



## COMPARISON OF STATE AND TERRITORY FOSTER CARE PAYMENTS

Each year the Australian Foster Care Association Inc. reports on the current payments made to support foster, relative and kinship carers in providing care for children and young people who are unable to live in their own homes. These carers are people who have volunteered to provide their time, parenting skills and homes for children and young people who are the statutory responsibility of their state or territory government, so that they may have a second opportunity to live in a family environment. The payments made by governments to carers cover a range of costs incurred by the carers but do not cover all genuine costs.

AFCA also compares these payments with the research based Foster Care Estimate (FCE), developed by the University of New South Wales Social Policy Research Centre and first published in the Costs of Caring Report (2002)<sup>1</sup>. The FCE identified the everyday costs specific to fostering and this figure has been updated at least annually since 2002.

***It is AFCA's position that the research based FCE provides a fair and reasonable estimate of the every day costs associated with foster caring.***

***It is also AFCA's position that all genuine and reasonable costs associated with providing care for a child or young person in government care should be covered by the responsible government*** so that the carer and the carer's family is not financially penalised in providing this important community service.

### STANDARD SUBSIDY LEVELS FOR ALL STATES AND TERRITORIES COMPARED TO THE FOSTER CARE ESTIMATE (FCE) BY AGE OF THE CHILD (\$ PER WEEK)

All states and territories now have an age based subsidy payment structure. Age based payments, usually known as standard subsidy payments or allowances, are intended by governments to generally cover basic living costs associated with housing, food, power and gas, transport to and from daily activities, basic recreation, standard ongoing school requirements and the bulk of ongoing clothing. The recently announced change by the NSW government to use an age based payment structure is a welcome improvement and provides a more equitable means to subsidise carers according to the actual needs of the child or young person for whom they care.

All states and territories also pass on CPI<sup>2,3</sup> adjustments in some form. In some states and territories the full CPI is passed on, but in others only a partial CPI adjustment is made. Of even more significance in this context is the practice of most states and territories to provide subsidies still below the recommended FCE. As a consequence of this, when any CPI compensation is passed on to carers, it is only attributed to the current subsidy level, not the usually higher FCE. This means that in these circumstances, the carer is not fully subsidised for the real cost of caring for the child, nor is the real CPI associated with providing care for a child passed on to the carer. Table 2 on page 3 illustrates this situation in more detail and highlights that only three states/territories made sufficient increases in their payments to cover the real prices increases carers had experienced. ***AFCA's position is that the full cost of CPI, at the FCE level, should always be passed on to carers at least annually.***

<sup>1</sup> McHugh, M. (2002) *The Costs of Caring: A Study of Appropriate Foster Care Payments for Stable and Adequate Out of Home Care in Australia*. University of New South Wales, Social Policy Research Centre. Sydney, NSW. Available at: <http://www.fostercare.org.au/pubs.html>.

<sup>2</sup> For the purposes of this paper the weighted average of eight capital cities annual CPI of 4% has been used. CPI varies from state to state. Individual state figures may be found in the Australian Bureau of Statistics publication no. 6401.0. Available at: <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/6401.0Jun%202006?OpenDocument>

<sup>3</sup> WA uses the Gross State Products (GSP) index instead of CPI. If the GSP indicates an increase, this is made to the basic subsidy.

As already mentioned, New South Wales has recently announced new basic payment levels for carers. These levels are very close to, or just above, the recommended research based Foster Care Estimate (FCE).

The Department of Community Services is to be commended for this. AFCA will be monitoring the roll out of these new payments and the new contingency policy to see how these translate into placement practice and support.

In July 2006 the Australian Capital Territory increased all subsidy payments by a flat rate of \$5 to partially compensate for the increased costs in transporting children in care. Whilst this is a welcome contribution, **AFCA's position is that all official transport costs associated with a case** (e.g. attending contact/access, therapy, case meetings or meetings with an agency or school) **should be reimbursed to carers at the relevant government transport rate.**

Table 1 below presents an overview of the standard subsidy payments for all states and territories compared to the estimated basic, everyday costs that are specific to fostering as determined by the research based Foster Care Estimate (FCE). Table 2 below illustrates the actual increases in the last year in each jurisdiction compared with the CPI increase for the same period.

