially and fiscally responsible manner. I have been arguing for the last 10 years that there needs to be some sort of ratchet.

I don't expect agencies to retain significant surplus. But I would expect that DCJ would maybe look at the flexibility of the first 3% of surplus being retained to give the agency some financial sort of capacity if things go awry, such as Covid, or if we want to do something innovative in the future. Perhaps from 3%-6% is negotiated with DCJ whether we retain it or not, depending on what we can agree on together, and then anything over say 6% is automatically returned. But this constant haranguing of agencies that you must break even, without any commitment from DCJ that they will support you if you don't break even and have a deficit, it's just nonsensical. It doesn't make any sense to me.

I heard what the wonderful speech by the foster carer. I agree the foster care allowance needs some significant work and overhaul. I also find that, as someone else said, that there is not much work being done on retention. Every foster carer you retain is one foster carer, you don't have to recruit. Foster carers do have such an amazing benefit, a welfare benefit to the community. I struggle to understand why the State hasn't stepped in and provided more support. So, for example, we don't provide things like free travel, and we don't provide reductions on electricity, we don't provide reductions on rates. All of these things we do for pensioners, and yet for a cohort of people who provide an amazingly important welfare service for the State, they're pretty well left without anything beyond the allowance.

And, interestingly, as people have specified earlier, the allowance is a payment for the reimbursement of the cost of looking after that child. As the foster carer who spoke earlier mentioned, there is no payment to the foster carers themselves and I find that a bit odd. But by the same token, stronger support for the foster carers would be appreciated.

The difference in operation between NGOs and the departments, you know, the points of escalation... I mean the NGOs and ACCOs, like myself as a CEO, I'm not too far removed from the groundwork, and I think that's what really informs our decisions and our ways forward. But then, the time that it takes to be able to get to understand the way that we move, and it's based on our history and knowledge of our children and our families. The fight that we have to basically get their needs met, such as you know, dental approvals and things like that, it's very, very time consuming. And it is a waste of resources when we could be doing more therapeutic, more intense work, rather than arguing over the basic needs of children's needs being met.

And then, secondly, for me, when we talk about it as a whole, we service 52,000 square metres. When we work with our children to keep them culturally connected, with such transient families, the money that is funded for keeping children connected to families is not adequate. It doesn't help us to keep these children connected, which then in turn doesn't help us to build those relationships to get our children back home and/or wherever they go when they're 18. To have that connection, to not be dependent on the system, and to have other support networks around them.

So yeah, that's really worrying for me in that the amount of paperwork that we have to go through in relation to getting further support, to return children to country for contacts, and to build connections within their families. It shouldn't be that difficult. And it's been proven time after time, review after review, on how important that is, and the statistics and the outcomes that that brings. And I feel like it's that the recommendations are not up taken and seen as important, maybe getting the way. So, I think that's where I would probably like to end up and we thank you for your time and hearing us today.

Andrew Nicholls (IPART): Right, thank you, thank you very much Mykol and Russell for all of that input is very much appreciated. I'll now move on to our next speaker and we have another carer who'd like to say a few words, so I'll invite Lee Kaylock to speak now.

Lee Kaylock (carer): Thank you, thank you for having me today. I am a carer in regional New South Wales. My husband and I have been carers for 15 years for a sibling group of 4 long-term children we've had the oldest since she was 2, she's now 17, and we've had the other 3 children from birth. Our fostering journey started with DCJ and for the past 10 years we've been with an agency.

Initially the transition to agency was good, with promises to continue with the financial commitments made to us by DCJ, such as private school fees, etc. As time has passed, the agency's priorities have centred around building their businesses and expanding their teams. Which, of course, has resulted in the carers and children getting less financial support, and expected to do more of the heavy lifting. This has meant that as carers we bear most of the responsibility and have very little to no say.

It is also important to mention that carers have no support. And I say this not just about us, but we are connected to a lot of other carers and various carer support groups and it's a very common theme. So not only do we have no support, but we've also got no legal avenues, no legislation to protect us against bullying, control, manipulation, and false allegations. We've found ourselves in this situation on many occasions which were baseless with nowhere to turn, and no support from the agency department or any external supports that are both capable and willing to advocate for carers.

