



Final Report

**The Costs of Caring: A Study of Appropriate Foster Care Payments for
Stable and Adequate Out of Home Care in Australia**

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Australia, the Australian Foster Care Association and the Association of
Childrens Welfare Agencies.**



This report is dedicated to all foster carers

No researcher could hope to understand the day-to-day life of fostering without first appreciating a carer's role in it. To the carers go my warmest thanks and appreciation for the time they took out of their busy lives to provide me with a wealth of information of the costs of caring. The extensive material and emotional costs they take on board in their caring role cannot be overstated. The skills, insights and knowledge they bring to the profession of fostering are remarkable.

Acknowledgments

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| Nigel Spence | Association of Childrens Welfare Agencies (ACWA) |
| Sue Tregagle | Child and Family Welfare Association of Australia (CAFWAA) |
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FOREWORD – Costs Of Caring

Families Australia welcomes this comprehensive Report on the “Costs of Caring”. It is both timely and of major significance, as the first national study to compare foster care reimbursement with the “normal” costs of caring for children.

The findings are most concerning, but not surprising. Foster carers live with the fact that the costs of caring for children in care are on average 52% higher, yet reimbursement in all States does not reflect this.

The absence of a national framework of payments to ensure adequacy and equity, lack of commitment to annual increases and difficulty in accessing additional payments, make an already difficult “job” unnecessarily frustrating and one of the reasons why foster carers stop fostering.

With the number of notifications of suspected child abuse continuing to rise and an 8% increase in the number of children in out of home care from 2000 to 2001, there is increasing pressure on the out of home care systems. Foster carers, who provide over 90% of this care, are the backbone of Australia’s response to child protection. It is imperative that the Federal and State Governments work together to address the issues so clearly identified in this landmark Report.

Finally, congratulations to all those involved in the project – the carers themselves, community service organisations, AFCA, ACWA, CAFWAA, SPRC and UNSW. If the commitment and spirit of co-operation shown in the collaboration for this Report can continue through the implementation of its recommendations, we will have a foster care system capable of meeting the challenges of the 21st Century.

Sandie de Wolf

Chair, Families Australia

Executive Summary

Since the mid-eighties there has been growing disquiet among a number of major foster care organisations in relation to certain aspects of fostering. One aspect of concern is the low level of standard subsidy¹ paid by States to foster carers to meet the costs of children in care. In addition there is concern that unless payments to carers are increased there will be great difficulty not only in recruiting and maintaining carers in fostering but in expanding the available number of carers.

The Child and Family Welfare Association of Australia (CAFWAA), the Australian Foster Care Association (AFCA) and the Association of Childrens Welfare Agencies (ACWA) commissioned the Social Policy Research Centre (SPRC) at the University of New South Wales (UNSW) to examine the adequacy and effectiveness of foster care allowances in Australia. Funding for the project was received from the Ian Potter Foundation, a number of non-government agencies, the SPRC, and the Department of Families, Queensland. Foster carers and foster care associations provided in-kind support. The aim of the study was to contribute to an assessment of the adequacy of current subsidy payments in meeting the costs of children in care. The broad research objective was to establish a set of budgets to cover costs for children of specific ages and sex in home-based care. The rationale underlining this objective was to provide better information on the direct costs associated with fostering.

All States² in Australia administer similar programs for children in foster care with placements managed either by the statutory authority or by non-government agencies (Cashmore and McGregor, 1996). Data from the Australian Institute of Health and Welfare (AIHW) for the year 2000 (30 June), indicated that the numbers of children and young people placed in out of home care services in Australia was 16 923. Most children were in foster care (7 870); relative/kinship care (6 051) or other home based arrangements (153)³(AIHW, 2001).

Indigenous children are significantly over-represented in the child welfare system and more specifically in out-of-home care. The rate of Indigenous children aged 0-17 years in out-of-home care (1999-2000) at 18.3 per 1000, is significantly higher than for non-Indigenous children at 3.6 per thousand (AIHW, 2001).

The Research Project

The research design consisted of two stages.

Stage I involved a field based study encompassing the collection and analysis of data received from 120 Directors of child welfare agencies (government/non-government and Indigenous/non-Indigenous) and Presidents of six Foster Care Associations.

Stage II comprised three components:

- The development of a set of budgets estimating the costs of children of specific ages and sex *not* in care.

1 A standard subsidy is defined as the regular fortnightly payment of foster care allowance to cover the basic costs of children in out-of-home care.

2 For ease of discussion 'States' refers to both States and Territories.

3 Numbers do not total 15 169 as South Australia with 1 095 children in out of home care was unable to break down the number of children in the various categories of home-based care (AIHW, 2001: 40)

- Twenty-six focus groups with carers (Indigenous and non-Indigenous) covering all States and Territories. In total 159 carers commented on the composition of the preliminary budgets and suggested areas of improvement. Carers provided guidance on aspects of the basic estimates of the costs of children to reflect costs specific to fostering.
- Customisation of budgets and development of estimates of the costs of foster care.

The main topics covered in Stage 1 included:

- the number and type of programs provided by the agency including the ages of children for whom care was provided;
- the numbers of children and carers in programs;
- difficulties for carers in meeting costs of children with a standard subsidy;
- the regularity of adjustment to a standard subsidy and the impact of the GST on carers' costs;
- the frequency of requiring additional services; difficulty arranging additional services; and difficulty obtaining reimbursement for costs of additional services;
- agency perspective on a range of factors connected to reimbursing and supporting carers;
- reimbursement for kinship care;
- factors leading to carers leaving fostering, including the role of reimbursement; and
- other issues and concerns in relation to costs.

Summary of Issues from Stage I

The findings from the survey confirmed that the low levels of standard subsidy, paid by States to foster carers, were not meeting the costs of children in care. The concerns of carers as reported by agencies and associations in meeting the needs of children in their care ranged across the wide spectrum of foster care systems. The main issues included:

- inadequacy of the standard subsidy to meet basic costs of care;
- difficulties for carers in accessing, arranging and obtaining reimbursement for additional services;
- common occurrence of 'top-ups' to the standard subsidy by agencies to assist carers with meeting costs meant to be covered by the standard subsidy. Lengthy delays and debates with departmental workers in relation to obtaining reimbursement for these and other costs;
- high levels of stress experienced by both carers and agencies in attempting to meet the needs of children, exacerbated by inconsistent departmental policy, in relation to the reimbursement of costs to carers;
- carer reliance on public health services to meet the needs of children in care resulted in long delays (e.g. 6-12 months) in obtaining specialist services with some services being unavailable;
- no regular annual adjustment to the standard subsidy to reflect the costs of living;
- high turnover of people caring for children with substantial numbers of carers coming in and also leaving fostering over a 12 month period;
- lack of acknowledgement, respect and support for carers from many workers;
- nature of foster care being not only arduous but also at times hazardous for both carers and their families;
- the importance of allowances and reimbursement of expenses for the maintenance of foster care placements;
- for carers in rural and regional areas there was an intensification of issues and concerns relating to accessing and arranging additional services and in meeting costs associated

with transporting children either day to day, or in relation to access/contact visits with children's birth families; and

- inequities of subsidies and reimbursement for kinship carers.

Stage II

Based on estimates of the costs of children originally developed by the Budget Standards Unit (BSU) at the SPRC (Saunders et. al., 1998) a set of preliminary budgets covering each component area - housing, energy, food, clothing and footwear, household goods and services (HGS), health, transport, leisure and personal care - for children in various age groups, *not* in care, were prepared for the focus groups. Carers commented on the costs, suggested areas of improvement; provided information on the nature and types of costs specific to fostering and recommended increases to a number of estimated costs.

Summary of Issues from Stage II

The emphatic response from the majority of carers to the preliminary estimates of the costs of children (*not* in care) was that estimates in most component areas were not adequate to meet the needs of children in care. Carers highlighted areas in the budgets where costs specific to fostering were not reflected. Some issues in relation to costs cannot be addressed through budget standards methodology and these are discussed in the Conclusion and Recommendations. The areas of costs specific to fostering noted by carers in each component area are listed here.

Housing

- One of the most significant costs was for general 'wear and tear' and damage to household goods including furniture, furnishings, carpets, fittings, electrical equipment and white goods. Carer's content insurance was not a viable option for damage caused by foster children for a number of reasons (Sections 4.17; 7.2).
- Housing includes the costs for water. Water usage was higher than usual due to additional laundering (higher incidence of bed-wetting children of all ages and those not toilet trained), bathing and showering (Sections 4.17; 7.2).

Energy

- The more frequent usage of water resulted in additional costs for energy for laundry purposes (running washing machines/dryers); for pumps required to heat water and run pool filters; or for rural carers to pump water from water tanks or bores into houses.
- Forgetting or neglecting to turn electrical appliances and lights off was commonplace among foster children. Lights were more frequently required to be left on all night. For younger foster children and during school holiday periods air-conditioning was used in excess of a carer's own demand. Similarly, additional energy was required for heating spaces where children were engaged in home activities. The purchase of oil (or firewood) to heat homes came at a high cost for rural carers. The heating of hot water for showering and laundry purposes increased energy costs above a carer's normal use.
- Older children's use of multiple appliances – televisions, videos, play stations, computer games, Internet, radios and CDs – also increased the costs of energy for carers (Sections 4.18; 7.3).

Food

- The estimates for food were closer to many carers' actual costs. However, numerous carers also reported common patterns of over-eating or excessive consumption of drinks, as well as stealing, hoarding or hiding food.

- Obsessive and abnormal eating behaviours led to higher consumption of some foods and higher wastage with others. Carers of younger children (infants and toddlers) mentioned the need to build up under-weight or ‘failure to thrive’ children and encourage the consumption of more appropriate foods to correct former dietary deficiencies.
- The provision of additional food and drink at times when foster children and birth families came together for contact and/or access visits was an additional cost to carers (Sections 4.20; 7.4).

Clothing and Footwear

- The costs of clothing and footwear was one of the most problematic areas for carers. Children coming into care often had nothing in the way of clothing and footwear or had minimal wardrobes of poor quality and cleanliness.
- Clothing and footwear is completely individual and a quantity of quite costly items, particularly footwear, was required from ‘day one’ of a placement.
- Two approaches were suggested in addressing these costs. One was to increase the initial clothing allowance allocated to carers at placement (an initial clothing grant is the practice in many States) and secondly, an inclusion for clothing/footwear in the standard subsidy payment (Sections 3.9 and 7.5).

Household Goods and Services (HGS)

- Many additional costs due to wear and tear and damage to numerous household items including furniture, fittings, appliances, linen/towels, and soft furnishings were noted including excessive wear on beds and bedding, (including frequent replacement of mattresses).
- Several approaches were taken to reflect ‘wear and tear’ and damage. The lifetimes of some items regularly used by or needed by children were reduced. The allocation for the cleaning of carpets and soft furnishings was increased.
- Some additional items were added to this budget: mattress and pillow protectors; extra sheet sets, doonas and doona cover sets and cotton blankets. Extra quantities of washing powders, laundry soap, bleach and disinfectant were also allocated.
- The amount allocated for repairs and maintenance of household appliances and costs for phone and postage usage were also increased (Sections 4.21; 7.6).

Health

- Four issues in relation to meeting costs of health were of particular concern to carers (Sections 4.2; 7.7). These were crucial issues, not easily addressed through budget standards methodology and are referred to in the Conclusion and Recommendations.
- One issue was the lack of information provided to carers about a child’s medical background (including immunisation history) and the lack of either a Medicare or Health Care Card⁴ in a child’s name when children were placed.
- The second issue was in relation to the substantial costs of over-the-counter medications, due to the number of minor complaints children had when they came into care.
- The third health issue related to the need to access urgently required specialist services for children through the public health system. Long waiting lists of 6-12 months for specialist services was not an unusual scenario.

4 An important amendment to Commonwealth legislation in 2001 (from 1 July) is that eligibility for a HCC for all children in foster and kinship care is available to all carers regardless of their income level (FACS, 2001).

- The fourth issue of concern was the inability for some carers to include foster children in their private health cover.

Transport

- Carers reported that the costs of transporting foster children were considerably higher than the BSU estimates (Section 4.23; 7.8).
- Transport costs were very specific to the geographical location of carers and for rural and regional carers costs were higher than for carers in metropolitan areas.
- Most carers appeared to use their car on a daily basis. Most carers stated that without a car they would not be able to continue fostering.
- A more appropriate model for calculating costs was developed to more closely reflect the lives of carer families.
- Due to the varied nature (distances travelled, number of trips, etc.) of ‘access and contact’ visits by carers to children’s birth families it was not possible to allocate average costs to carers in this area.
- Estimating costs to carers who have purchased a larger vehicle to transport foster children was also difficult. The issues of costs attached to access and contact visits and larger vehicles are in the Conclusion and Recommendations.

Leisure

- A wide range of leisure activities and goods for children of all ages were included in the leisure budget.
- The original BSU leisure budgets contained no allocation for pocket money or the purchase of gifts. Both items were considered by carers to be of importance for the well-being of foster children (Section 4.24).
- The approach adopted here was to allocate amounts based on the child’s age commencing when a child turns six years of age (Section 7.9).
- Most carers stated they received no extra financial assistance to cover gifts for children at Christmas or for their birthdays.
- The UK practice (by some authorities) of paying carers an additional amount equal to one week’s subsidy payment at Christmas and at a child’s birthday for purchasing gifts and providing the child with a birthday party was adopted here (Section 7.9).
- Additional amounts were included to cover the extra costs of small gifts and cards for birth family members and for extra film (and developing) for photos for birth families and life storybooks (Section 7.9).

Personal Care

- Some carers found the BSU estimates of costs for personal care for children similar to their costs (Section 4.25).
- Carers of younger children had higher costs for pre-schoolers due to the use of disposables to accommodate wetting and soiling beyond the age when children are usually toilet-trained. Pull-ups (disposable nappies) were included for pre-schoolers.
- Reflecting carer’s comments on waste and overuse of toiletries by children of all ages additional quantities of shared items (e.g. soap, toothpaste, shampoo, conditioner, talcum powder) were included in this budget (see Section 7.10).