**TABLE 1**  
**Standard subsidy payments by jurisdiction and FCE as at 1 July 2006<sup>1</sup> (weekly rates)**

Age	TAS (1/7/05) <sup>2,3</sup>	WA (1/3/06) <sup>2</sup>	NT (1/7/06) <sup>2</sup>	SA (1/7/06) <sup>2</sup>	VIC (1/7/06) <sup>2</sup>	ACT <sup>4</sup> (1/7/06) <sup>2</sup>	QLD (1/7/06) <sup>2</sup>	NSW <sup>5</sup> (1/7/06) <sup>2</sup>	FCE (March 2006)	FCE (June 2005 + 4% CPI)
0-1	130	109	114	94	119	122	128	187	180	184
2	130	109	114	94	119	122	135	187		
3	86	109	114	94	119	122	135	187	180	183
4	86	109	114	94	119	122	135	187		
5	110	109	123	101	119	138	135	210		
6	110	109	123	101	119	138	158	210	193	197
7	110	137	123	101	119	138	158	210		
8	110	137	148	108	124	161	158	210		
9	110	137	148	108	124	161	158	210		
10	129	137	148	108	124	161	158	210	227	231
11	129	137	148	108	141	161	192	210		
12	129	137	167	131	141	184	192	210		
13	129	165	167	131	190	184	192	210		
14	169	165	167	131	190	184	192	282	279/285 <sup>(6)</sup>	284/291 <sup>(6)</sup>
15	169	165	201	161	190	222	192	282		
16	169	165	201	161	190	222	182	282		
17	138	165	201	161	190	222	182	282		

Notes:

- (1) All amounts quoted above are rounded to the nearest dollar. These figures are only one component of many carer payments. State / territory policies and payments for contingencies and other child related costs must also be considered in the broader payment context.
- (2) Indicates date on which payment first became operative.
- (3) The Tasmanian CPI is calculated in September-October each year and then backdated and back paid to 1 July.
- (4) The ACT rate was increased on 1 July 2006 by \$5 across the board as a fuel compensation on 1/7/06.
- (5) New NSW subsidy payments and contingency payment arrangements were announced on 10 September 2006 and are back dated to 1 July 2006.
- (6) The first amount applies to a boy aged 14, the second amount applies to a girl aged 14.

**Noting the significant variations that have continued to be reflected in the above table over the last 4 years, it is AFCA's intention to further investigate these payments and what they cover in the forthcoming year.**

**TABLE 2**  
**Jurisdiction increases between 2005 and 2006 compared to CPI increase**  
**(rounded dollars)**

Age	Tas	WA	NT	SA	Vic	ACT	Qld	NSW	ABS CPI (+4%) on 2005 FCE
0-1	0	10	4	5	3	7	2	12	7
2	0	10	4	5	3	7	2	12	
3	0	10	4	5	3	7	2	12	7
4	0	10	4	5	3	7	2	12	
5	0	10	4	5	3	8	2	35	
6	0	10	4	5	3	8	3	35	8
7	0	13	4	5	3	8	3	35	
8	0	13	5	5	3	9	3	35	
9	0	13	5	5	3	9	3	35	
10	0	13	5	5	3	9	3	35	9
11	0	13	5	5	4	9	4	35	
12	0	13	6	6	4	10	4	35	
13	0	15	6	6	5	10	4	35	
14	0	15	6	6	5	10	4	107	11/11
15	0	15	7	8	5	11	4	107	
16	0	15	7	8	5	11	4	107	
17	0	15	7	8	5	11	4	107	

#### **ADDITIONAL SUBSIDIES IN FOSTER CARE**

All states and territories **may** make additional subsidy payments or reimbursements to support a placement. These costs usually include providing for items such as medicines, disability aids, school functions and camps, tutoring, ongoing sporting and recreational activities, dental, medical and therapeutic work and, depending on the jurisdiction, may be known as contingencies, child related costs, additional costs or special circumstances costs. Payments may also be made in recognition of a child or young person's special needs associated with a disability, behaviour management or in the case of sibling groups. However, unlike the standard subsidy levels, **there is no comparable data available on the additional subsidies paid for additional costs or special circumstances and no research figure to use to evaluate the adequacy of these payments.**

An increasing number of children and young people are entering care with a disability, behaviour management issues, or in need of remedial and therapeutic intervention. Sibling groups are also more difficult to place successfully. In the current environment, there is no way of knowing how well the care of these children and young people is funded. One state reported that 'provision of packages is widely discussed with carers but slow in being granted' another stated that 'carers still have to fight for a fair assessment of the foster child's high needs'. AFCA is most concerned about this, as placing increasing burdens on the carers of these children and young people without adequate support compromises both the care of the children and young people, and the well being of the carers and their family. This places all of them at risk.