Another very valid and important point to consider is that many carers are unable to work due to the demanding list of appointments, school meetings, therapies, and behaviours that they deal with on a regular basis. As a result, many of us have had to give up careers and other full-time employment and are left financially worse off. Many of us are moving into retirement with less superannuation and savings, and more expenditure to provide for the children in our care.

I have compiled a list of financial concerns voiced by other carers as well as ourselves. There are many inconsistencies around financial supports provided for carers. One carer may get a certain thing paid for, and another carer will be made to pay for the same thing themselves. DCJ might cover certain costs and the agency will not, there isn't much transparency there. Carers are at the mercy of the management at the time, who decide whether they'll fund essential services and supports. If carers push back on this, and this is a very common theme, they are made to feel, and often are told, they are greedy, money-oriented, or not managing their budgets. And I speak from experience.

A simple breakdown using our carer allowance of 4 high needs children which fall into the middle or the medium category, according to the agencies, which is equivalent to a CAT+1, basically works out to \$65 a day per child or \$2.71 an hour per child. If you want to put it that way, the agency expects us to clothe, feed, provide a home, gifts, toys, school uniform, lunch, money, pocket money sports, swimming lessons, extracurricular activities, tutoring, medical, paediatrician twice a year, psychologist, medications, holidays, optical, and so on. The allowance is not in line with today's cost of living, which I think everybody has established, nor does it take into consideration the high and challenging needs of the children we care for with trauma affected brains.

So just an example, one child in our family can go through a pair of school shoes in 2 to 3 weeks. Another child in our home chews all his clothes, including collars, necklines, and sleeves of his tops. And that is despite buying all the OT chew toys and things – that hasn't helped. Another child throws things, slams doors, put holes in walls has broken TVs, devices, etc. The bottom line is our kids cost more to raise because they have so many problems. And they're just some examples of our reality.

On top of the inadequate allowance, our children started in private school near our home that our daughter at the time was attending. This was approved by DCJ who made a commitment to pay all school fees. This had been ongoing until a few years ago. The agency, when we went on board with them, said that they would honour all commitments, financial commitments that were given at the time. We were told by the agency that they would not pay our youngest child's school fees when she started school, and that if we wanted her to attend the same school as her siblings, we would have to wear the out-of-pocket costs. We've also been told that school fees will cease at the end of primary school, and high school will be at our expense despite the eldest sibling already being there.

Carers should be reimbursed to travel to visit birth families who live away. Currently, we cover all expenses associated with those visits, and these are often court mandated and have to be attended. And although we do that voluntarily and happily, we shouldn't have to wear the cost of it.

We have seen first-hand that CAT level funding increases are not passed on to carers. As I mentioned before, the additional funding is absorbed by the agency and justified by state, stating that they'll support the child in other ways. Yet, when we've asked for things such as psychologist fees, we're told that there is no budget for that. We've also been told that if we ask for additional financial support for these essential therapies, this will go against us in guardianship, as it will show we cannot financially support the child. So whichever way we go, they're not giving us any financial support there.

It seems absurd and unfair that agencies can decide what funding and allowance they provide for the children and carers. Yet if you are with DCJ, that funding is based on the published rates and the CAT levels the children are under. And in our example, we went from a CAT+2 payment, and with no assessment of our children, to the equivalent of a CAT+1 payment which is known as a 'medium' in the agency. There was no assessment. It was just simply you were getting paid too much and now we're giving you this. No matter where we went, we got the same response.

So, in our view, the following things need to be reviewed and rectified, there needs to be consistency and transparency in the out-of-pocket costs paid by the agency, and everybody is pretty much singing that same song. The allowance needs to be increased to cover the realities of caring for these children because they're not average children. They require so much more than the average child. They need the activities that are going to assist them with their regulation and so forth. CAT level funding increases should be passed on to carers so that they can adequately cover the sports activities and extra needs these children have. And carer allowances should come directly from DCJ so that there is no difference between the agency and DCJ payments at the published rates.

I'd just further like to add that, I know that it was mentioned that it's not part of this study, but there are people here from DCJ and so forth, that the CAT rating scale needs to be strongly looked at because behaviour-based challenges are what most carers find the most difficult – they're often why the placements break down. And when there is additional support in the form of funding for children with those needs, we ourselves have found that we can actually bring in some supports into our home to help us, so that the carer breakdown and the carer burnout is reduced.