Summary of Costs

- Factoring in the costs specific to fostering was organised in two stages. The first stage showed how the extra costs of fostering were incorporated into the BSU estimates of the weekly costs of children *not* in care.
- The second stage indicated the impact on fostering costs when the additional allowances for initial clothing grants and for gifts were included. Figures were calculated to identify the overall percentage increase between the BSU estimates of the costs of children *not* in care and fostering costs (Section 7.11).
- Table 41 from the Report (Section 7.13) presents an overview of standard subsidy payments for all States and Territories compared to the estimated basic everyday costs specific to fostering determined by this study. All costs are for December 2000.
- The figures (\$175 per week) in the Table for NSW appear to indicate that carers in this State are reimbursed at a much higher rate than carers in other States. In one sense, this seemingly high weekly amount of \$175 is deceptive. The NSW subsidy, unlike any other State subsidy, also includes the coverage of some additional services i.e. health, education and childcare (up to \$1 000 per annum for each – claimable on a quarterly basis) previously covered by the payment of ‘additional allowances’ or ‘one-off grants’ known in NSW as ‘contingencies’. In 2000 all other States continued to pay carers for additional services either on a mandatory or discretionary basis (see Bray, 2001, pp 61:66).
- Direct comparison between subsidy payment rates paid by the States and the estimates of the costs of children in care determined in this study in Table 41 are not valid. In the case of NSW where carers are expected to meet the costs of childcare (up to \$1 000 per year), no child care costs are included in this study’s estimates. In addition, the estimates for health and education costs in the estimates are based on the public health system, Medicare and public education systems and take no account of either additional health costs or additional educational costs that carers in NSW are expected to meet (up to \$1 000 per year).
- For subsidy payments paid by other States the reader is cautioned to read the Notes to Tables 18 to 25 (Section 6) to gain an understanding of what subsidy payments are expected to cover and what other reimbursements are made to carers by way of add-on loadings to the standard subsidy to cover basic costs. Depending on the particular circumstances of a child in care each State and Territory may offer additional reimbursement for extra expenditure. For the most part these are discretionary payments and are not guaranteed.
- Even with the caveats mentioned above it does appear that few States were reimbursing carers by way of standard subsidy payments at a level that would meet the basic, everyday costs associated with fostering. A significant increase in the levels of subsidy payments for all children would be required if the issue of adequacy of payments was to be addressed and carers were to receive amounts closer to the ‘real’ costs of fostering.

Table 41: The Estimated Costs of Children in Foster Care and the Standard Subsidy Levels for all States by Age of the Child: 2000 (\$ per week)^(a)

| Age | TAS | WA | NT | SA | VIC | ACT | QLD | NSW | Estimated Costs of Children in Care |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------------------|
| 0-1 | 70 | 79 | 97 | 85 | 85 | 92 | 76 | 175 | 157 |
| 2 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | - |
| 3 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | 156 |
| 4 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | - |
| 5 | 70 | 79 | 101 | 91 | 77 | 105 | 93 | 175 | - |
| 6 | 70 | 79 | 101 | 91 | 77 | 105 | 114 | 175 | 168 |
| 7 | 71 | 79 | 101 | 91 | 77 | 105 | 114 | 175 | - |
| 8 | 71 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | - |
| 9 | 71 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | - |
| 10 | 72 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | 197 |
| 11 | 72 | 79 | 120 | 98 | 112 | 123 | 138 | 175 | - |
| 12 | 83 | 79 | 136 | 118 | 112 | 141 | 138 | 175 | - |
| 13 | 83 | 118 | 136 | 118 | 157 | 141 | 138 | 175 | - |
| 14 | 90 | 118 | 136 | 118 | 157 | 141 | 138 | 175 | 242/248 ^(b) |
| 15 | 90 | 118 | 163 | 145 | 157 | 171 | 138 | 175 | - |
| 16 | 90 | 118 | 163 | 145 | 157 | 171 | 129 | 175 | - |
| 17 | 90 | 118 | 163 | 145 | 157 | 171 | 129 | 175 | - |

Notes: The figures in this Table for both the standard subsidy payments and estimates of the costs of fostering are indicative only. Reimbursements for carers provided by governments vary on a State-by-State basis and the reader is advised to consider the figures in this Table in light of the discussion in Sections 6 and 7.

a) All dollar amounts rounded.

b) Amount of \$242 applies to a boy aged 14. Amount of \$248 applies to a girl aged 14.

Source: For all States' subsidy amounts, see Bray, 2001:34.

Conclusion and Recommendations

The study used three sources of information to examine the issue of adequacy of subsidy payments: surveys with agencies and foster care associations; focus groups with carers; and estimates of the costs of children developed by the BSU at the SPRC for children *not* in care. The study attempted to demonstrate the potential of budget standards methodology to measure the adequacy of payments to carers in all States by factoring into the BSU estimated costs of children an assessment of the costs associated with fostering for children in different age groups. Recommendations for practice and future policy direction arising from the study are presented.

The 1997 BSU estimates of the costs of children were updated to December 2000 and costs specific to fostering were factored in for children of various ages: a one-year-old child, three-, six- and 14-year old girls and 10- and 14-year old boys. The estimates of the costs of foster children indicated that children in care are on average 52 per cent higher than the costs of children *not* in care (Table 39).

The findings from the survey with agencies, the analysis of the focus group discussions and the comparison of the BSU estimates of the costs of children, with costs specific to fostering factored in, confirmed that the level of standard subsidies, paid by a number of States were substantially below the costs required to meet basic, everyday needs of children in care.

Based on data for the year 2000, the figures in Table 41 indicated that the level of the standard subsidy paid by most States was well below the estimated costs of children in care, as determined in this study.

The study also found that depending on the type of care order (Section 6.5) applying to children most States addressed the issue of providing the majority of carers with an initial clothing allowance when children were placed in care. However no State, except Tasmania⁵, appeared to address the issue of the costs of birthday and Christmas gifts for children in care in an adequate or consistent way. Suggestions for how these two important additional payments might be addressed are discussed in Section 7.5.

Recommendations

- 1 That consideration be given by the Commonwealth and the States for a national framework for payments that would address issues of adequacy and equity for all foster carers across Australia and better reflect the real costs of caring.*
- 2 That all States review their level of standard subsidy (including higher payments for specified categories of need) paid to carers and increase levels to reflect the direct costs of fostering. The review process should include consultation with NGO agencies and carer associations.*
- 3 That all States cover a similar set of budget items in the standard subsidy to meet the extra costs to a family of a child in care.*
- 4 That regardless of the type of care order a child is under, all carers to be paid the same rate of weekly subsidy.*
- 5 That the issue of additional allowances, (Section 7.5 and 7.9) i.e. 'one-off' payments for initial clothing and footwear, and an allowance for gifts (for children's birthdays/Christmas) be reviewed to ensure that costs are adequately met in a consistent and systematic way.*
- 6 That the additional allowances for initial clothing and footwear requirements and for gifts should be mandatory payments for all children in medium to long-term care.*

Age Related Payments

Most States, except NSW, use age-related payment systems to reflect increased costs, as children grow older. In general, the level of subsidies paid by States increase for older age groups. This corresponds with the findings in the study (Table 39), which indicate that the estimated costs of foster children, with the exception of a one-year-old, rise as their age increases. A finding from the survey with agencies (Table 14) was that 'a standard subsidy should be age-related'. Most agencies (79 per cent) agreed with the statement.

Recommendation

- 7 That States maintain age-related payment schedules for standard subsidy payments. That age-related payments more closely reflect the real costs of fostering for children in particular age groups, in particular, younger children.*

5 Tasmania provides carers of children under guardianship orders with \$30 annually, as a Christmas Allowance, to be used towards the costs of Christmas presents (Bray, 2001: 51)

Consumer Price Index (CPI)

The findings in Tables 18 to 25 indicated that there has been no uniform approach by the States to adjust the level of standard subsidy to reflect changes in the cost of living. Some States were reported as using their State's CPI to adjust payments; some stated it was an annual increase, others said the CPI was used from 'time to time' (or 'irregularly') to adjust payment levels (Bray, 2001).

Between 1996-97 and 1997-98 there was *no* increase in the level of subsidy paid to carers in Tasmania, Northern Territory, South Australia, Victoria, Queensland or New South Wales. Between 1997 and 2000 all States had increased their rates of payment (Bray, 1997; Bray and Foti, 1999; Bray, 2001). The variations in increases across States however were inconsistent and were not the same for all age groups. In a number of States the adjustments made did not appear to reflect the overall CPI increase of around 10 per cent (March 1997 to December 2000) calculated for the BSU estimates.⁶ Unless the States reflect CPI changes relevant to their State, the levels of subsidies will fail to cover carer costs. If payments do not reflect the rate of inflation then over time carers will be progressively out of pocket or children's needs will not be met.

Recommendation

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| 8 | <i>That all States systematically update the level of weekly subsidy paid to carers to correspond with regular changes in the CPI.</i> |
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Accessing Services for Children

The issue of accessing various health (including dental, mental and disability services) and other therapeutic services to meet the special needs of foster children and young people requires urgent attention. Of all specialist services, counselling was the service that appeared to be needed most by children in care and also the service most difficult for carers to arrange (Section 2.14). It is not surprising that many children placed with foster carers have a pressing need in relation to counselling (and other specialist services). This need occurs, as result of negative experiences and/or abuse or neglect prior to being placed. In addition most children have also been removed from their birth family (or have experienced a placement breakdown), which is an additional trauma.

Numerous studies on the value of early intervention by way of providing services for abused, neglected or disadvantaged children and young people have been shown to be of enormous benefit to children and young people. Providing high quality specialist services at the early stages of a problem (i.e. psychological, educational, medical, etc.) has long-term gains, both for children and the community more generally and provides cost savings in the longer term (National Crime Authority, 1999; McCain and Mustard, 1999; Perry and Marcellus, 1997; Weikart, 1982). The importance of using specialist consultants in counselling for abused and neglected children has been highlighted in work by Lieberman (Lieberman, 1999).

In relation to early intervention for abused and/or neglected children, the provision of children's services (child care) is also important for pre-school aged children (Fisher, McHugh and Thomson, 2000). Children gain socially and developmentally from attending a children's service. Children's services are used by parents (including foster parents) for a number of reasons, such as their own work, training or leisure needs and because parents want children to be involved in activities, which stimulate and assist their development (Brennan, 1983).

6 March 1997 and December 2000 (Sydney Index) were the CPI quarterly periods used by the BSU to update the initial estimated costs of children.

Research indicates that due to abuse and neglect, children may develop maladaptive behaviours (Perry and Marcellus, 1997). For foster parents, child care can offer respite from the day-to-day care of children, allowing well trained and provisional staff to address children's needs and support foster parent in their caring role. In addition, longitudinal studies indicate that children do better if they have experienced good quality children's services before starting school (Cooper and Sutton, 1998; McCain and Mustard, 1999).

Recommendations

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|----|---|
| 9 | <i>That unless a placement is of a temporary nature, i.e. children are aware they will be returning to their birth family in a relatively short period of time, all children and young people in care should be offered specialist counselling to assist them to recover from the impact of any family violence, abuse or neglect they may have previously experienced and to assist them to adjust to their changed circumstances. The offer of counselling should not be at the discretion of a worker but be viewed as the right of the child or young person in care. All costs for specialist counselling to be met by the department.</i> |
| 10 | <i>That in the case of carers of pre-school aged children, good quality child care on a regular basis, should be made available and paid for by the department at no cost to the carer.</i> |

Reimbursement for Carers

Obtaining reimbursement for all types of specialist services, including counselling and child care, was found in both the survey findings and from the discussion with carers to be at times a frustrating and difficult process to negotiate. These reimbursements, known as one-off grants or contingency payments, are paid under special circumstances in a non-recurrent way (e.g. medical expenses), are named differently in every State, and appear to serve a number of different purposes.⁷ In South Australia, for example, the wide ranging nature of contingency payments include: Establishment Grants; Incidental Expenses; Brokerage Funds; and discretionary payments for out of the ordinary high costing expenses associated with interstate travel, orthodontic and medical treatment and property damage (Bray, 2001: 51).

In addition contingency payments may be mandatory or discretionary, or be part of an approved (formal) case plan. In most States, once amounts exceed a certain amount approval for payment is required at managerial or area level. What is also apparent is that in some States, the local Area or District has an allocated budget with reimbursements subject to ceiling and threshold payment levels (Bray, 2001: 49-56).

Discussion with carers indicates that reimbursements for additional costs in some States appeared to be made as a matter of course and in others they were made at the discretion of a worker. Carers reported that there appeared to be little consistency in how decisions were made in relation to discretionary payments. Some carers were not aware of entitlements that other carers in their State were receiving for similar expenses incurred for foster children. At times, when a department did not meet a carer's claim for additional expenses, agencies had little choice but to reimburse carers out of agency funds. In addition, even when claims were approved, it was not unusual for carers to wait many months to receive reimbursement.

7 Readers are referred to the Bray Report which provides extensive comparative tables on the way both mandatory and discretionary payments are made and expenses reimbursed for each State and Territory (Bray, 2001: 60-66)

Recommendation

11 *That all carers be provided with policy documentation in relation to the discretionary and mandatory payments (and amounts) for the children in their care. That all States consider a review of their administrative procedures to ensure that carers (and/or services) are reimbursed within a reasonable period of time (within 14 days) after carers/services have lodged a claim. That 'ceiling and threshold payment levels' be removed from reimbursement systems to ensure equity for all carers and adequacy to meet children's costs for specialist services.*

Respite for Carers

The lack of respite care services for carers, noted by many agencies in the survey, accentuated the problems faced by carers. The surveys with agencies and associations showed that in many States there was a reduction in the level of subsidy paid to carers when the child went to another carer to allow the major carer 'weekend respite' or when the child returned for short periodic visits to their birth family.

In one State a minimum of 21 days per year respite was permitted for 'narrowly specified' reasons and during this period a dual allowance was paid for the child. For the majority of carers, however, it appeared that when respite was provided, the subsidy was reduced by the 'daily' rate,⁸ for each day the child was not with the major carer. For most carers regular respite from their caring role was often one of the most difficult areas to organise and access either through their agency or the department (see also Bray, 2001: 107). The provision of respite for carers is undoubtedly essential, and while it involves financial costs to governments, it could be a major factor in retaining carers in fostering and also preventing placement breakdown.

Recommendation

12 *That all States place a high priority on funding access to suitable respite care on a regular basis for all carers. That on the grounds of equity, no carers should be penalised by any reduction in their subsidy payments for either weekend respite or when the child is on short periodic visits to their birth family.*

Related Costs Relevant to Fostering

There were some related matters where using a budget standards approach could not accommodate some costs incurred by carers. The nature and impact of these costs were of concern to many carers and are discussed below.

Insurance

Obtaining appropriate reimbursement for damage to their homes and contents by foster children was a problematic area for most carers. Damage to a carer's car or to a neighbour's property was also of concern to some carers. Many carers with Contents Insurance were not able to utilise their cover where damage was caused by foster children without incurring some type of penalty or outright refusal by insurers for reimbursement of claims.

8 The 'daily rate' is calculated by dividing the weekly rate of standard subsidy by seven to obtain a daily rate.

Recommendation

- 13 *That agencies and departments who administer foster care systems find a prompt and appropriate policy response to the significant problem of insurance coverage for carers. That all States ensure that carers have **full** indemnity against all damage caused by foster children to either their property or the property of others.*

Health

There were several areas of concern in relation to health: payments for over-the-counter medications; coverage of foster children by private health funds; and the availability of Medicare cards for foster children

Over-the-counter medications were expensive for carers as many children in care appeared to experience numerous minor complaints (e.g. head lice, scabies, school sores) requiring regular treatment. In a number of States, the policy of reimbursing only for amounts that were over \$20, left many carers considerably out of pocket.

Recommendation

- 14 *That on the grounds of equity the costs for all over-the-counter medications purchased for children in care be reimbursed regardless of the amounts.*

Some carers who were members of a health fund found that not all private health insurers 'allowed' foster children to be included under a carer's policy. This action by private health funds prevented some carers from using private specialist services for children in care. Private specialist services were seen by some carers as an option, for children with pressing health issues, when the public hospital system had long waiting times for such services of between six to 12 months.

