



NSW Department of
Community Services

Costing Manual for Child and Family Services in New South Wales

2008-09

OUT-OF-HOME CARE SERVICES

Service System Development Division

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1 Introduction

Out-of-Home Care is the care provided to a child or young person by an authorised person in circumstances where the child is unable to live with their own family. The *Children and Young Persons (Care and Protection) Act 1998* outlines legal obligations in providing care for children and young persons who cannot live with their own families.

This chapter sets out the development of 2008/09 indicative unit costs for:

- OOHC caseworker¹ unit costs
- OOHC placement types:
 - foster care placements
 - residential care placements

The indicative unit costs presented are based on the true cost of delivering a service, irrespective of funding sources. Variations in input cost levels, workforce profile and service intensity will impact on the indicative unit costs.

¹ Note: For OOHC, EI and SAAP, direct staff are generally taken to be 'caseworkers' but the use of different job titles (for example, 'family workers' and 'case coordinators') is acknowledged.

2 Indicative OOHC caseworker costs

Indicative caseworker costs consist of labour and non-labour costs associated with casework activity. Unit costs have been calculated by loading labour and non-labour costs to direct caseworker costs based on associated usage. These costs include loadings for labour costs of indirect client support staff (e.g. supervisors, administration support) and all non-labour costs (e.g. operating costs and agency overheads) associated with the defined workforce profile.

This manual has identified a range of indicative levels of caseworker unit costs, and a range of lowest and highest unit costs for the OOHC services described above, based on acceptable cost variations within the sector. All cost estimates and parameter values are based on the data received from agencies and standard caseloads from the literature².

Table 1 provides 2008/09 estimates of the indicative loaded OOHC caseworker unit costs based on costs in OOHC Expression of Interest 2006/07 and costs of existing OOHC agencies. Costs are indexed to 2008/09 where appropriate.

Table 1 Indicative OOHC caseworker unit costs

Caseworkers - Indicative Unit Cost per FTE	Low Range	High Range	Indicative Cost
Unit Labour Costs (per FTE)			
Caseworker Base Salary	\$47,900	\$58,540	\$53,220
Direct Supervisor Allocation	\$10,390	\$12,690	\$11,540
Admin and Other Indirect Support Allocation	\$18,670	\$22,810	\$20,740
Salary Oncosts	\$13,370	\$16,340	\$14,851
A. Total Unit Labour costs	\$90,330	\$110,380	\$100,350
Unit Non-Labour Costs (per FTE)			
Motor Vehicle			\$13,240
IT/Computer			\$4,920
Telecommunications			\$1,310
Stationery/postage/printing			\$1,610
Depreciation and Equipment Maint.			\$1,960
Staff Training			\$3,630
Accommodation			\$10,360
Corporate Overheads & Other			\$26,100
B. Total Unit Non-Labour Costs	\$56,820	\$69,440	\$63,130
Total Loaded Cost per FTE (A+B)	\$147,150	\$179,820	\$163,480
Labour Cost Factor			61%
Non-Labour Cost Factor			39%
Total Available Hours			1,626
% of time - non client related			20%
Service Hours Available			1,301
Cost Per Direct Client Hour	\$113.1	\$138.2	\$125.6

² Standard caseloads adopted for the different OOHC placement types are based on international research and practice summarised in the DoCS Technical Report on Caseloads in Child and Family Services (2006).

2.1 Key assumptions for calculating indicative caseworker unit costs

The total cost per worker is calculated for a year, comprising labour cost, other operating costs and overheads. The cost per service hour is estimated by dividing total cost per worker by the number of service hours available. The following tables provide a breakdown of indicative unit costs for labour and non-labour costs associated with calculating caseworker unit costs and the various cost drivers. The salary estimates are based on the data received from agencies.