If you want carer retention, you need to listen to the carers who are solid in this and trying really hard to be there for the long term for these children who we love dearly. But we are just people, and we need the financial support and the commitment that it will be ongoing and not moved every time a new manager steps in. That's me.

Andrew Nicholls (IPART): Great, thank you. Thank you for that, Lee, thank you for your honest and open views there, we really appreciate those. Let's move on to our next speaker now, Narelle Clay, who's the CEO of Southern Youth and Family Services. Welcome to you, Narelle.

Narelle Clay (Southern Youth & Family Services): Oh, thank you very much, and thank you for the opportunity. I'd also want to thank IPART for its considered work to date and for the approach they've taken with agencies like ours. Not every review manages to treat the people who are responding respectfully. So, I do want to thank you for that. I want to address a couple of issues that are not necessarily in your interim report. I work for Southern Youth and Family Services, it's one of the smallest out of home care providers in New South Wales, and we do not provide foster care. So, I'm aware that the next part of your work will consider to a greater extent residential services. We also provide supported independent living.

I want to address workforce issues and that goes to funding and indexation as well. Economy-wide factors are contributing to the nationally thin labour market, and that affects the community services industry. Particularly because of the low wages and the complexity of the issues of attracting and maintaining suitable staff and the behaviours and issues presented by clients. There is significant difficulty in maintaining and attracting staff now that was not there some years ago. Many people no longer want to work in low-paid jobs and no longer want to work where there is significant individual reputational damage and injury to the workers. Services like ours can't respond with issues like working from home, higher pay, light duties, and increased leave because practical and financial implications and limitations kick in.

The cost of living is mentioned in your report. The high cost of essential goods and services, including housing, is critical, and that's affecting all of us. The increase in funding in New South Wales has only come through indexation, and that has not adequately compensated for the increased costs over a decade. This has led to cost cutting, and given the most expensive cost for most of our services is the staffing costs, it leads to reduced staffing and support hours. Indexation has to at a minimum cover the national wage and increases to superannuation and adequate compensation for the non-wage component. It has definitely missed the mark when we look at the cost of insurances and premiums that have gone up.

The housing crisis has also meant that we're paying much more for properties for the residential services, and for the exit properties for people leaving our services. That funding has not been compensated. There is no capital funding provided by the New South Wales Government to build out a home care residential services, and that has meant that only those who are housing providers can do it. The importance of a properly designed, safe, and adequate property cannot be understated.

The other workforce issues that I just want to mention quickly are the lack of morale. Morale has decreased over a number of years. I blame many factors for this, and I think we need to be very clear that if we don't do something about building morale within the workforce, then we will not be able to contribute to a positive working environment, and then quality work may not occur. I would suggest that's true of community services as well as government services. The number of reviews that are occurring, the criticism that's being levelled at many of us who provide services, the lack of responsive and considered suggestions for improvement, and speedy trials or implementation are significant concerns.

Unsafe working environments caused by inadequate numbers of staff, inadequate flexibility in our services to respond to changed environments, poor housing and property design are also part of the problem. There's massive pressure on many of the providers from Fair Work Australia, Safework New South Wales, and many other investigations that we are subject to, which take time and are not necessarily conducive to remedying the issue quickly or returning staff to jobs where it is safe and appropriate. Bureaucracy is its own worst enemy.

There are many things also about administration which Maree and others have commented on. But I do want to say that there is an incredible amount of administration that does need to be stopped, it's unnecessary. Accountability and administration are absolutely essential, but what government often does, and bureaucracy often does, is it just adds and adds and adds, and it never looks to see what can be taken away. Bureaucracy on its own can't do that without us in the community helping.

Funding processes currently are not fit for purpose for residential services. It would be far more efficient to have a grant system as opposed to a unit cost system. The amount of reconciliation, manual processes and delays, and chaotic funding systems, cost money, both for the government and for us, and that needs to be addressed.

I also think it's a failure of the system that doesn't recognise what community services contribute into the system. We contribute property, volunteer hours, expertise, information, collective support into the community, and funding, and that's often overlooked. We're just seen to be a cost as opposed to a contributor to a system. Funding has got to be adequate to meet all the requirements, particularly those that are legal requirements in the award. Recognising that we are probably moving to a new award within the next 12 to 18 months, there are so many things that are not properly and adequately covered.

