

Building a Better Future

Out-of-Home Care Reform in Western Australia

April 2016

Department of Communities and Independent Reference Group

Finance Subgroup Update - November 2019

The Independent Reference Group (IRG) for the Out-of-Home Care (OOHC) Reform Program has worked with the Department of Communities (Communities) to analyse OOHC costings. Two significant pieces of work concluded in September 2019:

1. A comparison of current OOHC care arrangement costs and proposed care arrangement costs.
2. A comparison of current OOHC care arrangement costs and Communities OOHC care arrangement costs.

Summary

Communities and the IRG have confirmed:

- CSOs are essential to the provision of services within the child protection system.
- CSOs harbour a wealth of expertise within their individual organisations and as a collective.
- There are multiple factors contributing to the cost of CSO provided care arrangements for children and multiple advantages to care arrangements for children being provided by CSOs.
- Total funding for CSO provided care arrangements will not diminish as a result of OOHC service models changing to align with reform objectives.

The following conclusions will be used to inform future OOHC contracts and pricing. Further collaboration between Communities and the IRG will underpin the co-design of OOHC services that address the needs of children and families, particularly Aboriginal families.

Current care arrangement costs versus proposed care arrangement costs

The pricing rates of six (6) anonymised OOHC service providers were presented against the proposed placement administration cost.

The key conclusions from this comparison were that:

- A 'like-for-like' comparison cannot be made due to the diversity of costing models and operating structures.
- Costs for providing care arrangements to children need to be informed by the proposed service requirements.

Current CSO care arrangement costs versus Communities' care arrangement costs

The current care arrangement costs were presented against a breakdown of the funding allocations within the child protection system.

The key conclusion from this comparison was that:

- A 'like-for-like' comparison of care arrangement costs for children, provided by CSOs and those provided directly by Communities, is not possible. This is a result of Communities' inability to separate its 'back end' costs.