



LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL TERRITORY

SELECT COMMITTEE ON ESTIMATES 2023-2024

Mr Mark Parton MLA (Chair), Ms Jo Clay MLA (Deputy Chair),
Mr Michael Pettersson MLA

ANSWER TO QUESTION ON NOTICE

Mrs Elizabeth Kikkert MLA : To ask the Minister for Families and Community Services

Ref: Budget Outlook, p. 129

Hearing Date: 28 July 2023

In relation to: Indemnity Scheme for OOHC Providers

- (1) The indemnity scheme for out-of-home care providers introduced in this budget is half covered by an 'indemnity fee' paid by providers (p. 129). Under this scheme, are providers paying approximately the same as they paid for private insurance before, or are they paying less or more?
- (2) If they are paying less or more, how much less or more are providers paying on average?
- (3) How was the value of the indemnity fee arrived at?

MINISTER STEPHEN-SMITH: The answer to the Member's question is as follows: –

- (1) The ACT Government does not have access to information on the cost of previous arrangements out of home care providers held with external agencies specifically for physical and sexual abuse (PSA) cover. Documents describing previous cover were obtained to inform the design of the ACT Government scheme, but these either showed no costings for PSA insurance, separate from other insurances, or no costings at all. The key driver for the provision of the indemnity scheme cover was due to the exclusion of PSA cover from the commercial market, with providers unable to secure any cover at all.
- (2) See the response to question (1).
- (3) The overall liability pool (indemnity fee) was determined based on an external actuarial estimation of the annual number of claims and the estimated cost per claim for PSA claims in the ACT, plus administration expenses incurred by ACTIA for the management of these claims. Provider indemnity fees were then calculated based on the number of out-of-home care (OOHC) placements as at 31 May 2023, with consideration to the type of care being provided (e.g. foster care vs. therapeutic care).

Approved for circulation to the Select Committee on Estimates 2023-2024

Signature:

A handwritten signature in blue ink, appearing to read "R Stephen-Smith".

Date:

17/8/23

By the Minister for Families and Community Services, Rachel Stephen-Smith MLA