Prior to 2022, we spent in the community and residential services a long time trying to explain to Government the on-costs and what they were. That was ignored by both the Government and also by the consultants who designed that funding system. In 2022, after years of advocacy and lobbying, we won a funding uplift, and that was incredibly positive. They did actually listen, they didn't fully fund what I believe they needed to, but it actually was a much better recognition of the on-costs that were there. And I implore IPART when they're looking at residential services, to have a good look at us when we are talking about the on-costs. It's significantly important.

I want to touch really quickly on workers compensation. The cost of people being off work is huge. The cost of the compensation itself is huge, the cost of insurance is huge, and there is no other way to fix this except government underwriting it properly. The system cannot be managed in the private sector with a profit margin that needs to be made. There is something else that has to shift. In your report, you've quoted from the PSA, "9% of government DCJ caseworkers are absent on workers compensation". If I use my own agency, we only have 2%, but it's still a huge cost. And that is something that again, I would ask IPART to look at when you look at residential services.

I'd also comment on the figure that you've provided \$3,100 per child to administer the contract for DCJ. And I would be brave enough to suggest some of that is micromanagement, and some of that cost could probably be reduced if we moved to a grant system and didn't stick rigidly to what we think works, which is the unit cost. It does not work well for residential services

In comparing community costs and government costs, we need to remember that there are things like civil claims and redress, that the New South Wales Government underwrites and supports DCJ and the department with. But those costs come from the community services themselves. So, in looking at the funding comparison, I'd be very interested to work with IPART a bit more about understanding how those costs have been managed in your funding.

Maree has commented, and so have others, on the unrewarding, onerous, and sometimes completely unnecessary administration. So, I won't go on and on about that, except to offer complete support in trying to help reduce it. Other requirements in the funding system, such as 'not in placement', are so entirely underfunded and inadequate that it really needs a very serious look immediately.

The suggestion that abatements might need to be implemented goes to the core of my view that if we do anything that reduces the partnership approach, or demoralises community services and punishes them as opposed to trying to work with us on better improvements, it will have unintended consequences. It will absolutely cause some providers who are doing a damn good job to leave the system.

I don't agree at the Government not having adequate oversight. I agree there could be improvements, I agree they may need to look at some of the information in a different way. But I think we need to understand that we are in this together, and I think it's really important that we don't blame the community services industry because there's a lack of oversight.

And lastly, and as quickly as I can, the rigid, residential model as it's currently defined in this contract system is not necessarily appropriate for young people. Describing what we need to provide as a home-like environment may not always be the most appropriate when we are looking at young people who are moving to independence. There may be other models that we used to be able to use and they did work well. I would implore people to understand that we need to be flexible, and we need to be able to offer different models in different ways, particularly for the slightly older group. They would be more age-appropriate, would facilitate skills, development to move to independence in a greater way and provide a much safer environment for staff and young people.

I won't go on and on about the CAT, because I really could if anyone would give me the microphone longer. But I would say that we do need to do something significant about the CAT again, particularly for young people, and you've heard that today. I think clients' needs and behaviours when we're talking about referring them into some of our services must be considered against some of the costs, which include litigation, redress, safety, psychological injury to staff, and also what is in the best interest of those young people.

I have seen young people flourish in out of home care. I have seen them grow into young adults with fantastic skills, resilience, and capacity. Foster carers do the same. We can do this, we perhaps can do it better. We are very open to work with IPART and the Government to do it better. But we also need to be very realistic about how we do it and how quickly we manage some of the change. We do want to help, and I again thank you for listening.

Andrew Nicholls (IPART): Thank you very much Narelle. Appreciate your input there. Now, if there are no comments from our tribunal, our final speaker for today is Ghassan Noujaim, the head of multicultural child and family program at Settlement Services International. Welcome Ghassan.

Ghassan Noujaim (SSI): Thanks, Andrew, thanks everyone for having me. Today I'm going to be highlighting the needs the of multicultural child and family program and what we are facing. We've been operating for around 12 years now. If we consider culture as faith, ethnicity, and language, like these 3 elements, and we consider that the culture is at the forefront of our practices. So, we use these 3 elements to keep data about staff, about our carers, about our children. And when we are making placements, or when we are changing placement, or when we are assessing permanency, we are considering all these 3 elements.

So, every single child in care in the multicultural child and family program has an active and a very solid and robust cultural support plan. We do this when we place the child in the placement and we do it based on the ages, based on the developmental needs, and based on the matching with the carer. So even a child who is in a kinship placement has a solid cultural plan, because they might be placed with the paternal side, and connections with the maternal side are not maintained.