Recommendations

- 15 *That the appropriate Commonwealth and State Departments explore the feasibility of legislative changes to enable carers to include foster children in long-term care in a carer's private health fund.*
- 16 *That where it is deemed appropriate and necessary to meet the pressing health needs of children, private health insurance in a child's name should be provided by the agency/department and the costs of premiums paid by the department.*

The lack of a Medicare card for children in care causes considerable inconvenience and costs to carers. This issue is pressing as carers stated that **more** stringent criteria apply (as of January 2002) for accessing Pharmaceutical Benefits Scheme medications apply. Pharmacists will have to sight a Medicare card or be provided with the child's Medicare number in order for foster carers to obtain a prescription at the reduced rate. Unless carers have a Medicare card (or know the number) for the child, or the child's name is on their card, they may be severely disadvantaged.

Recommendation

- 17 *That a temporary Departmental (or Agency) Medicare card be issued by workers to all carers when a child is placed or until other arrangements for a card in the child's (or carer's) own name can be made.*

The paucity of information provided to carers in relation to the medical history of children coming into care, including, for example, records of immunisation, drug and alcohol use and other details about chronic conditions (e.g. asthma) is unacceptable. Carers and their family

are put at risk when the medical and psychological background of children coming into care is unknown.

Recommendation

18 *That as part of the assessment process, where medical details or background of children coming into care are unknown, they are seen by a general practitioner and any relevant health or medical information relayed to the carer as soon as practical.*

Transport/Travel for Access and Contact

Two aspects of costs associated with transport require action by governments. One is in relation to access visits and the other to the purchase and use by carers of larger vehicles.

Taking children in care to birth families for contact and access visits, when judged by workers as appropriate, appears to be becoming more commonplace for carers in all types of placement situations. Reimbursement for transport costs was either difficult to arrange or the rate paid by the agency/department was at such a low rate it was insufficient to cover carer costs. Carers should not be treated less than others (i.e. employed public servants) when using their private car for work purposes.

Some carers spoke of using weekends and/or holidays to take children for access visits to birth families who lived some distance away or who had moved since the child was placed. Costs in relation to accommodation (hotel/motel) required on these visits were often borne by carers. Others carers had little resort but to camp or caravan to reduce the costs of accommodation on these visits.

All departmental workers are entitled to claim for the costs of travel in relation to their work and would do so if they were responsible for access and contact visits. The situation of carers in this situation is no different.

Recommendations

- 19 *That all cost of travel using a carer's personal car should be reimbursed by the department/agency at the rate used to reimburse workers in the public sector in the particular State where the travel takes place.*
- 20 *That the cost incurred by carers for overnight stops (accommodation/food) on access visits be fully reimbursed. Carers should be able to choose to either have their costs reimbursed by tendering receipts or take the per diem rate paid to public servants in the particular State where travel takes place.*

Use of Larger Vehicles

The issue of assisting carers with costs of purchasing larger vehicles (six to 10 seaters) required to transport foster children needs to be addressed. There does not appear to be clear policy guidelines in a number of States in relation to this matter. In addition, carers noted that the costs associated with running larger vehicles (registration, insurance, tyres, service, petrol) are significantly higher than for smaller sedans.

Recommendations

21 *That all carers should be entitled to receive financial assistance with the purchase of a larger vehicle, if due to their caring role, (caring for sibling groups or with several children in care) they are required to purchase a larger vehicle.*

22 *That all carers using larger vehicles should be able to apply for a loading on their subsidy payment to cover the increased costs of transport.*

Remote/Regional Allowances

A supplement should be paid to carers in remote and rural areas for additional costs associated with distance (i.e. travel, STD phone costs, additional wear and tear on vehicles, etc.). Accessing specialist services (medical, dental, therapeutic, etc) was doubly difficult in many country and regional areas due to the lack of government and private provision. For many carers obtaining respite was also more difficult due to geographical isolation.

23 *That carers in remote and regional areas receive a loading on the standard subsidy payment to assist with extra costs attributable to distance.*

Indigenous Carers

There were a number of issues in relation to Indigenous carers, which impacted on their ability to care. Indigenous people had the highest number of children requiring out-of-home care. When fostering, carer families appeared to have more children placed in their care, to be struggling financially and to have less material resources than non-Indigenous carers.

Given their circumstances, it is incongruous that the policy in some States regulates that where Indigenous carers are kinship carers they receive less financial assistance than other carers in the community as well as lower levels of support essential to their caring role. Of equal concern is that Indigenous carers are not given the same training and access to services as other carers. These last two issues are also of equal importance to non-Indigenous kinship carers.

Recommendations

24 *That all (Indigenous and non-Indigenous) kinship carers receive the same level of standard subsidies paid to other carers.*

25 *That all (Indigenous and non-Indigenous) kinship carers receive the same level of support and access to services for children in care as other carers.*

26 *That training and support groups be made available for all (Indigenous and non-Indigenous) kinship carers.*

Other Issues Raised by Carers

Many other issues were raised by carers in the course of the study, which go beyond the scope of this project, particularly in relation to levels of support, training, information and assessment of carers. Other concerns related to the role of workers and agencies in providing support and assistance to foster carers. The report notes (Section 4.15) that the discussion in the focus groups was wide ranging and many carers saw the groups as an opportunity to expand on a host of related topics. Many areas concerned the policy and practice of government departments in relation to permanent placements, guardianship, adoption, case planning and case conferencing (or the lack of).

Older carers with young children (some with disabilities) were worried about what would happen to their foster children when they were no longer able to care for them. Some carers spoke of the continuing stigma (and racism) experienced by children in their care, this appeared more noticeable in rural groups. Allegations of abuse against carers and issues of disciplining foster children were also raised in a number of groups. This topic expanded into discussion on the negative impact of fostering on foster carer's birth children, grandchildren and friends. Many carers regretted that they had fewer opportunities to spend with family and

friends and others spoke of family and friends not wanting contact due to the behaviour of foster children or the fear of what they might do (see also Section 3.17).

For some carers dealings with Centrelink was problematic. Carers stated that some Centrelink workers were not aware that receipt of reimbursement for fostering was *not* income to be assessed or means tested when carers were attempting to access Commonwealth payments (FTB) for children in care (see also Bray, 2001: 104-5). Small numbers of carers spoke of the ‘injustice’ of losing the additional subsidy payment (approved due to the nature of care required when the child came into care) after they had put in considerable time, skills and financial resources to ‘stabilise’ a child’s behaviour.

Further Research

Four areas, which came to light in the study, deserve further attention by researchers and governments: the NSW *Foster Care 2000 Reforms*; kinship care; children in care with disabilities; and the indirect costs of caring.

Foster Care 2000 Reforms

NSW is the only State that has moved from an age-related payment system to a flat rate subsidy payment incorporating the coverage of some items previously covered by contingency payments. To date little is known in relation as to how the *Foster Care 2000 Reforms* have been perceived by carers and whether carers are managing to meet costs more satisfactorily under the new system. For carers with children with special needs provision was made to pay higher allowances (*Care+1* and *Care+2*). Whether these two categories, that replaced 12 others, are meeting their objective of recognizing the demands of children and young people with special needs is also unknown. A timely evaluation of all aspects of the changed reimbursement system would be of benefit to policy makers, researchers and carers.

Kinship Care

All Australian States have legislation or policy which encourages the placement of children with a child’s extended family before the child is placed with an unrelated carer. In NSW, there are varying opinions on policy developments in relation to kinship care but currently little is known about the benefits/disadvantages of such care in the Australian context (Developing Practice, 2001; Dixon, 2001; Sultmann and Testro, 2001). In some States it appears the amount of reimbursement, training, support and other services offered to kinship carers, both Indigenous and non-Indigenous, differs from that provided to other carers. In light of these issues studies in the area of kinship care are essential to ascertain whether kinship (or relative) care promotes successful outcomes for children in care and whether carers are being equitable treated, *vis-a-vis*, other carers.

Children with Disabilities in Care

The issue of Indigenous children with disabilities also appeared to be higher than for non-Indigenous children. The question about how many children in care have disabilities and the circumstances in which out-of-home care becomes an unavoidable option for such children should be of interest to researchers and of concern to policy makers.

Indirect Costs of Care

Discussions in the course of the focus groups carers indicated there were a number of indirect costs, which arose due to their fostering role. The research revealed a number of ‘hidden’ costs for carers, which were rarely discussed or measured in the literature on direct costs.

These include the indirect or opportunity costs which impact on carers and their families (Oldfield, 1997; Mitchell and Cooke, 1988; Cass, Keens and Wyndham, 1983). The work involved in caring for foster children is not only extensive and demanding in its nature but also means that the main carers, usually women, generally have less time to spend with family and friends or to pursue labour market or leisure activities. The effect of forgone earnings (and occupational superannuation) from paid employment for women caring for children has been shown to be substantial (Chapman, Dunlop and Gray, 2001; Begg and Chapman, 1988; Mitchell and Cooke, 1988; Joshi, 1987).

The premise of governments and many in the wider community, including some foster carers, is that carers are motivated by an altruistic notion of caring for vulnerable children in their homes and therefore do not expect to be compensated for what they do, beyond the reimbursement of costs for the children in their care (Smith and Smith, 1990). Opportunities in Australia and in other western countries for married women (the core of foster carers) to participate in paid work have grown substantially over the last three decades (van Acker, 1999; Mitchell, 1998). Now that women have the option of unskilled paid work with regulated hours, pay and conditions in numerous service industries, both government and non-government agencies are experiencing increasing difficulty in attracting suitable and appropriate carers willing to foster on a 24-hour, seven day a week basis, with little respite and minimum reimbursement. A recent inquiry into out-of-home care in NSW also found there was a lack of social recognition of foster carers' contribution and a perception that the role of foster carers was undervalued (CSC, 2000a). These findings were echoed by carers in this research who were also concerned about the lack of dignity, respect and support they received from some departmental officers and professionals in the field.

There is mounting evidence in Australia (Sultmann and Testro, 2001; CSC, 2000b) and elsewhere (Berridge, 1997) that foster carers need to have increased skills, knowledge and resources (emotional and physical) to nurture and care for difficult children with challenging and complex needs. There is also increasing recognition that for difficult and demanding children, carers should receive a scale of payment linked to their level of skills and experience (House of Commons, 1998). In NSW, new forms of foster care are emerging. The use of carers, specially recruited for children with extremely high or complex support needs and in receipt of higher allowances is on the increase (CSC, 2000b).

The conclusion to be drawn from this research indicates that it is time to consider whether all foster carers (including relative and kinship carers) might be entitled to more than simple reimbursement for the direct costs of children. Such a significant change in payment systems would, of course have a major impact on government funding of foster care services. It is also not a straightforward issue as there is evidence in the literature (Smith and Smith, 1990; Baldock, 1983) that carers have mixed feelings about payments for caring work and the 'professionalisation' of foster care.

Implications from this Study

All carers are entitled to be paid, at least, an amount sufficient to cover the day-to-day direct costs of fostering, rather than a contribution or part payment towards costs. This is because no one who volunteers their time, energy and effort to care for children and who incurs a number of indirect costs (both financial and non-financial), which are rarely ever referred to let alone addressed, should be expected to pay children's basic financial costs. It would be difficult to conceive of any other voluntary position in society which involves the responsibility and care for children seven days a week, 24 hours a day in a carer's home with no relief or respite.

There are moral and legal reasons why governments should reimburse carers at socially acceptable and approved standards of living for the children they place in care. Regardless of the type of order a child is under, while in care their costs are the same. Meeting basic everyday needs is a constant factor that deserves an equitable approach to all carers. It is hoped that the findings from this report will assist policy development in setting appropriate levels of standard subsidy and assist in recruiting and retaining foster carers.

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Abbreviations and Acronyms

| | |
|----------|--|
| AASW | Australian Association of Social Workers |
| ACWA | Association of Childrens Welfare Agencies |
| AFCA | Australian Foster Care Association |
| ADD | Attention Deficit Disorder |
| AICCA | Aboriginal and Islander Child Care Agencies |
| AIHW | Australian Institute of Health and Welfare |
| ASCRCSSP | Australia, Steering Committee for the Review of Commonwealth/State Service Provision |
| BSU | Budget Standards Unit |
| CAFWAA | Child and Family Welfare Association of Australia |
| CSC | Community Services Commission |
| DHCS | Department of Health and Community Services |
| DOCS | Department of Community Services |
| DSP | Disability Support Pension |
| FACS | Family and Community Services |
| FAP | Family Assistance Payments |
| FCA | Foster Care Association |
| GST | Goods and Services Tax |
| HES | Household Expenditure Survey |
| HGS | Household Goods and Services |
| LC | Low Cost |
| MBA | Modest but Adequate |
| NFCF | National Foster Carers Forum |
| NGO | Non-Government Organisation |
| SNAICC | Secretariat for National Aboriginal and Islander Child Care |
| States | Includes all Australian States and Territories |
| SPRC | Social Policy Research Centre |
| UNSW | University of New South Wales |
| YA | Youth Allowance |

1 Introduction: The Research Project

A study to investigate aspects of the foster care payment system in Australia was developed in the late nineties after discussions between researchers at the Social Policy Research Centre (SPRC) University of New South Wales (UNSW) and representatives from non-government welfare organisations involved in the provision of foster care services. This Report is the product of the study by the SPRC. The Ian Potter Foundation and a number of non-government child welfare organisations under the auspices of Child and Family Welfare Association (CAFWAA), Australian Foster Care Association Australia (AFCA) and Association of Childrens Welfare Agencies (ACWA) funded the study.

1.1 Background to the Project

All States⁹ in Australia administer similar programs for children in foster care with placements managed either by the statutory authority or by non-government agencies (Cashmore and McGregor, 1996). Data from the Australian Institute of Health and Welfare (AIHW) for the year 2000 (30 June), indicated that the numbers of children and young people placed in out-of-home care services in Australia was significant with

16 923 in out-of-home care. The majority (15 169) of children in out-of-home care were predominantly in home-based care. Most children were in foster care (7 870); relative/kinship care (6 051) or other home based arrangements (153).¹⁰ Smaller numbers of children and young persons (1 754) were in facility-based care; independent living or other (unknown living arrangements) (AIHW, 2001). Trends in out-of-home care indicate that between 1972 and the early 1990s there were decreasing numbers of children in care. However from 1993 to 2000 the numbers of children in out-of-home care have increased by over one-third (Johnston, 2001).