Table 2 Indicative labour unit costs for caseworkers

Labour	Low Range	High Range	Indicative level
Caseworker Base Salary (per FTE)	\$47,900	\$58,540	\$53,220
Supervisor Base Salary (per FTE)	\$62,320	\$76,160	\$69,240
Caseworker Hours per week			38
Annual Training Days			7
Supervisor to Caseworker Staff Ratio			1:6 ³

Table 3 Salary oncosts⁴

Salary Oncosts	% of Base Salary
Superannuation	9.00%
Long service leave	2.85%
Worker's compensation	4.00%
Leave loading	1.35%
FBT	0.17%
Total Salary Oncosts	17.37%

Working hours for direct and client-related services

In order to estimate hourly costs for different types of staff, it is necessary to know the way in which they use their working time. The costing manual has categorised caseworker time utilisation as:

Work availability:

- total available time for work activities

Non-client related:

- activities that do not concern specific clients, but are essential to the overall running of the service e.g. team meeting, supervision and general administration

³ This is based on the supervisor to caseworker ratio used internally by DoCS.

⁴ Payroll tax is not included here, since all the organisations involved in the project (excluding DoCS) were subject to payroll tax exemptions. However, for organisations that are liable to pay payroll tax (e.g. if total salaries exceed \$600K), 6% should be added to the salary oncosts.

Client Related:

- face-to-face contact
- client-related activities that do not actually involve contact with the child and family but are directly related to client work e.g. telephone calls to coordinate care and travel time

It is assumed that a worker devotes 76-84% of time to direct service delivery and client-related activities and 16-24% to training, staff meetings, supervision etc. The estimated effective hours for staff are calculated in Table 4.

Table 4 Calculation of working hours for direct and client-related works

Work Availability	Low Range	High Range	Indicative level
Days in a year	365	365	365
Less			
Weekends	104	104	104
Public Holidays	10	10	10
Recreation Leave	24	16	20
Sick Leave	12	8	10
Training	8	6	7
Days Available	207	221	214
Available Hours (@38 hours per week)	1,570	1,683	1,626
% Time spent on non client related activities	24%	16%	20%
No. of effective service hours	1,193	1,413	1,301

3 Family-based Care

3.1 General Foster Care and Statutory Relative/kinship Care

(a) Service description - This service model provides a family placement environment for children and young persons, and includes care for a child or young person without clinically significant levels of emotional or behavioural disorder who cannot be placed within the extended family or kinship networks and who have been placed (in accordance with a care plan) by DoCS or a fostering agency. It also includes formal arrangements with relatives/kin, which occur because of protective intervention and court ordered placements

The service is planned with a matching of the child/young person and the carer and the planned introduction of the child/young person to the carer. The service will usually also provide support for the child/young person to reunite with their family, move to independence or permanent care with a relative/kin or foster carer. Service components include:

- case management
- placement planning and management
- carer recruitment, assessment and training
- carer support and management
- leaving care support when transitioning to independent living, or restoration with family
- carer reimbursements for the cost of children
- client support services

(b) Parameters: Standard caseload = 1:12

(c) Indicative costs per child or young person - Table 5 provides 2008/09 estimates of the indicative costs per child or young person for a general foster care service.

Table 5 Indicative costs per child or young person: general foster care and statutory relative/kinship care

Statutory Care	Comments	Low Range	High Range	Indicative Cost
(A) Casework Support	Includes case management, carer support and placement management activities.	\$10,900	\$16,340	\$13,620
(B) Carer Allowances and Respite				
Care	Average allowance of \$459 p/fortnight. Plus 16 days respite p/year	\$9,970	\$14,950	\$12,460
Care+1	Average allowance of \$688 p/fortnight. Plus 16 days respite p/year	\$14,940	\$22,420	\$18,680
Care+2	Average allowance of \$909 p/fortnight. Plus 20 days respite p/year	\$19,940	\$29,900	\$24,920
(C) Contingencies	Includes family birth contact, psychological & counselling services, educational services, childcare, facility setup, repairs, etc.	\$4,030	\$6,050	\$5,040
Indicative Cost per C/YP (A+B+C)	Care	\$24,900	\$37,340	\$31,120
	Care+1	\$29,870	\$44,810	\$37,340
	Care+2	\$34,870	\$52,290	\$43,580