What we noticed is that the children at the point of entry, only the CALD children at the point of entry into care, they have a one-off package for a cultural support plan. But after that, they do not have anything regarding any support. So, some of the examples regarding support plan, we had about 12 children who went back to their country with their grandparents this year, to Turkey, to Vietnam, to different countries. For them it was a healing process. When the grandparents are going back to the country to visit their relatives, we cannot tell their grandchildren, who are foster children with them, to stay here and put them in respite. So, what's the message we're delivering to them?

As well as the point of changing placements. We are always changing the needs of the cultural support plan based on the needs of the child and the carer. And all of this is not reflected in the packages. In addition, as we know, the cross-cultural responsiveness and training and upskilling is always needed for staff, for carers, for our workforce. This is not reflected in in any of the costing.

In addition to this, we have a very solid approach to family finding. We have 63% of our carers who are kinship, which is really great that children are living with a family and are embraced with their village and are feeling the nurturing environment around them. But these carers who are grandparents or someone from the community, they have limited skills, limited English language, limited driving skills. So, we put the caseload very low in response to this, it's 1-8 to 1-9. This is reflective of the good practices, we want to do it. The caseworker, for example, would go always with the carer to drive the carer and the child to speech therapy, to implement many things and appointments. And this is placing more stress on the children who are in a culturally matched placement.

The last thing I want to highlight is all our carers, thank you. And the carer who was previously with us, you are unsung heroes, and you're doing great, great work. Nobody would do it, like it takes a special person to do it. But when we have a person from a very small community where everyone knows everyone, they are placing themselves at risk to take these children. And when we have allegation against them, it will take a lot from us to re-engage these communities because we are losing the trust, and we want to go through the process of allegation. So, a lot of steps to be taken to damage control our relationship with the communities, and to continue to recruit carers from small cohorts and from communities.

So, what I would like to highlight is the importance of any child in care is that they need to maintain their culture. And every single one needs to have a package for cultural support and cultural needs, not as a one-off, and not at the point of entry into care. Because these needs do vary, based on placements, based on age, based on functional needs. So, it is really important for us to consider these packages for any child in care.

1.5 Open discussion and Q&A

Andrew Nicholls (IPART): Fantastic, thank you very much Ghassan Noujaim, and thank you to all of our speakers this afternoon. It's been terrific to hear such a range of different views from different parts of the sector, and you can be assured that your input is something that we very much valued today. Thank you for the questions that have been rolling in as well.

We have about 15 min left of the formal time that's allotted to us, so I'll do my best to get to as many of them as we can. Some of them, I think, we will take on board as comments and input to the review process. So, I'll run through some of the questions from the chat, but also, if you want to make any comments or questions you can put your hand up as well. I'll go back to where I was up to in the process before we had a comment from someone anonymously about progressing to guardianship or not being able to progress to guardianship, if there's a claim for contingency payments and noting the significant therapeutic interventions there, so happy to take that one as a comment unless somebody particularly wanted to speak to that item.

Thank you, Susan foster carer, who's raised a couple of questions as well about why the Aboriginal agency didn't have to pay the full amount, but also asking a question which I think has been picked up by a couple of speakers too, about allegations that are made and carers being treated very badly during the process of investigation. So, did anyone want to speak to that or ask any questions? Well, Susan, did you want to speak to that point? Otherwise, we're happy to take that as a comment and input on the process.

Michelle, thank you. Creating Links said that they could move us to therapeutic home-based care, but found a loophole so they can keep the additional funds and not pass them on to us. So that was an attempt to respond to the earlier question. So happy to again take that as a comment, unless somebody wanted to speak to that. We've had a few comments today about the CAT and so I'm happy to take all of those at this point as input and feedback, I think we've had quite a bit of input on people's views around the CAT.

So, I'm just sort of skimming down through the questions. Comment again by anonymous, "recruitment and retention are directly related to our current foster carers being supported," thank you. Again, a comment, Lee, thanks for your comments about the importance of getting support for carers. A comment from Sharon, "kinship carers received no support whatsoever once they've taken on guardianship." So again, happy to take that as a comment.