The increase in out of home care placements coincided with two important approaches in substitute care: de-institutionalisation and the use of kinship care. Kinship care is broadly defined to include blood relatives other than birth parents and significant other adults in the child or young person's life, for example, teachers, neighbours or friends (DHCS, Victoria, 1996). By 2000–2001 most of the larger residential care institutions for children had been closed. In addition the increasing use of relative/kinship care, particularly in NSW, as the preferred option for children in substitute care has been significant (Sultmann and Testro, 2001: 14-16). The proportion of all (Indigenous and non-Indigenous) children in the care of relatives and kin varies across the States from a low of 15 per cent in the Northern Territory to 54 per cent in New South Wales (AIHW, 2001). In relation to the increasing use of kinship care it is not clear whether relative/kinship care is being used only as a 'preferred option' for children; or because of the lack of other care arrangements; or due to the fact it is seen as a less expensive option for governments (CSC, 2001; Sultmann and Testro, 2001). In Australia to date there have been no published studies on the use of relative/kinship care and little is known about carer support and payment rates for relative/kinship carers except that it is understood to be less than that offered to other formal carers (Dixon, 2001).

9 For ease of discussion 'States' refers to all Australian States and Territories.

10 Numbers do not total 15 169 as South Australia with 1 095 children in out of home care was unable to break down the number of children in the various categories of home-based care (AIHW, 2001: 40)

Since the mid-eighties there has been growing disquiet among a number of major foster care organisations in relation to certain aspects of fostering. One aspect of concern was the low level of standard subsidy¹¹ paid by States to foster carers to meet the needs of children in care. In addition there was concern that unless payments to carers were increased there would be great difficulty not only in recruiting and maintaining carers in fostering but in expanding ‘the available pool of carers’ (Tregeagle and Voigt, 1996: 1).¹²

Foster care in Australia is one of the few aspects of income maintenance policy that is the responsibility of State and Territory Governments. All States administer similar programs for children in foster care but there are wide differences in the amount of subsidy paid to carers across Australia. Aspects of the various foster payment systems in Australia have been highlighted in a series of comparative reports analysing foster payment systems in Australia and New Zealand (Bray, 1997; Bray and Foti, 1999; Bray, 2001). The reports for various years have presented an overview of how payments are made, the rate of standard subsidy by age of the child in each State, the way various basic commodities or services were funded and the method (or basis) used for determining basic payment schedules. The two latter reports also provide comments on carer’s experiences in receiving payment, their adequacy, and variations in the application of policies on the provision of payments and allowances (Bray and Foti, 1999: 81-85; Bray, 2001: 101-109).

The reports on care provider payments showed that reimbursement to carers by way of a standard subsidy or allowance varied depending on the age of the child.¹³ It was evident from the analyses that there was no consistency between States in either the grouping of ages of children, or the levels of standard subsidy paid for particular age groups. The groups of commodities or items covered by a standard subsidy also varied enormously from state to state and in some states it was not clear what specific items were meant to be covered by a standard subsidy payment. In most states reference to estimates on the costs of children based on a ‘basket of goods’ approach (Lovering, 1984) were used to assist in defining basic costs to be covered by a standard subsidy.¹⁴

Up to 1999, Lovering’s estimates on the costs of children were published and updated regularly by the Australian Institute of Family Studies. Recognition by Government and the social policy community that the estimates needed to be replaced by updated calculations lead to three studies being undertaken in the late nineties to refine new estimates in relation to the costs of children.

11 A standard subsidy is defined as the regular weekly or fortnightly payment of foster care allowance to cover basic costs. In 2001 in all States, except NSW, the *standard subsidy* is age-related.

12 The connection between ‘payments’ and all areas of care work are of great importance to society. The role of women and society’s expectations of how caring work should be rewarded are undergoing major shifts (see Folbre and Nelson, 2000; England and Folbre, 1999; Bray and Foti, 1999, Section 12; Evers, Piji and Ungerson, 1994; and Smith and Smith 1990).

13 Carers of children with special or high needs may be entitled to receive add-on loadings. ‘Add-on loadings are defined as increases to the standard subsidy, either in the form of percentage loadings or as a flat rate, eg special needs loadings’ (Bray, 2001: 35).

14 In July 2000, NSW based the amount of standard subsidy to be paid to carers on research on the estimates of the costs of children developed by the BSU at SPRC (Saunders et. al., 1998) and work by NATSEM, at the University of Canberra (Percival, Harding and McDonald, 1999).

Two studies - Valenzuela (1999) and Percival, Harding and McDonald, (1999) - used Household Expenditure Survey data to describe what households *choose* to spend on children to estimate the costs of children. The third study by the Budget Standards Unit (BSU) at the SPRC, Saunders et al. (1998), identified and costed the goods and services *needed* by a variety of households and from these normative household budgets estimated the costs of children.¹⁵ The approach in Saunders et al. (1998) using a more extensive 'basket of goods' or budget standards approach in estimating the costs of children updated previous work by Lovering (1984). It cannot be claimed that the BSU estimates of the costs of children are perfect, at best they are indicative only. What can be argued is that 'they reflect the best of the existing Australian research, expertise, data and judgements and to this extent they are at the leading edge of what is currently possible' (Saunders, 1999: 65). These new BSU estimates on the costs of children proved to be a useful tool in examining in 1999 the levels of standard foster care subsidies paid by States as outlined by Bray and Foti (1999).

The BSU estimates of the costs of children, at two standards of living, low cost and modest but adequate¹⁶ were applied to the rates of foster care subsidies for 1997-98.¹⁷ The needs and therefore the costs of children 'in care' has been noted by researchers (NFCA, UK, 2000; Oldfield, 1997; Brown and Were, 1992) as ranging between 50 and 100 per cent more than for children 'not in care'. The BSU research implied that at a superficial level, without considering basic needs relevant to children 'in care' the amounts paid by most States were well below those considered necessary for the adequate 'maintenance' of a child in the Australian community. The payment rates for children of comparable ages to those estimated by the budget standards research were in general closer to or below the low cost standard and well below the modest but adequate standard (see Table 1). Whether the low cost or modest but adequate level is the most appropriate standard to be used when examining the costs of fostering will be discussed more fully in latter sections of this report.

15 While neither approach is perfect for estimating costs of children it is important to recognise that both methods have strengths and weaknesses and both are open to criticism. The strength of budget standards methodology is that it provides a framework for identifying *needs* as a basis for deriving costs. By the late nineties the availability of better data and more sophisticated methods of analysis in calculating costs made the application of the method more of a practical reality.

16 In the budget standards project, budgets were developed at two standards of living: modest but adequate and low cost. The modest but adequate living standard represents the amount families need to live somewhere near the median or the middle of all families living in Australia. The low cost standard represents around one-half of the median or middle living standard and lies closer to the amounts paid by the Commonwealth Department of Family and Community Services for its income support payments. In many respects the level of low cost budgets can be regarded as a bare minimum below which it becomes increasingly difficult to maintain an acceptable living standard.

17 Since 1998 several States have increased their levels of standard subsidy payment and the payment rates for 2000 for all States are discussed in the final section of this report.

Table 1: Level of Standard Subsidy Paid by States and the Estimated Costs of Children Developed by the BSU, for Selected Age Groups: 1997-98

| Age | BSU Estimates | | ACT | NSW | NT | SA | TAS | QLD | VIC | WA |
|-----|-------------------|--------------------|-----|-----|-----|----|-----|-----|--------------------|-----|
| | LC ^(a) | MBA ^(b) | | | | | | | | |
| 3 | 84 | 164 ^(d) | 84 | 65 | 84 | 71 | 62 | 87 | 72 | 74 |
| 6 | 101 | 139 ^(d) | 93 | 71 | 91 | 76 | 62 | 108 | 72 | 74 |
| 14 | 126 | 155 | 125 | 97 | 124 | 99 | 82 | 131 | 158 ^(e) | 111 |

Notes: a) LC – Low Cost. For all households at the LC standard it is assumed that the husband is unemployed and the wife not in the labour market.
b) MBA – Modest but Adequate. For all households at the MBA level both husband and wife are assumed to work full-time.
c) All amounts rounded to the nearest dollar
d) MBA estimates include the cost of child care for the three-year-old and the costs of before-and-after school care and vacation care (all less child care assistance) for the six-year-olds. These costs for formal care result in the youngest child’s costs being the highest of the three children.
e) Payment reduced to \$148 per week after the first six months of placement.

An examination of recent international research on the adequacy of foster care allowances shows that Australia ranks poorly among a number of western countries when comparing levels of basic foster care allowance. The research conducted in the United Kingdom on the adequacy of foster care payments indicated that in 1992 among 15 western countries, Australia had the second lowest basic foster care payment rate for carers (Oldfield, 1997).

Researchers at the SPRC prepared a proposal for a study to examine the adequacy and effectiveness of foster care allowances in Australia in response to concerns expressed by the welfare sector on the current inadequate rates of standard subsidy for foster care and the issues of carer recruitment and retention. An approach made to the Ian Potter Foundation by CAFWAA, AFCA and ACWA resulted in the granting of funds to assist in undertaking a study. Additional financial support to meet the costs of the project design was sought from all State Departments responsible for child welfare as well as non-government foster care agencies nationally. The only government assistance for the project was offered by the Department of Families, Queensland which provided funding to enable the researcher to conduct an additional focus group with carers in the far west of the State. Financial contributions were received from non-government agencies in three States: Anglicare, Barnardos, Burnside, Centacare Sydney, Centacare Wollongong, St Saviours, Wesley Dalmar (all NSW); the Baptist Community Services, Berry Street, Community Connections, McKillop Salvation Army, Mallee Family Care (all Vic); and Anglicare (SA). Foster carers and foster care associations provided in-kind support. A short fall in the funding to meet the total costs of the project was met by the SPRC with a contribution of staff time and in-kind support that enabled the project to commence in May 2000.

1.2 The Purpose of the Project

The aim of the study was to contribute to an assessment of the adequacy of current subsidy payments to foster carers in meeting the needs of children in care. The broad research objective was to establish a set of budgets to cover costs for children of specific ages and sex to foster families in Australia. Agencies’ and carers’ views were obtained to inform the research of basic costs and expenses, which needed to be

considered when developing budgets for children in care. In determining an appropriate level of subsidy for carers the estimates of the costs of children developed by the BSU at the SPRC were to be adapted to incorporate costs and expenses specific to the provision of foster care. The aim of the study was to provide better information on the direct costs associated with caring. However this may only be part of the information needed to establish appropriate payment rates as the need to attract and retain carers and compete with other income needs of families may require other elements in costing (Community Care, 2001). These issues are not addressed in this project.

The budgets for children in care reflect items and commodities considered necessary to meet the everyday or 'reasonable' needs of children that should be covered by a standard subsidy or allowance. The budgets do *not* reflect the additional financial costs associated with children in foster care who require specialist medical, educational, developmental and psychological services and where payment for such services takes the form of, for example, a 'one-off grant' or 'contingency payment' in addition to the standard subsidy payment. The budgets also do *not* cover budgets for carers of children with special needs, for example children with a disability, or children with emotional, behavioural or developmental needs who when assessed as requiring additional care and support are deemed eligible for additional allowances, add-on loadings¹⁸ or other payments.

1.3 Research Design

There were two stages in the research design.

Stage I consisted of a national postal survey of directors of child welfare agencies (government and non-government) who provided foster care programs and to presidents of each State's Foster Care Association. Copies of the survey forms are provided in Attachment A, following the Appendices.

Stage II of the project had three components. The first was the development of a set of budgets estimating the costs of care for children of specific ages and sex. The second component was conducting a number of focus groups with carers in each State and Territory. The focus groups were designed to give carers the opportunity to comment on the composition of the preliminary budgets and to suggest areas of improvement and advise where amendments were required. The groups allowed carers to provide guidance on aspects of the basic estimates of the costs of children to reflect costs specific to fostering. The third element of Stage II was to customise the budgets and establish national benchmarks that could be used by governments and agencies for reimbursing carers.

1.4 The Structure of the Report

- Section 1 of the report outlines the background and purpose of the study and the design of Stage 1 and II of the project.
- Section 2 presents the methodology used in Stage 1 and provides an analysis of the data from the survey with child welfare agencies and foster carer associations.
- Section 3 describes the methodology used in Stage II. It details how the BSU budgets were developed; describes how the focus groups were conducted.

18 Add-on loadings are defined as increases to the standard subsidy, either in the form of percentage loadings or as flat rate, e.g. special needs loadings (Bray, 2001).

- Section 4 presents the major issues arising from the focus groups with non-Indigenous carers.
- Section 5 describes the major issues arising from the focus groups with Indigenous carers.
- Section 6 discusses how the updated estimates of the costs of children compare to the levels of standard subsidy in all States in 2000.
- Section 7 discusses how the preliminary budgets might be adjusted to better reflect the costs of children in foster care and presents these costs.
- Section 8 presents the conclusion and recommendations.

2 Methodology - Stage 1

Questionnaire development and design

The focus of the survey conducted in November and December 2000 was to establish concerns and issues for agencies, associations and carers in relation to meeting the costs of foster children. The survey also investigated difficulties associated with access to and receipt of payments for additional services associated with caring for a child. It included an assessment of factors (monetary and non-monetary) connected to caring that could assist policy development in the maintenance and retention of foster carers.

The questionnaire for the survey of agencies and associations was developed over a period of several months and was compiled in consultation with the Steering Committee, members of the Reference Group (members are listed in the Acknowledgements) and with academic colleagues. In framing the questions used in the postal survey, use was made of issues highlighted in meetings with representatives of child welfare organisations on expenses, costs and payments, and the needs of foster children in relation to the current care system. The questionnaire sought both quantitative and qualitative data to inform the analysis.

Draft surveys were piloted in October 2000 with a small number of agency workers and members of the NFCF (now the NFCA). The pilots were valuable in focusing attention on additional key issues and concerns for agencies and carers. Modifications to the final questionnaire reflected comments and suggestions received from the pilot surveys. The survey form was finalised in November 2000.

The main topics covered in the questionnaire to agencies and associations included:

- the number and type of programs provided by the agency including the ages of children for whom care was provided;
- the numbers of children and carers in programs;
- difficulties for carers in meeting costs of children with a standard subsidy;
- the regularity of adjustment to a standard subsidy and the impact of the GST on carers' costs;
- the frequency of requiring additional services, difficulty arranging additional services, and the difficulty obtaining reimbursement for costs of additional services;
- agency perspective on a range of factors connected to reimbursing and supporting carers;
- reimbursement for kinship carers;
- factors leading to carers leaving fostering, including the role of reimbursement; and
- other issues and concerns in relation to costs.

Foster care in Australia is managed in a variety of ways by State Departments responsible for child welfare and there is no national database that lists all agencies and organisations involved in providing foster care services or programs. Contacts and addresses for government and non-government agencies responsible for implementing programs and services in the various States as well foster care associations in each State and Territory were obtained from members of the Steering Committee, Reference Group and from peak bodies representing children's welfare services. The Secretariat of National Aboriginal and Islander Child Care (SNAICC) provided a list of addresses for Aboriginal and Islander Child Care Agencies (AICCAs) who provide support for Indigenous foster care services¹⁹ around Australia.

Definitional issues

Descriptions of basic payments, additional allowances, contingency payments and types of foster care program vary from State to State (Bray, 2001). Similar terms used by States can have different meanings, which could cause difficulty in the responses provided to interpreting questions. In administering a national survey consideration had to be given to an approach that would make the terms used in questions easily understood by all respondents regardless of the State or Territory. To assist in the completion of the survey instrument a glossary containing operational definitions used in foster care programs was developed to enable a consistent response (see Attachment A).