Accessing additional support payments is often negotiated in advance as a part of a case plan, claimed as a reimbursement after the expense has been incurred, or made by some other arrangement at the time the need is identified. **Most of these payments are considered as discretionary payments, and reports to AFCA have found payments to be arbitrary, slow and increasingly more difficult to obtain in most states and territories.** There is also an increasing trend to not make such payments unless the proposed expense is also included in a pre-approved case plan for the child or young person. The nature in which some of these expenses are incurred does not fit naturally into a case review cycle and there can be difficulty in obtaining the correct approvals before such expenses must be incurred for the good of the child or young person.

Of further concern is the national shortage of workers in the child protection system. This has impacted on carers across the country who report that they have difficulty obtaining case meetings to address case management issues, including financial matters, and are unable to access an appropriate person to approve the payment of such expenses outside of a case conference. This, therefore, makes accessing discretionary payments which require prior approval even more difficult and places undue stress on placements.

With the possible exception of New South Wales, where new payments and contingencies structures are currently being implemented (September-October 2006), it is still clear that, when taken together, **the current and recommended standard subsidy payments do not cover all contingencies/ child related costs/ additional costs which are needed to fully provide for the child or young person.**

**Table 3 below shows that there is a need for more attention to be paid to these care situations to improve the current packages and to ensure that full CPI is automatically applied in future.**

While contingencies/child related costs/ additional subsidies are theoretically available and paid by all States/Territories, reports back to AFCA state that they are not regarded as satisfactory and little improvement has occurred in the past year. There needs to be improvement in this area on the current policy. CPI also needs to be applied where relevant.

The following short summary provides a simple picture of issues that are a concern now and will get worse if they are not addressed appropriately.

**TABLE 3: ADDITIONAL SUBSIDIES IN FOSTER CARE – 2006**

	Contingencies/child related costs/additional subsidies			Packages/additional payments for disability, behaviour, large sibling group		
	Overall situation satisfactory	Approvals improved in the past year	CPI adjusted automatically if relevant	Overall situation satisfactory	Approvals improved in the past year	CPI adjusted automatically
<b>ACT</b>	No	No	No	No	No	No
<b>SA</b>	No	No	No	No	No	No
<b>NSW</b>	Yes	Yes	Yes	Yes	Yes	Yes
<b>TAS</b>	No	No	No	No	No	No
<b>WA</b>	Yes	Yes	No <sup>(1)</sup>	Yes	No	No <sup>(1)</sup>
<b>NT</b>	No	No	Yes	No	No	Yes
<b>VIC</b>	No	Yes	No	No	No	No
<b>QLD</b>	No	No	No	No	Yes	No

Note (1) WA uses the Gross State Products (GSP) index instead of CPI. If the GSP indicates an increase, this is made to the basic subsidy, not to child costs, contingencies etc:

### **TRANSITIONING, LEAVING AND AFTER CARE**

Several states now continue to support a placement financially, even after the young person has turned 18 years until the young person has completed their full time education. Other states have established transitioning support packages, or 'after care' packages. These states are congratulated for their initiative and others are encouraged to look at what has been done in these areas to support the young people on their journey to independence.

AFCA also notes that the past practices of ceasing or discounting carer subsidy payments when a carer is in receipt of an Australian government Carer Payment or the young person is in receipt of Youth Allowance or ABSTUDY has ceased in some states and these states are commended. The maintenance of stable support in placements experiencing these circumstances is critical to the successful outcomes for these placements.

**AFCA does not support the cessation or discounting of any carer subsidy payments in these circumstances.**

**AFCA members continue to recognise the efforts of the many dedicated workers who provide the best outcomes they can for children, young people and their carers within the policy and resource constraints placed upon them by their Governments.**