We've had some other comments supporting our speakers, Bonnie supporting Helen and speaking to the need for an independent voice for carers and making the point that carers are expected to be the agents of change. So thank you again, Bonnie, for that comment.

And we have Sharon, who has this issue of income has come up. Sharon has made a comment here about her income dropping by half when she became a kinship carer and the impact that's had on not only direct income, but also superannuation and things like that which has an impact later in life, which I think is an important point. So, thank you for that, Sharon. Did you want to speak to that point at all further, Sharon? Hi Maree, did you want to jump in on that point?

Maree Walk (ACWA): Yeah, no, not so much on that. But a lot of the comments really relate to not just the paucity of funding, which is, you know, I think we've heard loud and clear, and I really appreciate the way carers have really put that to the forefront. It's certainly come out of some research we've done, but the lack of transparency around funding as well, and this doesn't work well for DCJ, the carers or the agencies. This complete paucity, the complete opaqueness around what actually is included, how much contingencies are there? What are the systemic things that really are bottom line?

And I think it might have been Lee or Helen who really raised very well that carers, of course, talk with one another. Many agencies have carer groups where they meet together, and nothing annoys people more than hearing, "we tried to get that and we couldn't, and this agency, or this carer, or this child, were able to get those resources for children." And really, it's incredible the level of advocacy carers are feeling they need to go through just to get the basic things.

And of course, I think I described when agencies apply for extra funding. We've got examples now where nearly 2 years after the end of the contract of 2017 to 2022, agencies are still being tasked from DCJ who say, "hang on you, you know you owe us \$50,000 or \$100,000, or nearly a million dollars," nearly 18 months later, because they haven't signed off, or there is no agreement between funding for a child in the care of that agency. So, I certainly hear it from member agencies, that lack of transparency. And I think we heard it loud and clear today in terms of the carers who really bear the brunt of that lack of transparency.

Andrew Nicholls (IPART): Okay, great, thank you for that Maree. Something that certainly has come up in the course of our review work is caseworker turnover and inconsistency. Would somebody like to comment on that? Deidre? I can see you've got your hand up.

Deidre Cheers (Barnardos): I'm happy to comment on that, but that's not why I put my hand up. I just wanted to add to what Maree said about transparency, and I did make a comment about the difficulty in comparing not just DCJ, but any government budget with other budgets. And of course, charity, of which Barnardos is one.

All our financial accounts are completely transparent. But we do have a mixed economy now of providers, because courtesy of government, not just the New South Wales government, all government's policies around competitive neutrality. We have a very wide variety, ranging from proprietary limited companies who are charities, proprietary limited companies that aren't, who don't have to disclose anything. And you know, I've had had the personal experience, not so very long ago, of being in a partnership with one of those and seeing some of their finances. And look, there is such a lack of transparency.

And the wonderful carer who described moving from DCJ into an NGO and then their allowances changing, and so on and so forth. You know, it's just not transparent. Where out of home care money comes from at the local DCJ level, because it can come from all sorts of other funding buckets that then aren't publicly visible. I'm all for giving carers as much money as possible, so don't get me wrong, I just think it's really hard. We're not comparing apples and oranges.

Oh, but there was something about social workers and turnover. And I say social worker because I am one. But you know, caseworkers, and so on and so forth, we're not all social workers. Relationships are crucial, absolutely crucial. And so, you know, turnover impacts, all of us. And I was talking earlier this year with senior DCJ colleagues about their turnover. It's very challenging for carers who actually are the people who know the children best. We delude ourselves as professionals to walk in and tell people who are caring for children 24/7 that they're doing it wrong, or they should be doing it differently. Because actually, we don't know the children like they do, and we need to. Jolly well listen to them.

As for the whole degree of regulation, don't get me started. Let's have a separate inquiry into that. The amount of work that goes into reportable conduct, which was completely not what the Royal Commission intended in the carer world. I see very few reportable conducts on my employees in foster care and reams of here are ones where you're not going to remove that child, regardless of what it is. You know they're stable, they're loved, they're cared for, and let's recognise parenting for what it is because they're parenting, and we need them.

Carmel Donnelly (IPART): Thanks Deidre. I think we've got a couple more hands up.

Andrew Nicholls (IPART): I'll go to Sharon and then Bonnie. I'm just conscious of getting close to time.

Sharon Leeder (carer): Hi! Yes, so my contribution was with regards to when we first bring children into our care. And it's not really transparent about a lot of things, so I had to really fight for the kinship carer allowance. I had to go through the then Prue Goward, I think her name was.