3.2 Relative/Kinship Supported Care

(a) Service description - Relative and kinship supported care placements for children or young persons include informal arrangements made between family members that avoid the need for statutory care. It does not include formal arrangements, which occur because of protective intervention and court ordered placements. Service components include:

- case management
- placement planning and management
- carer recruitment, assessment and training
- carer support and management
- leaving care support when transitioning to independent living, or restoration with family
- carer reimbursements for the cost of children
- client support services

(b) Parameters: Standard caseload = 1:20

(c) Indicative costs per child or young person- Table 6 provides 2008/09 estimates of the indicative costs per child or young person for Relative Kinship Care.

Table 6 Indicative costs per child or young person: relative/kinship supported care

Supported Care	Comments	Low Range	High Range	Indicative Cost
(A) Casework Support	Includes all case management, carer support and placement management activities.	\$6,539	\$9,809	\$8,174
(B) Carer Allowances				
Care	Average allowance of \$459 p/fortnight.	\$9,540	\$14,320	\$11,930
(C) Contingencies	Includes family birth contact, psychological & counselling services, educational services, childcare, facility setup, repairs, etc.	\$1,760	\$2,640	\$2,200
Indicative Cost per C/YP (A+B+C)	Care	\$17,839	\$26,769	\$22,304

3.3 Intensive Foster Care

(a) Service description - This service model provides a family placement environment for children and young persons. It includes intensive care by experienced carers for children or young persons with high and complex needs, defined as children who exhibit challenging and/or risk taking behaviours, and/or have mental health presentations and/or have a disability with high level challenging behaviour. The service is planned with a matching of the child/young person and an experienced carer and the planned introduction of the child/young person to the carer. The service provides:

- experienced and skilled carers who have the ability to manage the behavioural and emotional needs of children and young persons with high needs
- an intensive individualised and expert service to reduce the child and young person's difficult to manage behaviours

The service will usually also support the child/young person to reunite with their family, move to independence or to permanent care with a relative/kin, foster carer or a more appropriate placement. Service components include:

- case management
- placement planning and management
- carer recruitment, assessment and training
- carer support and management
- leaving care support when transitioning to independent living, or restoration with family
- carer reimbursements for the cost of children
- client support services

(b) Parameters: standard caseload = 1:8

(c) Indicative costs per child or young person- Table 7 provides 2008/09 estimates of the indicative costs per child or young person for an Intensive Foster Care service.

Table 7 Indicative costs per child or young person: intensive foster care

Intensive Foster Care	Comments	Low Range	High Range	Indicative Cost
(A) Casework Support	Includes case management, carer support and placement management activities.	\$16,350	\$24,530	\$20,440
(B) Carer Allowances and Respite	Average allowance of \$1,411 p/fortnight. Plus 36 days respite p/year	\$33,404	\$50,106	\$41,755
(C) Contingencies	Includes family birth contact, psychological & counselling services, educational services, childcare, facility setup, repairs, maintenance, etc.	\$21,858	\$32,788	\$27,323
Indicative Cost per C/YP (A+B+C)		\$71,610	\$107,420	\$89,518

4 Residential Accommodation

Standard (non-high needs) accommodation

(a) Service description - Residential care is defined as placement, funded by DoCS under the OOHC program on a fee for service basis, in a property owned or rented by an agency in which one or more children are placed and staffed either by direct care staff employed on a rostered basis or by house parents or by principal carers who are not regarded by the agency themselves as foster carers⁵.

Residential services are provided by the non-government sector, including not-for-profit organisations and for-profit entities. These services are provided to children/young persons with higher supervision and support needs which cannot be met by placement in home-based care and whose personality/personal attributes and wishes mean suitability or personal choice to be in residential care, or for large sibling groups.