Survey implementation

A package containing a letter describing the scope and conduct of the research project, the questionnaire and glossary and a reply-paid envelope was sent to agencies and associations. In total 218 surveys were posted out to agencies and eight surveys to associations in November 2000. A reminder post card was sent two weeks after the initial mail-out to thank those who had responded and to remind those who had not returned the survey to do so.

Sample

In States where Government departments are primarily responsible for foster care programs (NSW, Queensland, Western Australia, Northern Territory and Tasmania) the Committee decided that only the regional (or area) offices that have responsibility for managing programs should be sent a survey. Western Australia was the only State where it was not possible to obtain addresses for the regional offices. A Departmental representative from Perth central office of Family and Children Services agreed to complete one survey for the State. In total 27 Departmental regional (area) offices with responsibility for providing foster care programs in their State or Territory were included in the survey. All foster care programs for the Department of Human Services, Victoria, the Department Family and Youth Services, South Australia and ACT Family Services are operated by non-government organisations.

19 Indigenous foster care is of particular importance as Aboriginal children are over-represented in out-of-home care placements (Cunneen and Libesman, 2000; Bath 1998). At 30 June 2000 there were 3 496 Indigenous children in Australia in out-of- home care representing a rate of 1 8 . 3 p e r 1 000 children. The numbers ranged from a low of 3.9 in the Northern Territory to 32.9 per 1 000 in New South Wales (AIHW, 2001: 43).

In addition to the 27 departmental offices a total of 191 non-government agencies (including Aboriginal and Islander Child Care Agencies) were surveyed (see Table 2). Each State and Territory (except Northern Territory, which has a carer representative only) has a peak Foster Care Association and surveys were sent to all including the Northern Territory representative.

Table 2: Survey Sample

| State/Territory | Government | Non- government | Total |
|--------------------------------|------------|--------------------|-------|
| New South Wales (includes ACT) | 8 | 68 | 76 |
| Victoria | na | 77 | 77 |
| Queensland | 12 | 26 | 38 |
| South Australia | na | 7 | 7 |
| Western Australia | 1 | 8 | 9 |
| Tasmania | 4 | 3 | 7 |
| Northern Territory | 2 | 2 | 4 |
| Total | 27 | 191 | 218 |

Note: na = not applicable

Survey response rate

Of the 218 surveys distributed to agencies the majority (107) were returned by May; however, there were no surveys returned from Indigenous agencies. Approaches by members of the Steering Committee to contacts in the Indigenous communities resulted in 13 returned completed surveys in June: NSW (3), Victoria (3) and Queensland (7).²⁰ By June 2001 a total of 120 were returned. This produced a response rate of 59 per cent. The response rate was calculated using the adjusted sample of 203. Three surveys were excluded as the reminder postcard was returned marked 'not known at this address' and four other surveys were returned with a notation that the 'out-of-home' care the agency provided did not involve foster carers. Eight other respondents telephoned to say the survey was not appropriate for their service or they had combined with another agency to respond to the survey.

Respondents had the option of recording their postcode to indicate the State or Territory where their agency was located. Of the 120 responses from agencies 118 provided postcode information. Six of the eight Associations returned a completed survey form. Figures in Table 3 indicate the number and type of agency for each State and Territory who returned a completed questionnaire.

20 A small number (3) of returned surveys noted that they provided foster care programs to both Indigenous and non-Indigenous children.

Table 3: Completed Surveys by States, Government/Non-Government and Indigenous Agencies

| State & Territory | Agencies | | | Number | Percentage |
|-----------------------------------|------------|----------------|------------|--------|------------|
| | Government | Non-Government | Indigenous | | |
| Victoria | na | 41 | 3 | 44 | 37 |
| New South Wales (includes ACT) | 2 | 31 | 3 | 36 | 31 |
| Queensland | 7 | 8 | 7 | 22 | 19 |
| South Australia | na | 4 | - | 4 | 3 |
| Western Australia | 1 | 3 | - | 4 | 3 |
| Tasmania | 3 | 4 | - | 7 | 6 |
| Northern Territory | 1 | - | - | 1 | 1 |
| Missing data | 2 | - | - | 2 | - |
| Total | 16 | 91 | 13 | 120 | 100 |

Note: na = not applicable

Due to the small number of responses from Aboriginal and Islander Child Care Agencies²¹ in other States as well as small returns overall from several States (SA, WA and NT) it was not possible to make comparisons between the States; nor between government and non-government programs; or between Indigenous and non-Indigenous agencies. Suffice to say that the analysis will indicate the type of concerns and issues across a number of areas associated with costs of foster care and highlight particular concerns considered by the agencies in the sample as most significant for carers in their programs.

21 Aboriginal and Islander Child Care Agencies (AICCA) are organisations responsible for recruiting and supporting Indigenous foster carers.

3 Analysis Of Survey Data From Agencies And Associations

3.1 Characteristics of Agency Programs

The questions in the survey for associations were similar but not identical to those used for the agencies. A discussion of the findings from the analysis of the association's surveys is included at the end of this Section. To assist in the discussion on the analysis of the data all references to 'care' is to foster care, and all references to 'carers' are to foster carers.

Just over half (57 per cent) of the agencies indicated that they provided one care program and 43 per cent indicated that their agency had several care programs. The difficulties inherent in States using different terms and definitions to describe the type of care provided by programs was evident from the descriptions given of agencies' program types. The response to this question varied widely, ranging from two words 'foster care' compared to many agencies that provided several lines of detailed description.

Summarising the range of programs offered by agencies was not a simple task given the diversity and length of descriptions they gave. Care programs can be defined in several ways which can include either the 'length of time in care', 'category of child or young person' in care and/or the 'level of need' or any combination of the three. In describing their program most respondents specified the 'length of time' in care (87 per cent) and the 'category of child' in care (91 per cent). Just over 40 per cent specified the 'level of need' of the children in care. A set of tables below have been devised to provide an overview of program types using 'length of time in care, 'category of child' and 'level of need'. Table 4 refers to the type of care programs by 'length of time in care'. Table 5 refers to the type of care programs by 'category of child or young person' in care. Table 6 refers to the type of care programs by 'level of need'.

Table 4: Type of Care Program by Length of Time in Care

| Length of time in care | Number | Percentage |
|---------------------------|------------|------------|
| Full range ^(a) | 63 | 52.4 |
| Short term ^(b) | 14 | 11.7 |
| Medium term | 2 | 1.7 |
| Medium/long term | 5 | 4.2 |
| Long term | 14 | 11.7 |
| Extended care | 1 | .8 |
| Other | 6 | 5.8 |
| Not specified | 14 | 11.7 |
| Total | 120 | 100 |

Notes: a) Full range includes short, medium and long term; shared care and pre-adoptive care.

b) Short term includes temporary/crisis (emergency)/respite care.

Table 5: Type of Care Program by Category of Child or Young Person

| Category ^(a) of Child | Number | Percentage |
|--|--------|------------|
| All categories ^(b) | 61 | 50.8 |
| Adolescents (teenagers) ^(c) | 31 | 25.8 |
| Children > 12 years of age | 11 | 9.2 |
| Children > 14 years of age | 7 | 5.8 |
| Children > 16 years of age | 1 | .8 |
| Not specified | 9 | 7.5 |
| Total | 120 | 100 |

Note: a) Category can refer to age and/or cultural background of child or young person.

b) All categories include children in all age groups and can also include children from Aboriginal, Torres Strait Islander or culturally specific backgrounds.

c) Adolescents in some programs include children up to 19 years of age.

Table 6: Type of Care Program by Level of Need

| Level of Need | Number | Percentage |
|--------------------------------------|--------|------------|
| All levels ^(a) | 20 | 20.0 |
| High intensity needs | 7 | 5.8 |
| Combination of needs | 4 | 3.3 |
| Children with challenging behaviours | 3 | 2.5 |
| Specialised home-based care | 2 | 1.7 |
| High risk | 2 | 1.7 |
| Low risk | 2 | 1.7 |
| Low to medium risk | 4 | 3.3 |
| Children with disabilities | 3 | 2.5 |
| Not specified | 69 | 57.5 |
| Total | 120 | 100 |

Note: (a) All levels of need include children from low to high risk; children requiring intensive support services; children with challenging behaviours; and children with disabilities.

It appeared from the results in the tables that a significant number of agencies offered specialised care programs for small numbers of children of specific ages. Other agencies appeared to provide programs that were more generalist, covered the full range of categories (including all ages of children) and all levels of care. Some of the generalist programs catered for small groups of children and small number of carers while others covered larger numbers of children and carers. The findings from the surveys in relation to existing programs does highlight the complexity of foster care systems and suggests that finding a payment system to reflect both adequacy and equity for carers is a formidable task.

3.2 Quantitative Data

Quantitative data sought in the survey were for the period July 1999 to June 2000. Agencies were asked to provide the numbers of children and carers in the agency program as well as the numbers of new carers and carers leaving the program in the 12 month period.

3.3 Number of Children in Care

The numbers of children in care programs (July 1999 to June 2000) ranged from one through to 2 000. Twenty five per cent of agencies had between one and 20 children in their program, the next 25 per cent around 23 to 60 children; the third 25 per cent had 63 to 200 children with the remaining agencies caring for between 212 to 2 000 children (Table 7).

Table 7: Numbers of Children in Care for Period 1 July 1999 to 30 June 2000

| Number of children | Percentage in Program |
|--------------------|-----------------------|
| 1 - 20 | 25 |
| 23 - 60 | 25 |
| 63 - 200 | 25 |
| 212 - 2000 | 25 |
| Total | 100 |

3.4 Number of Carers in Program

The number of carers in care programs ranged from one through to 520. One-quarter (25 per cent) of programs had between one to 12 carers, the next 25 per cent had between 13 to 27 carers, 25 per cent had 28 to 50 carers with the remaining agencies between 60 and 842 carers (Table 8). The one departmental survey from WA noted that at 30 June 2000 there were 842 foster carers for WA.

Table 8: Numbers of Carers for Period 1 July 1999 to 30 June 2000

| Number of carers | Percentage in Program |
|------------------|-----------------------|
| 1 - 12 | 25 |
| 13 - 27 | 25 |
| 28 - 50 | 25 |
| 60 - 842 | 25 |
| Total | 100 |

3.5 New Carers in Programs

Agencies were asked how many new carers were successfully recruited over the 12 months. No new carers were recruited for eight agencies (eight per cent). The number of new carers recruited for just over half (53 per cent) of the remaining agencies ranged between one and eight carers. For 25 per cent of agencies between nine and 16 new carers were recruited. For 14 agencies, the remaining 14 per cent, between 20 and 52 new carers were recruited to the program (see Table 9).

3.6 Carers Leaving Programs

Agencies were also asked to report on the number of carers who left the program over the same period. Eleven agencies (10 per cent) said that they did not lose any carers. From one to five carers left over half (57 per cent) of the agencies. Twenty per cent of agencies lost between six and ten carers. For the remaining 13 per cent, (11 agencies) between 12 and 60 carers left in the 12-month period (see Table 9).

Table 9: New Carers and Carers left Programs from 1 July 1999 to 30 June 2000

| New carers (No) | Agencies | Percentage | Carers left (No) | Agencies | Percentage |
|-----------------|----------|------------|------------------|----------|------------|
| None | 8 | 8 | none | 11 | 10 |
| 1 – 8 | 57 | 53 | 1 - 5 | 63 | 57 |
| 9 – 16 | 27 | 25 | 6 - 10 | 22 | 20 |
| 20 – 52 | 14 | 14 | 12 - 60 | 11 | 13 |
| Total | 106 | 100 | | 107 | 100 |
| Missing cases | 14 | | Missing cases | 13 | |
| Total | 120 | | | 120 | |

For agencies (approximately) in the sample who provided figures for ‘new’ carers coming into programs and carers leaving programs a total of 902 ‘new’ carers were recruited and 648 carers left. On average seven carers left an agency and nine were recruited in the 12 month period (see Section 3.17 for the reasons why carers leave fostering).

3.7 Funding Arrangements

In most States, governments fund foster care programs. Two-thirds of the sample of agencies (68 per cent) received funding for their programs solely from their State or Territory Governments. Nearly one-third (30 per cent) used a combination of monies from government, independent agency funds and in some cases special government grants to fund programs; while for three agencies, the agency itself, was the funding source for the program. It is likely that some agencies were part of larger organisation (i.e. charities) that attracted funding from other sources, for example, fundraising and donations.

3.8 Standard Subsidy

Over two-thirds (64 per cent) of agencies stated that they reimbursed carers only at the level of standard subsidy set out by the department responsible for foster care in their State or Territory. The remaining 36 per cent of the agencies indicated that they ‘top up’ the standard subsidy (see also Mowbray, 1993) when reimbursing their carers. This ‘top up’ was *in addition* to other types of payments governments may provide to carers, for example, ‘add on loadings or allowances’, ‘one-off grants’ or ‘contingency payments’ to meet the special needs of some children or to reimburse for costs not covered by a standard subsidy.

One of the main reason given by agencies for being obliged to ‘top up’ a subsidy payment was that the costs associated with the child or young person were not being met by the standard subsidy. A number of agencies also stated that a ‘top up’ was necessary in recognition of the high degree of supervision and care required for some children and young people and to ensure the ‘24 hour a day’ availability of a carer. To recruit (and retain) carers for children (particularly teenagers) agencies said they had to pay carers more than the standard subsidy (see also Community Care, 2001; Tregeagle and Voigt, 1996).

Another respondent said that higher subsidy payments were important for ‘crisis’ carers who needed to be able to stay at home to care when needed. Paid work for these carers was therefore not possible (see also Tregeagle 1995). Ensuring that the ‘mainly working class families and people’ providing care had sufficient funds to cover the living costs of the child in their care was another reason given.

Some non-government agencies paid carers ‘one-off’ extra payments to meet the specific needs of the child, for example, for extra clothing, school camps, child care, petrol costs, equipment and holiday programs. In some, but not all instances, agencies commented that they were successful in negotiating repayment from the department for these ‘one-off’ extra payments.

Some agencies commented that they could pay extra to carers because of the way their program was funded by government. It appeared that some agencies received funding for the program as a ‘block grant’ or ‘total package’. Workers in these agencies had discretion in determining level of subsidy for carers. This allowed some agencies to pay more than the standard subsidy to their carers. For other agencies it appeared that ‘top-up’ of payments was made out of independent agency revenue.

3.9 Difficulties with Meeting Costs

In an attempt to determine how adequately the standard subsidy was meeting basic costs of children in care and to gauge carer concern, agencies were requested to indicate how often carers expressed difficulty in a number of commodity areas that the standard subsidy was intended to cover. The list of commodities listed in the survey to agencies is more extensive than the nine main commodity areas used in the original BSU research. These nine areas were - housing, energy, food, clothing and footwear, household goods and services, health, transport, leisure and personal care.