Andrew Nicholls (IPART): I think we may have lost Sharon. Otherwise we might go to Bonnie.

Bonnie Faulkner (carer): Hi everyone! Can you hear me? Thanks for letting me just make a comment around transparency. But look, just from my perspective, I appreciate that from a regulatory sense, obviously the ACNC is making sure that that NGOs are accountable and transparent to some extent.

But the reality is for carers, or I should say, from my experience as a carer, is the lack of transparency is astounding. It makes my job as a carer, very, very difficult to understand what our child has access to, what we can ask for on his behalf. And ultimately that means he might not get all of his needs met to the full extent possible. That makes me very, very sad and very, very angry. I think that's an absolute indictment on the system, it's not good enough, it's not remotely child focused.

And I find myself as I'm saying it, getting pretty upset about the idea of it. Because I know that my partner and I are pretty good advocates, but it's exhausting. It's exhausting to have to constantly advocate, constantly follow up. We don't have time for it, we work full time, we care full time. I should say, I don't work full time. I've cut back my hours so that I can meet our child's needs as much as possible. I'm not assisted by the system at all.

And just very briefly, to my comment that I made in support of Helen. Thank you, Helen and Lee, for speaking about your experience. I'm very confident neither of you have much time up your sleeve, so I do appreciate that. Foster carers are expected to be the agents of change, but we have very little support. We have very little right to self-determine, and we have very little access to, and zero visibility at, the decision-making table. That is highly problematic, and it needs to change. I think I'll leave it there, thank you.

Andrew Nicholls (IPART): Thank you very much, Bonnie. I'll ask Shalini from the Ombudsman to speak.

Shalini Matthias (NSW Ombudsman): Hi! Hope you can hear me and see me. Hi, so I'm Shalini, I'm from the New South Wales Ombudsman's office. I just have a quick comment in regard to a previous comment earlier, somebody said that they were concerned about what we say to carers and things like that, and when carers are treated unfairly. That can mean all sorts of things, when someone says they're treated unfairly as a carer. But, if you are a carer, you're more than welcome to raise any concerns with us that you have about the processes that you go through, either with DCJ or a Government-funded provider.

So, I'm from the community services monitoring unit which looks at the systemic issues. But we do also have our frontline complaints team. So, even if you don't really want to outcome, but you do want to express your concerns that you've been going through, you're more than welcome to raise it with us. We compile all that information, and hopefully, that contributes to some sort of outcome or report, or some sort of mention at Parliament. So, I just wanted to put it out there for any carers on the call. Thank you.

1.6 Closing remarks

Carmel Donnelly (IPART): Thanks, Shalini, and that's helpful to know for everyone. We might even be able to assist when we put the transcript up to include a link to your office, so people can put in a call. I'll also just note that Sarah Barrett-Reed has put in the chat another contact. Andrew, is there anyone else with their hands up? I think we probably want to finish and respect people's time.

And if you go onto our website and you can see there's a QR code there for accessing our report and it's on our website. If you just want to go through Googling IPART there's a page dedicated to this review and Heather's email address is on there. I'm sure she's open to hearing from people who might have additional information. They might have examples they want to share and have a chat with us or have a separate meeting. Also, the team will be getting in touch with some people as we've discussed.

Can I just sincerely thank everyone for who has been speaking today and attending? I've taken a lot of notes. I know that I'll need to look through the Transcript to make sure we've caught everything, and we will put the transcript up in a few days so that you can do the same and see what we're considering.

Thank you very much for your questions and for the openness, the insights that you have shared. It's been extremely useful, extremely constructive, thank you very much. And we will definitely be considering everything that has been said today. We do encourage people to make a submission, they're due next Tuesday on the 29th of October. They can be as short or as long as you like.

If you would like to review what's been said today, or share it with other stakeholders, we'll publish a summary along with our presentation slides. Sorry, I might have said a transcript before and maybe I'm wrong with that. We'll put a summary up and we will consider everything today as we prepare our draft report, which will be published in mid-February next year.

So, thank you again, on behalf of everyone from IPART, and I'm sure that we'll be talking to a lot of people further throughout this review. We very much appreciate you making the time. We know that people are busy, so we really appreciate it. Thank you very much, and I'll close the public hearing.