The service will usually have one staff member on duty when residents are at home. Staff are present 24 hours, but a sleepover is done by one staff member and there are no awake shifts. The service will usually also provide support for the child/young person to reunite with their family, move to independence or to permanent care with a relative/kin or foster carer. Service components include:

- case management
- placement planning and management
- accommodation services
- client support services
- leaving care support when transitioning to independent living, or restoration with family

(b) Parameters: standard caseload = 1:12

(c) Indicative costs per child or young person - The annual unit cost per child/young person consists of the accommodation costs and the casework support costs.

Table 8 provides 2008/09 estimates of the indicative costs per child or young person for a service providing standard (non-high needs) residential accommodation, including casework support.

⁵ ACWA, OOHC Development Project Report, November 2005

Table 8 Indicative unit costs per bed: standard residential accommodation

Standard Residential Accommodation	Low Range	High Range	Indicative Cost
(A) Casework Costs	\$10,900	\$16,340	\$13,620
Labour Costs			
Rostered and Non-Rostered Direct Staff Costs (inc.Loadings & Allowances)	\$58,010	\$70,900	\$64,450
Direct Supervisor Allocation	\$5,080	\$7,620	\$6,350
Admin and Other Indirect Support Allocation	\$2,380	\$3,580	\$2,980
Salary Oncosts	\$10,260	\$15,380	\$12,820
(B) Total Labour Costs	\$69,280	\$103,920	\$86,600
(C) Non-Labour Costs	\$22,470	\$33,710	\$28,090
(D) Client Costs and Contingencies*	\$9,590	\$14,390	\$11,990
Total Unit Cost per C/YP (A+B+C+D)	\$112,240	\$168,360	\$140,300

* Includes client living allowance, birth family contact, professional therapy and other contingency costs

High needs accommodation

(a) Service description - The intensive residential care service model provides accommodation services to children with complex and high needs in a residential premise and intensive support services to address the clients' challenging behaviours with the goal to move to a less intensive placement option.

The service provides:

- 24-hour accommodation and support, including experienced and skilled staff that have the ability to manage the behavioural and emotional needs of children and young persons with high needs
- day-to-day case management and client support
- an intensive individualised support service to reduce the child and young person's difficult to manage behaviours and to establish age appropriate behaviours
- focus on therapeutic treatment
- help re-engage with family, friends and community

The service will usually also support the child/young person reunite with their family, move to independence or permanent care with a relative/kin or foster carer. For practical reasons, there will be two staff working in a residential unit. However, one-to-one supervision arrangements will not be used except for crisis placements and then for only a short period of time. There will be 24-hour supervision including a night shift: the minimum requirement is one awake shift and the maximum staffing is one stand-up awake shift and one sleepover. Service components include:

- case management
- placement, planning and management
- accommodation services
- client support services
- leaving care support when transitioning to independent living, or restoration with family

(b) Parameters: standard caseload = 1:6

(c) Indicative costs per child or young person - The annual unit cost per child/young person consists of the accommodation costs and the casework support costs.

Table 9 provides 2008/09 estimates of the indicative costs per child or young person for a service providing high needs residential accommodation, including casework support.

Table 9 Indicative unit costs per bed: high and complex needs residential accommodation

High and Complex Needs Residential Accommodation	Low Range	High Range	Indicative Cost
(A) Casework Costs	\$21,800	\$32,700	\$27,250
Labour Costs			
Rostered and Non-Rostered Direct Staff Costs (inc. Loadings & Allowances)	\$93,850	\$114,710	\$104,280
Direct Supervisor Allocation	\$12,440	\$18,660	\$15,550
Admin and Other Indirect Support Allocation	\$6,420	\$9,640	\$8,030
Salary Oncosts	\$17,770	\$26,650	\$22,209
(B) Total Labour Costs	\$120,060	\$180,080	\$150,069
(C) Non-Labour Costs	\$36,150	\$54,230	\$45,190
(D) Client Costs	\$19,000	\$28,500	\$23,750
Total Unit Cost per C/YP (A+B+C+D)	\$197,010	\$295,510	\$246,260

5 OOHC Costing Tools

This section provides links to the Excel-based OOHC Costing Model tools and job aids that were developed as a part of the Costing Manual project. The job aids outline a detailed set of instructions on using costing model tools including illustrative examples on the type of data required, information sources, cost elements, model assumptions, and handy tips to help populate the Excel costing templates.