On the advice of the Steering Committee and as a result of feedback from the pilots, modifications and additions of various commodities particularly significant to caring were included in the list to assist agencies in noting difficulties expressed by carers. For example, transport costs were in two categories: one, the day-to-day costs and also access and contact related costs with the child’s family. The costs associated with schooling were spread across four commodity areas in the BSU research. School uniforms and shoes were included in the clothing and footwear budget, school books and stationery in the household goods and services (HGS) budget, out-of-school activities in the leisure goods budget. On the advice of the Steering Committee ‘other school expenses’ such as fees, levies, excursions and trips were listed as a separate item to allow agencies to reflect carer concerns in this area. Similarly, costs to carers for child care fees (included in the HGS budget in BSU research) and pocket money were also listed separately.

Table 10 illustrates the major commodity areas and indicates the frequency carers expressed concern to agencies about difficulties in meeting specific costs. Column three combines the responses in columns one and two to show the high degree of difficulty in meeting costs and ranks. The most problematic area for carers was in meeting the costs for clothing and footwear for children; close to three-quarters (74 per cent) of carers reported difficulty to agencies.

Table10: Level of Difficulty in Meeting Costs by Type of Commodity

| Commodity/item ^(a) | Very often | Often | Very often + often combined | Not very often | Never | NA |
|---|---------------|-------|-----------------------------|----------------|-------|------|
| | (Percentages) | | | | | |
| Clothing and footwear ^(b) (n=115) | 25.2 | 48.7 | (73.9) | 20.9 | 2.6 | 2.6 |
| Leisure goods ^(c) (n=116) | 19.8 | 46.6 | (66.4) | 26.7 | 6.9 | 0.0 |
| Other school expenses ^(d) (n=114) | 15.8 | 43.9 | (59.6) | 32.5 | 5.3 | 2.6 |
| Transport (access/contact related) (n=114) | 16.7 | 42.1 | (58.8) | 31.6 | 4.4 | 5.3 |
| Health/Medical ^(e) (n=113) | 19.5 | 38.9 | (58.4) | 34.5 | 5.3 | 1.8 |
| Household goods & services ^(f) (n=111) | 13.5 | 30.6 | (44.1) | 45.0 | 8.1 | 2.7 |
| Child care fees ^(g) (n=112) | 17.0 | 21.4 | (38.4) | 29.5 | 15.2 | 17.0 |
| Transport (day-to day) (n=113) | 8.8 | 26.5 | (35.4) | 52.2 | 11.5 | .9 |
| Personal care ^(h) (n=114) | 7.9 | 25.4 | (33.3) | 57.0 | 8.8 | .9 |
| Food (n=113) | 5.3 | 14.2 | (19.5) | 55.8 | 23.0 | 1.8 |
| Pocket money (n=112) | 2.7 | 9.8 | (12.5) | 52.7 | 31.3 | 3.6 |
| Energy (n=110) | .9 | 8.2 | (9.1) | 51.8 | 36.4 | 2.7 |
| Housing (n=111) | .9 | 3.6 | (4.5) | 50.5 | 36.0 | 9.4 |

Note: a) Ranked highest to lowest in degree of difficulty.
b) Clothing and footwear includes school uniforms and shoes.
c) Leisure includes holidays, Christmas, birthdays, sports and out-of-school activities.
d) Other school expenses includes fees, levies, excursions and trips.
e) Health includes pharmaceutical and dental.
f) Household goods and services includes school books and stationery.
g) For the child in care.
h) Personal care includes nappies, toiletries, menstrual products, etc.

In addition around two-thirds of carers experienced difficulty in meeting costs in three areas: leisure goods (66 per cent), other school expenses (60 per cent) and transport costs (59 per cent) involving access and contact (see also Delfabbro, Barber and Cooper, 2000). Over half (56.2 per cent) of carers had difficulty meeting the costs associated with health and medical (58 per cent).

Approximately one-third of carers reported difficulties to agencies in meeting the costs of child care fees (38 per cent); day-to day transport (35 per cent); and personal care (33 per cent). Difficulties with costs associated with food (20 per cent), energy (9 per cent) and housing (5 per cent) were identified less often by carers though this may be as a result of 'shared' costs which are hidden in the general expenditure for all members in a family. Child care for a number of agencies was marked 'not applicable' (na) as these agencies do not have younger children in their program. The figures in column three (Table 10) indicated there were a significant number of commodities, where difficulties in meeting costs were experienced by a high percentage of carers. The figures expressing 'difficulty' indicated that for carers in most commodity areas the standard subsidy was inadequate in meeting the basic needs of children in care (see also Elliott, 1993; Gain, Ross and Fogg, 1987).

3.10 Additional Financial Assistance

Agencies were asked who (if anyone) provided additional financial assistance when carers were having difficulty in meeting basic costs meant to be covered by the standard subsidy payment. No clear pattern emerged from the responses; over 56 per

cent of agencies ticked 'all options' to this question. At times it appeared that government, or agency, or carer provided the additional financial assistance required; and at other times the needs of children were simply not met. Of the remaining 41 per cent of agencies, 19 per cent said the government provided additional financial assistance; 17 per cent said the agency did; two per cent said the carer met additional costs and only three per cent of agencies reported that the needs of children were not met. Three per cent of agencies ticked 'other'.

Agencies were asked to comment on specific issues and concerns they had in relation to the standard subsidy. The most recurring concern, was that the level of standard subsidy was simply inadequate to meet basic costs. Agencies also noted that they spent considerable time and energy in debate with departmental workers over meeting basic carer costs. Despite what agencies thought were legitimate claims by carers, workers often denied requests by agencies for reimbursement for carer's expenses. Agencies then felt obligated to pay carers out of their own funds. Agencies felt departmental budgets were insufficient to meet the needs of children in some programs and noted it was becoming more difficult to access additional funds. Many agencies noted the lack of consistency in the way decisions were made in relation to requests for additional financial assistance (see Falconer, 1998). In addition, concerns were raised about the lack of policy around exactly what the subsidy was meant to cover and age-related payments not being adequate to meet the needs of young people.

3.11 Impact of the GST

Agencies were asked whether any adjustment was made to the level of standard subsidy to reflect the impact of the GST introduced in July 2000. Seventy per cent of agencies said there was an adjustment to the rate of standard subsidy rate while 30 per cent reported no adjustment. In 55 per cent of cases where there was an adjustment, agencies stated that the government was responsible for the increase and for 11 per cent of the sample the agency made an adjustment to the subsidy. Two agencies said both government and the agency combined to meet the adjustment. As noted previously agencies who had the capacity to increase the level of payments probably did so due to being part of an organisation (i.e. charity) that attracted funding and donations from other sources.

3.12 GST and Carer's Costs

Forty-one per cent of agencies reported carers had commented on the impact of the GST on their costs. Most agencies commented that carer concern was mainly around the general increase in the costs of most goods, services and utilities (ie energy) required to meet the needs of children in care and the feeling of carers was that the increase in subsidy was 'insufficient to meet costs' or 'was of minimum use'. Some agencies noted that petrol prices increased at the time of the introduction of the GST and this exacerbated the costs of transport for many carers, particularly those in rural and remote regions. Increased petrol prices at this time also impacted on carers, who on a daily basis travel extensive distances to maintain a child in their local school or to keep regular contact with the child's birth family.

3.13 Other Adjustments to the Level of Standard Subsidy

The agencies were asked how often the standard subsidy was adjusted by the Consumer Price Index (CPI) to reflect changes in the costs of living. Thirty-seven per cent said it was on an 'ad hoc' basis, 21 per cent did not know, 17 per cent said the

level of subsidy had never been increased. For around 20 per cent of agencies it was either a regular adjustment (10 per cent) or automatic adjustment (nine per cent). A comment from one agency summed up the general situation well 'It's not indexed like everything else'.

3.14 Additional Services: Need for Services and Difficulties with Accessing and Arranging Services

Children in care often have special needs that require additional services that the standard subsidy payment is not intended to cover. Agencies reported that services carers needed to access for children were – in order of priority - counselling (92 per cent); specialist medical (81 per cent); specialist dental (74 per cent); education services (71 per cent); other therapy services (66 per cent) and child care (54 per cent).

Figures in Table 11 indicate the services, as reported by agencies, carers found most difficult to access and arrange for the children and young people in their care. As noted above 'counselling' which was the service most required was also the service most difficult to obtain (92 per cent).

Other services in high demand were education services (68 per cent) and specialist medical (62 per cent). Close to two-thirds of carers (59 per cent) reported to agencies that access to transport, the most basic and important requirement to enable children to attend services, was difficult to access. Transport issues were noted by a number of agencies as particularly important for rural carers. Agencies noted that when there was no other option carers used their personal vehicles. Around half of the agencies reported carer difficulties with specialist dental (50 per cent); other therapy services (46 per cent); and child care (28 per cent). For a number of agencies whose programs covered only adolescent children or who provided weekend respite, child care was not an additional service required by their carers: 22 per cent reported it did not apply to their carers.

Many of the concerns noted above in relation to the need for additional services required by carers were also reflected in the comments on carer experiences provided by the Australian Foster Care Association (AFCA) (previously the National Foster Carers Forum) in the Bray Report, 2001. AFCA noted that due to abuse and deprivation and other negative experiences prior to coming into care and/or in addition to being removed from their birth family children in care often need extensive and extended counselling compared to their peers. These children also had a high need for extra tutoring, special school programs, after school activities or other sporting/recreational activities to make up for the disadvantages they had previously experienced (Bray, 2001: 101-9)

Table 11: Difficulty in Accessing Services by Type of Services Required

| Commodity/item | Very often | Often | Combined Cols. 1 +2 | Not very often | Never | NA |
|----------------------------------|------------|-------|------------------------|-------------------|-------|------|
| (Percentage) | | | | | | |
| Counselling ^(a) | 28.4 | 39.7 | 68.1 | 26.7 | 2.6 | 2.6 |
| Education ^(b) | 20.9 | 47.0 | 67.8 | 27.8 | 2.6 | 1.7 |
| Specialist medical | 19.3 | 42.1 | 61.4 | 34.2 | 2.6 | 1.8 |
| Transport ^(c) | 15.6 | 43.1 | 58.7 | 35.8 | 3.7 | 1.8 |
| Specialist dental ^(d) | 12.4 | 37.2 | 49.6 | 43.4 | 5.3 | 1.8 |
| Other therapies ^(e) | 15.8 | 29.8 | 45.6 | 43.0 | 8.8 | 2.6 |
| Child care | 9.9 | 18.0 | 27.9 | 43.2 | 7.2 | 21.6 |

Notes: a) e.g. psychiatrist, psychologist.
b) e.g. remedial, private school fees.
c) e.g. provided by Department/agency.
d) e.g. orthodontist, periodontist, etc.
e) e.g. speech.

A large number of agencies (50) commented on specific issues relating to the availability of additional services and difficulties in arranging for them (see also Clare, 2000). Many agencies were concerned that governments preferred carers to use public health services for children as opposed to private practitioners or specialists. There was agreement among these agencies that departmental insistence on children using public health services as opposed to private practitioners caused inordinate delays in accessing services (Falconer, 1998).

Agencies reported long waiting lists for public services with delays of up to six to 12 months, particularly for disability services and child and adolescent mental health services. For a number of agencies the availability of specialist services was not a major issue. The process of obtaining funding approval from their department, however, was often long and frustrating and placed inordinate pressure on placements. Some agencies noted they had no choice but to pay for specialist services for teenagers otherwise placements broke down and agencies were then faced with the task of replacing carers, which was often difficult. The Bray Report also found lack of timely access to some services, for example counselling, caused placement difficulties with carers unable to cope with children or young people with major unresolved issues. In some cases it resulted in the placement breaking down (Bray, 2001: 108). A similar situation for children in care exists in the US where various studies indicate that up to 60 per cent suffered from moderate to severe mental health problems and around 40 per cent had physical health problems (Courtney, 1994).

Adequate and appropriate services to support foster children in schools were also a major problem. There was also concern at the lack of respite services for carers. Issues for young people in care have special significance with agencies noting there was a lack of specialised expertise for young people in care and few options or activities for young people unable or unwilling to attend schools (see also Bath, 1998; Tregeagle, 1998). It is evident from the findings from agencies in this project and other studies mentioned above that costs associated with foster care programs can not be measured by the foster care subsidy payment system only.

3.15 Obtaining Reimbursement for Costs of Additional Services

For carers who managed to access services for children in their care, gaining reimbursement from Government departments for the costs of using additional services was the next hurdle. Obtaining reimbursement for personal transport costs for carers was reported as a difficulty by 60 per cent of the agencies. Other difficulties with reimbursement were for the costs for education services (53 per cent); specialist medical (48 per cent); counselling (48 per cent) specialist dental (47 per cent); child care costs (38 per cent); and other therapy services (33 per cent).

3.16 'Coming of Age' and Impact on Carer Payment

The financial impact for carers when the amount of standard subsidy changed due to the young person in their care becoming eligible for Youth Allowance (YA) or Disability Support Pension (DSP) could be significant. Two-thirds of agencies who responded to this question reported a substantial impact on carers when the young person in their care became eligible for Commonwealth benefits.

Agencies noted that when a young person was required to pay board from their own income (benefit) there was often a destabilisation of the placement. Having access to an income source changed both the attitude and lifestyle (money spent on alcohol, drugs, etc) of the young person. Some agencies noted that young people were often very unwilling or did not have the comprehension to understand why they needed to contribute to living expenses. Agencies commented that carers too have problems at this time in understanding the concept of greater responsibility being given to the young person and for many families there was a period of adjustment when it happened.

One third of agencies (23) reported 'little' or 'no impact'. For eight of these agencies with young people in their program, eligibility for Commonwealth payments had not been an issue. For 15 other agencies the impact was 'minimal'. One specialised agency catering for a small number of high-risk adolescents stated they are 'heavily funded' and their care givers received significant subsidies and intensive support so there was no financial impact at this time.²²

3.17 Factors Leading to Carers Leaving Fostering

It appears from the figures presented earlier in the report (Section 3.5 and 3.6) on 'new recruits' and 'carers leaving' that a number of programs had relatively high turnover of people caring for children over the twelve-month period. The problem of recruiting and maintaining foster carers is particularly significant for many agencies and is not a recent phenomenon in Australia (see AFCA, 2001, Falconer, 1998; Tregeagle and Voigt, 1996; Juratowitch and Smith 1996; Community Care, 1994). Studies suggests that difficulties with finding stable placements for children and the changing work roles of woman lead in some instances to the professionalisation of fostering. In these cases, it became necessary to pay for service in addition to the reimbursement of costs in order to recruit and maintain carers. When payment of an additional allowance is made for providing care, such carers are not financially disadvantaged by their inability to be involved in paid labour market work. Closer involvement with the agency also allows carers to take a more professional approach

22 The practice of this agency is a reflection of the policy in some States, for example Victoria, where individually tailored packages are designed to create and maintain home-based care placements for children and young people who have previously been unable to access or remain in home-based care (Bray, 2001: 38).

to their role of caring and develop their role and skills in working with children (see Community Care, 2001; Tregeagle, 1995; Smith and Potter, 1994).

There are numerous reasons that lead carers to leave fostering. From a list of general factors agencies were asked to note those they thought were relevant. Table 12 indicates the factors considered by agencies to be important. They included ‘personal reasons of the carer’ (83 per cent); followed by carer stress due to fostering (76 per cent); then ‘bad experiences with child’ (57 per cent); carer’s ill-health (52 per cent); and allegations of abuse (49 per cent).

Table 12: Factors Leading to Carers Leaving Fostering

| (n=113) Factors | Noted as Important | |
|--|--------------------|------------|
| | Number | Percentage |
| Personal reasons | 94 | 83.3 |
| Carer stress due to fostering ^(a) | 86 | 76.1 |
| ‘Bad experience/s with child’ | 64 | 56.6 |
| Carer’s ill-health | 59 | 52.2 |
| Allegations of abuse | 55 | 48.7 |
| Paid labour market work | 48 | 42.5 |
| Reimbursements not covering costs of child in care | 40 | 35.4 |
| ‘Bad experience/s with agency’ | 31 | 27.7 |
| Caring for grandchildren or others | 28 | 24.8 |
| Retirement of spouse (partner) | 12 | 10.6 |
| Other factors | 53 | 47.7 |

Note: a) The most important factor overall, noted by agencies for carers leaving agencies, was ‘carer stress’

Agencies also ticked ‘other factors’ (48 per cent) noting that carers moved away or children left care. To a lesser extent, but still important, was paid labour market work for the carer (43 per cent); reimbursements not covering costs of child in care (35 per cent) and ‘bad experiences with the agency’ (28 per cent). Caring for grandchildren or others (25 per cent) and retirement of spouse (partner) (11 per cent) were of least importance. When asked the most important factor overall for carers leaving programs agencies noted it was due to ‘carer stress’.

An explanation of why ‘reimbursement not covering costs’ was not perceived as a more important factor may in part be due to the cultural disincentive for carers to be seen as fostering for financial gain (see Kirkton, 2001b; Smith and Smith, 1990). It was not unusual when discussing costs in the focus groups for carers to comment that they did not do it for the money. Evidence from studies in the UK examining the significance of payments in regard to effect on recruitment and retention is mixed. Some studies suggest the levels of payments are important while others do not. However there is wide agreement among the studies that payment is not the principal determining factor (Kirkton, 2001a: 207).

‘Bad experiences with child’

In reflecting the increasing number of children with significant behavioural problems being placed in foster care, over a third (44) of the agencies reported carers’ ‘bad experiences with a child’. These experiences had several dimensions including the child’s (or young person’s) behaviour impacting on the foster family; the challenge

the behaviours presented to carers' coping capacities; and a lack of agency support when incidents occurred.

Behaviours impacting on carer's families

A variety of behaviours on the part of the child were cited by agencies as leading to carers leaving programs: aggression; verbal and physical violence; Attention Deficit Disorder (ADD); extremely challenging behaviour; and disturbing and sexualised behaviour. Other behaviours that proved too difficult for some carers included stealing; destruction of property; absconding; non-school attendance and foster children physically or emotionally hurting a carer's child. As one agency noted, 'Carers feel they are at times at physical risk because of extremely violent behaviour of young people in their care'.

Carer's coping capacity

Some agencies noted that not all carers were considered suited or appropriate for fostering (see also Lawrence, 1993; Juratowitch and Smith, 1996). For example, there were carers whose expectation of caring were not met. For other carers it was not a 'one-off' experience which triggered their leaving but the culmination of difficulties with a number of children generating a sense of failure, loss of self-esteem and confidence. Carers expressed concern regarding their vulnerability in relation to vexatious accusations and allegations of abuse against them by young people in their care or their parents. One agency also noted, 'In small rural communities a carer family may be ostracised because of the violent/destructive behaviour of children within their care'.²³

Agency support

Three agencies noted it was the lack of support from either the agency, department or case manager that led to carers of children with challenging behaviours or high needs leaving a program. Agencies also noted that lack of information about the children provided to carers before children were placed led to placement breakdown. The lack of respite care services for carers, noted by many agencies, also accentuated the problems faced by carers. The provision of respite for carers, while involving some financial costs to governments could be a major factor in retaining carers in fostering.

'Bad experience with agency'

Twenty-four agencies described carer's 'bad experiences with the agency' as either conflict or disagreement between carers and workers from the agency (both government and non-government). Lack of support and training from the agency/department were also cited as reasons for carers leaving. Agencies reported that high turnover of departmental staff (children's case managers), lack of communication between workers and carers, and lack of regular meetings with carers resulted in carers feeling that 'they were not being listened to' and that they were not 'part of the team'. In addition there was a lack of acknowledgment and respect towards the carers (see Smith and Voigt, 1998; FCA, 1997). As one agency put it 'carer blame is rife'. Preliminary findings from a study in 2000 by the Queensland Foster Parents Association on why foster carers cease fostering found that among reasons given by 45 carers for leaving, 11 per cent of carers indicated they ceased

23 In focus group discussions carers related disturbing and graphic accounts of property destruction and violence by children in their care as well as threats of violence and intimidation by foster children's birth families (see also Kirkton, 2001a)

following an allegation being made against them; 20 per cent left because of disagreement with the Department; 33 per cent left because of lack of support from the Department; 33 per cent left because of the impact of fostering on their own family; and 24 per cent indicated that the child’s behaviour was a reason for their decision (see FPAQ, 2000).

3.18 Reimbursement to Carers

Agencies were asked three questions concerning the ‘importance of reimbursement’ to carers. In response to how important agencies thought the amount of reimbursement offered to carers was in *maintaining* them in fostering 93 per cent (Table 13) thought it was important.

Table 13: Importance of Reimbursement to Carers

| Importance of: | Important | | | Neither | Unimportant | |
|---|-----------|--------|--|---------|-------------|------|
| | Very | Fairly | Very + Fairly Important Combined | | Fairly | Very |
| (Percentages) | | | | | | |
| Amount of reimbursement offered to carers in <i>maintaining</i> them in fostering | 72.8 | 20.2 | 93 | 5.3 | 0.9 | 0.9 |
| Amount of reimbursement given to carers in <i>preventing</i> placement breakdown | 50.9 | 33.3 | 84.2 | 8.8 | 7.0 | 0.0 |
| Amount of reimbursement provided for <i>additional services</i> | 76.1 | 20.4 | 96.5 | 2.7 | 0.0 | 0.9 |

Eighty-four per cent of agencies thought the amount of reimbursement given to carers was important in *preventing* a placement from breaking down. In regard to this last point it is not surprising to note that some carers of particularly ‘difficult’ children received amounts of money substantially higher than the standard subsidy payment. Most agencies (97 per cent) thought the amount of reimbursement provided for additional services was important.

A number of related questions on other non-monetary aspects of reimbursement to carers were also included in the survey (Table 14).

Table 14: Agency Perspective on Other Aspects of Reimbursement

| Other Aspects | Strongly Agree | Agree | Cols. 1+2 Combined | Disagree | Strongly Disagree | D/K |
|--|----------------|-------|--------------------|----------|-------------------|-----|
| | (Percent) | | | | | |
| 1 The standard subsidy should be age-related. | 40.9 | 38.2 | (79.1) | 12.7 | 4.5 | 3.6 |
| 2 A standard subsidy should cover a set of budget items to meet the extra costs to a family of a child in care. | 65.5 | 25.5 | (90.9) | 3.6 | 0.0 | 5.5 |
| 3 Carers of children in long term care should have access to: Medicare Card in child's name. | 87.9 | 10.3 | (98.3) | 0.9 | 0.0 | 0.9 |
| 4 Carers of children in long term care should have access to: Health Care Card in child's name. | 87.9 | 10.3 | (98.3) | 0.9 | 0.0 | 0.9 |
| 5 Carers of children in long-term care should have access to Family Assistance Payments (FAP) if child eligible for FAP in birth family. | 86.1 | 10.4 | (96.5) | 0.9 | 1.7 | .9 |

The agencies were asked whether they agreed with the following statements:

- 1 The standard subsidy should be age-related.
- 2 The standard subsidy should cover a set of items to meet the extra costs to a family of a child in care.
- 3 Children should have access to a Medicare Card in their own name
- 4 Children should have access to a Health Care Card (HCC)²⁴ in their own name.
- 5 Carers of children in long-term care should have access to Family Assistance Payments (FAP)²⁵ if the child is eligible for FAP in birth family

Responses in Table 14 indicate very strong support from agencies for statements 2, 3, 4 and 5. Although support was not so strong for statement 1 with 17 per cent of agencies 'not agreeing' that the standard subsidy should be age-related, 80 per cent of carers agreed they should.

3.19 Kinship Care²⁶

In some States kinship care (broadly defined to include blood relatives other than birth parents and significant other adults in the child or young person's life, for example, teachers, neighbours or friends) is included in definitions of foster care. The practice of some agencies and Government departments is to pay kinship carers the

24 An important amendment to Commonwealth legislation in 2001 was the introduction of the HCC to carers (formal and informal) for foster children in their care free of any income t e s t i n g . F r o m 1 July 2001, carers can access medicines (prescriptions) under the Pharmaceutical Benefits Scheme at the discounted rate (usually \$3.50 per script). Eligible foster children may also be able to access some concessions offered by States, local governments and select private organisations (FACS, 2001).

25 Family Tax Benefit A and B has replaced FAP.

26 Kinship (or care by a relative) where the caregiver is authorised and reimbursed by the State is a significant placement type for both Indigenous and non-Indigenous children.

same as other foster carers. However the exclusion of kinship care from definitions of foster care in some States has resulted in lesser amounts than the standard subsidy or no financial assistance being paid to kinship carers.

Fifty-one agencies (43 per cent) in the sample had kinship carers in their program. Of the 51 agencies 14 (27 per cent) did not pay kinship carers at the same rate as other carers. Some agencies who were paying at the same rate as other carers appeared to use their 'discretion' in arranging similar payments to kinship carers. Several agencies (government and non-government) noted the lack of clear policy guidelines in relation to kinship care. Agencies were concerned that some kinship carers compared to other carers were being treated inequitably in regard to the level of subsidy they could access and the lower level of support they were offered.

Agencies noted that kin carers were more isolated from mainstream carer groups so did not have the same access to information, training or support. In addition kinship placements were rarely monitored. One agency noted that in their experience kinship carers were left to fend for themselves until crisis point. Another noted that grandparents as kin carers tended not to ask for financial support (see also Cashmore, 2001: 7). This was an issue, they stated, as relatives were not always able to meet the costs of children with high support needs and at times did not have the capacity to care appropriately. One agency thought that their Department saw kinship placements as a way of saving money and the agency thought it was easy to take advantage of some families (see Section 5 for further discussion in this area).

3.20 Indigenous Kinship Care

Kinship care is of great importance to Indigenous people and there was some evidence from the survey that Indigenous carers were receiving less financial support than other carers. Indigenous agencies were concerned that carers who were related were more likely to have conflicts with birth parents. Departments often required kin carers to access Centrelink for payments for the child in their care. As a consequence, family feuds developed as kin carers received monies once paid to birth families. Several Indigenous agencies noted that kin families often struggle financially to care for themselves and they have 'no savings' to provide essential items, even food, for additional children at time of placement. Indigenous agencies commented that kinship carers should receive the same foster care allowances as do other carers. As one agency noted:

When placements occur we place these families in hardship financially as Centrelink payments are not paid immediately. Some families wait up to one month in the city or two months if in the 'communities' for payments to go through.

3.21 Foster Care Associations

Five Foster Care Associations and the representative from the Northern Territory responded to the survey. The five associations provided a range of services to their foster carer members including some kin carers. These services included:

- carer support;
- information to carer families;
- advice and referral to carers;
- peer support;
- newsletter; and
- lobby group for carers.

Four of the five associations also considered the ‘training needs of carers and strategies to address them’ and three associations stated that they hold an Annual Carer Conference. The numbers of carers in associations ranged from 120 to 1 500. Most associations provided services to carers through a combination of funding sources: government (often minimal),²⁷ carer membership fees, fund raising and donations.

3.22 Difficulties with Meeting Costs

The associations stated that the areas where carers expressed the most difficulty in meeting costs meant to be covered by the standard subsidy were similar to those the agencies reported - clothing and footwear, transport for access and contact, leisure goods, child care, health and medical and school expenses. Only one association (NSW) thought the level of standard subsidy paid to carers was adequate to meet the costs it was supposed to cover (see also Section 6.6).

All associations thought carers were ‘out-of-pocket’ in meeting the costs of children in their care. When asked areas where carers were ‘out-of-pocket’ one commented ‘the list is endless’. Some areas that were highlighted were transport-related expenses, i.e. contact/access with birth families, travelling to and from schools and taking children to appointments. The costs of gifts for birthdays, Mother’s Day and Christmas for a child’s birth family were also noted. Special events for children (i.e. formals), holidays, sport and leisure activities were also mentioned as leaving carers out-of-pocket. ‘Wear and tear’ and damage to the foster carer’s home were noted as long-term costs (see also Gain, Ross and Fogg et al, 1987, for estimates of foster carers spending for out-of-pocket expenses).

All associations noted major difficulties for carers in arranging specialist medical (and dental), counselling, education and child care services and in gaining full reimbursement for costs associated with such services. Similar to the responses by agencies, associations noted departmental preference for carers to use the public health system for children in care. Associations thought the lengthy waiting periods for public services placed additional stress on carers during this time. Fitting in appointments for services when carers were in paid work was also problematic. Services of all descriptions for children in regional and rural areas were both difficult to find and arrange. Accessing culturally appropriate counselling services for Indigenous children was also problematic.

In the case of children with disabilities it appeared there was no clear policy about which department was responsible for meeting the costs of additional services for these children. At times carers were caught between workers in disability services and workers in foster care services shifting responsibility for reimbursing carers’ costs from one to the other.

Most associations reported there was a reduction in the level of subsidy paid to carers when the child went to another carer to allow the major carer ‘weekend respite’ or when the child returned for short periodic visits to their birth family. In one State/Territory a minimum of 21 days per year respite is permitted for ‘narrowly specified’ reasons and during this period a dual allowance is paid for the child. For

27 The Bray Report (2001: 59) indicates that annual government funding for Foster Care Associations in NSW (\$292 000) and Qld (\$237 000) was much higher than for all other States – WA (\$61 000), Tas (\$24 000), Vic (\$13 500), ACT (\$12 500), SA (\$6 000), and NT (no association).

the majority of carers however it appeared that when respite was provided, the subsidy was reduced by the ‘daily’ rate²⁸, for each day the child was not with the major carer. This occurred even though most carers had to provide the ‘necessities’ for the visit including food and drinks. Clothing and footwear items sent with the child did not always come back after home visits. All associations thought that a supplement should be paid to carers in remote and rural areas for additional costs associated with distance.

3.23 Factors Leading to Carers Leaving Fostering

The most important factors noted by the associations for carers leaving fostering were lack of support for the carer from either agency or Government Department; reimbursement not covering costs; a ‘bad’ experience with the agency or child; carer stress due to fostering and allegations of abuse. The associations commented on the lack of respect shown to carers by workers from departments and agencies. The associations were also concerned about the failure to include carers in placement decisions and the failure by workers to acknowledge carers’ needs (see also AFCA, 2001; FPAQ, 2000; FCA, 1997).