While the indicative costings provided above reflect the data obtained through the workshops from a range of organisations, it will be important for individual services to develop their own cost estimates using the tools and job aids provided to gain a better understanding of costs and cost drivers. This would also enable cost comparisons with the range of costs provided in the manual and provide opportunities for benchmarking.

The basic user requirements of the Excel data input templates for NGO and DoCS staff include:

- a basic understanding of Excel
- a basic understanding of costs and costing principles
- a good understanding of the organisation's structure and cost centres

Data sources

Data can be acquired from various sources within the finance, management and service delivery areas of organisations to define indicative unit costs for key service types. Finance staff can assist in providing data related to general ledgers and the actual costs associated with operations. Additionally, management and service delivery staff can help provide information related to workforce profiles, service time availability and service intensity (e.g. caseload).

Table 10 Data Requirements for the OOHC Costing Model

Data requirements	Cost inputs
1. General ledgers and chart of accounts based on indicative annual data including transaction history reports	<ul style="list-style-type: none"> ▪ labour costs e.g. salaries and salary oncosts of direct and indirect client support staff ▪ direct operating costs including non-labour costs e.g. motor vehicle, IT/computer, telecommunications, stationery/postage/ printing, staff training, depreciation and equipment maintenance and other related organisation specific operating costs
2. NGO workforce utilisation & client profile related data	<ul style="list-style-type: none"> ▪ staff mix, staffing levels, average salary per levels, salary oncosts, caseload support levels, service time availability, training allocations volumes of placements managed per year by placement type (e.g. foster care, residential accommodation) ▪ caseload volume per caseworker, by placement type (e.g. foster care, residential accommodation) ▪ intensity of service/cost usage (e.g. motor vehicle usage)
3. Foster care allowance assumptions	<ul style="list-style-type: none"> ▪ carer allowances, overheads, direct service delivery costs
4. Residential accommodation assumptions	<ul style="list-style-type: none"> ▪ staff mix, residential accommodation facility operating costs

Table 11 Other Data Sources for the OOHC Costing Model

Other data sources	Cost inputs
1. NGO organisation profile	<ul style="list-style-type: none"> ▪ organisation design & charts ▪ annual reports
2. Other miscellaneous reports related to client needs and service delivery requirements	<ul style="list-style-type: none"> ▪ indicative direct client costs (by placement type and/or client needs)

The Excel based OOHC costing model can be accessed via Foster care:

http://www.community.nsw.gov.au/docswr/assets/main/documents/cost_manual_foster.xls

Residential care:

http://www.community.nsw.gov.au/docswr/assets/main/documents/cost_manual_residential.xls

OOHC Job Aid

The purpose of the OOHC Costing Model Job Aid⁶ is to assist DoCS and NGO service providers in using the Excel based OOHC Costing Model tool.

⁶ There is a separate costing tool for Residential Accommodation services and therefore separate Job Aids have been created for Residential Accommodation services only, and Foster Care and Other Placement Types.

The OOHC Job Aid provides screen shots with input tips and detailed instructions illustrating how to:

- save a cost model file to local disk
- define staff profile and associated costs
- define staff utilisation for direct and non-direct client related activities
- define operating costs for a central office
- define service delivery assumptions and associated costs.

The OOHC Job Aid can be accessed via

Foster care:

http://www.community.nsw.gov.au/docswr/assets/main/documents/cost_manual_foster_aid.pdf

Residential care:

http://www.community.nsw.gov.au/docswr/assets/main/documents/cost_manual_residential_aid.pdf