3.24 Reimbursement for Carers

There was strong agreement from the associations that reimbursement was important for preventing placement breakdown, maintaining carers in fostering and in meeting the costs of additional services for children in care. In addition all associations strongly agreed that:

- the standard subsidy should cover a set of items to meet the extra costs to a family of a child in care;
- carers of children in long-term care should have access to Medicare and Health Care Cards in children’s names; and
- carers of children in long-term care should have access to Family Assistance Payment (FAP) if these children were eligible for FAP in their birth families (FAP is now FTB).

3.25 Kinship Carers

Five of the six associations had kinship carers as members. Most did not know how many kinship carers were in their association. The associations reported kinship carers were treated differently to other carers. Concerns were expressed around the lack of information, training, and support they received. Being outside the ‘mainstream’ of foster caring, associations reported that kinship carers had little knowledge of their entitlements particularly in relation to reimbursement of costs. Two associations reported that kinship carers in their State received less than the standard subsidy paid to other carers.

3.26 Summary of Issues

The findings from the survey with agencies and associations confirms the disquiet among a number of foster care organisations that the low level of subsidy paid by States to foster carers was not meeting the needs of children in care. The concerns of carers as reported to agencies in meeting the needs of children in their care ranged across the wide spectrum of foster care systems. The main issues included:

28 The ‘daily rate’ is calculated by dividing the weekly rate of standard subsidy by seven to obtain a daily rate.

- inadequacy of the standard subsidy to meet basic costs of care;
- difficulties for carers in accessing, arranging and obtaining reimbursement for additional services;
- common occurrence of ‘top-ups’ to the standard subsidy by agencies to assist carers with meeting costs meant to be covered by the standard subsidy. Lengthy delays and debates with departmental workers in relation to obtaining reimbursement for these costs;
- high levels of stress experienced by both carers and agencies in attempting to meet the needs of children exacerbated by inconsistent departmental policy in relation to the reimbursement of costs to carers;
- reliance on ‘over stretched and under-resourced’ public health services to meet the needs of children in care, with long delays often experienced or services being unavailable;
- no regular annual adjustment to the standard subsidy to reflect the costs of living;
- high turnover of people caring for children with substantial numbers of carers coming in and also leaving fostering over a 12 month period;
- lack of acknowledgment, respect and support for carers from many workers;
- nature of foster care being not only arduous but also at times hazardous for both carers and their families;
- the importance of allowances and reimbursement of expenses for the maintenance of foster care placements;
- for carers in rural and regional areas there was an intensification of issues and concerns relating to accessing and arranging additional services and in meeting costs associated with transporting children either day to day or in relation to access/contact visits with children’s birth families; and
- inequities of subsidies and reimbursement for kinship carers.
- Stage II of the project is discussed in Section 4 of this report. The following section explains how the original estimates of the costs of children were first determined and the steps that have been taken to improve the methodology used in determining costs and how the estimates have been updated to reflect costs in 2000. The section then focuses on the findings from the groups held with carers around Australia in early 2001 and elaborates on issues and concerns about meeting the needs of children in care from the perspective of carers: Indigenous and non-Indigenous.

4 Stage II: Focus Groups With Carers

4.1 The Use of Budget Standards

Mention was made earlier in the report on the budget standards study carried out by the BSU at the SPRC (Saunders et. al., 1998). The findings from that study informed and guided a good deal of the discussion in relation to the focus groups with carers. It is therefore useful to elaborate in some detail on how these standards were developed and to explain the method used to estimate the costs of children.

Budget standards (or the 'basket of goods' approach) involved identifying and listing, item by item, all goods and services required by households of varying compositions in a number of areas to achieve a specific standard of living. The budgets included nine commodity areas: housing, energy, food, clothing and footwear, household goods and services²⁹, health, transport, leisure and personal care. Each item in a budget for every household member was described and costed, assigned a lifetime of use and then all items summed to provide a total dollar amount. A budget standard was thus expressed 'as the amount needed by a particular household on average each week to attain and maintain a prescribed standard of living across the areas mentioned' (Saunders et. al., 1998: i).

In the budget standards project conducted by researchers at the Budget Standards Unit (BSU) at the SPRC, budgets were developed at two standards of living - modest but adequate and low cost. The modest but adequate living standard represented the amount families would need to live somewhere near the median, or the middle, of all families living in Australia. The low cost standard represented around one-half of the median or middle living standard and was expected to be closer to amounts paid by the Commonwealth Department of Family and Community Services for its income support payments. To differentiate between low cost and modest but adequate standards a series of simple 'rules of thumb' were used in developing what was to be in the budgets. An example of such a rule was an ownership rule whereby items that were owned by around 50 per cent of the population were included in the modest but adequate budgets. For any item to be included in the low cost budgets the item had to be owned by at least 75 per cent of the population.

An example of this rule is in the allocation of a computer. In 1997, data on computer ownership³⁰ indicated that only households where parents were older, had teenage children and incomes over \$30 000 a year was there over 50 per cent ownership. In this example, ownership does not meet the 75 per cent rule, so only households at the modest but adequate living standard with a teenage child were allocated a computer. Other methods were used to differentiate between the two standards. For example, a

29 HGS budget includes the costs of education expenses (fees/school necessities only; the costs of school uniforms are included in the clothing and footwear budget). In the original BSU study child care costs were included in the HGS budget. For the purpose of this project no child care costs have been included.

30 The 2001 Census, to be conducted this year, is to include questions on ownership of home computers and will shed new light on the numbers and types of Australian families who currently use home computers and access the Internet. In future work on budget standards by the BSU it will be a relatively simple exercise to incorporate updated information on computer ownership among different family types.

number of items in the low cost standard were of lesser quality or cheaper price and the lifetimes³¹ of some items in the low cost budgets were extended.

Budgets were developed for various household types: singles, couples with children and couples without, older singles and older couples. From the budgets of couples with children researchers developed new estimates of the costs of children (Saunders et al., 1998; Chalmers, 1998). The BSU estimates used an updated and more extensive 'basket of goods' or budget standard approach than that used by Lovering in 1984. These estimates based on prices in 1997 were used to examine the adequacy of the levels of standard foster care subsidies paid by the States (McHugh, 1999) discussed earlier in this report.

4.2 Methodology used in Estimating of the Costs of Children

In the original BSU research the difference (or deductive) approach was used to provide an estimate of the costs of children. Using this method the *additional* costs associated with having a child present in the household can be determined by comparing the budget standard of a couple with no children to a couple with one child where both households share the same standard of living. Although budgets were derived for households with one, two, three and four children not all possible combinations of household size and ages of children were covered and only private renters were included for both standards.

For this study a more comprehensive approach in estimating the costs of children has been developed. This approach called the *normative* (or *itemised*) method involved unpacking each commodity area noting the individual goods for children such as in clothing/footwear and food budgets and assigning them to a child's costs. Where items were shared such as soap, toothpaste and toilet paper a determination was made as to the proportion that was a child's share. A simple but consistent 'rule of thumb' (per capita method)³² used here was to divide all shared items in a three person household by three and assign a third of the costs to each. For some items which were shared, such as newspapers, magazines and videos, a judgement was made as to whether they were to be included as a child's cost or not. While this approach was a time consuming and laborious task it analysed the budgets in a more sophisticated way and we would argue provided a more accurate estimate of the costs of children. These *normative* estimated costs of children were updated to December 2000 using the Consumer Price Index (CPI) for each of the nine commodity areas³³ to reflect changes in costs since March 1997 (see Appendix A for CPI).

The data containing these normative estimates of the costs of children were summarised in a set of tables and presented to carers in the focus groups. In the original BSU research estimates for the costs for three individual children - girls aged three and six and a boy aged 14 - were included. The costs for a boy aged ten have since been estimated and were included for the focus group discussion. The aim was

31 For those items which last over a period of time (e.g. consumer durables), this involves specifying a lifetime for each item and spreading the initial purchase price over the assumed lifetime. Thus, for example, a refrigerator costing \$1 040 with an assumed lifetime of 10 years enters the budgets at a cost of \$104 a year, or \$2 a week (Saunders et. al., 1998).

32 The United States Department of Agriculture (USDA) in estimating expenditures on certain shared goods and services among household members uses the per capita method to allocate expenses *equally* among all household members (USDA, 2000).

33 Costs in all commodity areas were based on prices applying in Sydney March 1997 so CPI for Sydney was used to update the estimated costs of children.

to give carers the opportunity to comment on the composition and estimated costs of the preliminary budgets and to suggest areas of improvement and advise where amendments were required (see Appendix B, Preliminary Budgets for Children). Part of the brief for this project was to develop two additional children's budgets: one for a 14-year-old girl and another for a 12-month-old infant. The focus group discussions were used to obtain information on the nature and types of costs that were relevant for these two children so they could be incorporated into the draft budgets. The discussion and outline of these two new budgets are discussed in Appendix B of this report.

4.3 Focus Groups

This second stage of the project, the focus groups with carers, provided an opportunity to discuss the nature of the difficulties experienced by carers in meeting the costs of basic everyday needs of children. Preliminary estimates of the costs of children, at two standards of living, were presented to carers at the focus groups and used as a tool to facilitate the discussion on costs. As the various commodity areas were discussed all carers were asked to consider whether their own costs for the children they cared for were closer to the low cost standard or the modest but adequate standard. Carers were also asked which standard they thought should be used when developing budgets to cover basic fostering costs.

Carers who indicated they were willing to participate in a focus group were asked to complete a mini-expenditure diary detailing the basic costs of children in their care before they attended the focus group. This strategy was adopted in the original budget standards research and proved useful in preparing respondents for considering and assessing expenditure on various components of the budgets (see Saunders et. al., 1998, Chapter 13).

On arrival at their group carers were asked to complete a 'carer form', which contained questions about their personal characteristics, those of their birth children, and the children they fostered. The information below provides a 'snap shot' of the carers in the sample from responses to the carer form and from the mini-expenditure diary. The diary included sections on costs of housing, utilities, clothing and footwear, transport, health, personal care, household goods and services, leisure and recreation in relation to children in care. In addition there were questions on carers' housing status, accessibility to Medicare and Health Care Cards for foster children, and the private health insurance status of carer families.

A total of 26 focus groups with carers in all States were conducted early in 2001. Groups were held with Indigenous and non-Indigenous carers in all capital cities. Ten groups were held in smaller towns or cities: three were in far north Queensland and seven in towns up to 100 kms from a capital city. In total 159 carers participated in the focus groups. Around one-third of these carers (46) identified as Aboriginal or Islander carers, either because of their own Indigenous background or that of their partner. Of the 159 carers, 18 carers (11 per cent) were kin or relative carers. Most carers in the groups were female; some were carer couples (husband/wife); and smaller numbers were males, predominantly in partnered relationships.

4.4 Marital Status and Age of Carers

Most carers (80 per cent) in the groups were married or in de facto relationships. Their ages ranged from 25 through to 69 years of age. Over one-third (36 per cent) of the carers were over 25 but under 40. The majority (60 per cent) was between 40 and

60 years of age and 10 per cent of the carers were over 60, but under 70 years of age. These findings on age of carers corresponds to the AFCA survey conducted with carers in 1999 where there was a strong representation (54 per cent) of 45 to 64 year old carers (AFCA, 2001:76).

4.5 Labour Force Participation of Carers

Two-thirds (65 per cent) of carers attending the groups were not in the labour force or retired. No information was gathered on the labour force participation of partners of carers though 54 per cent of carers stated the main source of income for the household was from paid work (see Section 4.6). A number of carers said they had given up paid work after becoming foster carers. The three main reasons for giving up paid work were, one, the high demands of particular children; two, the number of foster children placed with a carer; and three, carers had been requested by their agency to do so. This last group of carers noted they were paid ‘enhanced payments’ to enable them to give up paid employment. Many carers commented that caring for foster children was a full-time job.

4.6 Main Source of Family Income

The main source of household income for just over half of the carers (54 per cent) was a wage or salary (usually their partner’s); for another 25 per cent it was income support and for eight per cent it was retirement income. Some 12 per cent ticked ‘other’ as their main source of family income with a number noting their partners were self-employed. The findings on main source of family income for carers were similar to the AFCA survey where there were 21 per cent of carer families in receipt of a pension or benefit (25 per cent for this study) and 71 per cent were employed (54 per cent wages/salary plus 12 per cent self-employed for this study) (AFCA, 2001:77).

4.7 Housing Tenure

Of the carers in the sample close to half (44 per cent) were paying off a mortgage, one-third owned their homes, 14 per cent were renting privately and eight per cent were in public rental accommodation.³⁴

4.8 Carers’ Birth Children

Eighty-eight per cent of all carers had children of their own, mostly birth children, though a few noted one (or more) of their children as ‘adopted’. Around one quarter (24 per cent) of the sample had one or two children, 50 per cent had three or four children, while 10 per cent had five children. Another five per cent had six to eight children and two families had eight to ten children. For around 50 per cent of all carers, mostly middle aged women, there were no birth children currently living at home.

4.9 Foster Children

The numbers of foster children currently living with carers in the sample ranged from one to ten. Close to two-thirds (61 per cent) of the carers had either one or two children in care; 17 per cent had three children; six per cent had four children and another seven per cent had between five to 10 foster children currently in their care.

34 The characteristics of the carers (4.4 to 4.7) in the focus groups were similar to the ‘typical’ foster family noted by Oldfield in her research as consisting of two parents, one in full-time employment...living in a three-bedroom home (Oldfield, 1997: 80).

A small number of carers (eight per cent) had no children in care at the time of the focus groups. Queensland carers were more likely than carers in other States to have larger (five or more) numbers of children in foster care. No information on the number of carers with sibling groups in care was sought. Data were collected on the number caring for related children (see Section 4.11).

4.10 Time in Fostering

Fifty per cent of the carers had fostered for between one to six years. For the other 50 per cent the periods ranged from seven to 40 years. Ten per cent of these carers had fostered for 20 years or more. In the AFCA survey 42 per cent of carers had fostered for between one to five years and 25 per cent between six and ten years (AFCA, 2001)

4.11 Kinship/Relative Carers

Twenty-four children in the sample of carers were related to the carer's family. Eight were the grandchildren of carers. Four grandchildren were in a sibling group. The children aged four, nine, eleven and 15 years, had lived with their 61-year-old grandmother for a number of years. Eleven children were nieces or nephews of carers, three children were cousins, one child a sister, another a half-sister. Four Indigenous carers stated the children they fostered were distant blood relations. Of the 18 families who fostered children who were related to them, 13 identified as Indigenous.

4.12 Adequacy of Payment

Data were collected from carers for all children in their care by age and sex of the child and by the amount received for care. As mentioned above (in 4.9) the number of children being cared for ranged from one to ten. Due to incomplete data it was not possible to analyse the issue of adequacy for each and every child. There was however sufficient response to comment on the issue of adequacy for the amount received for the first child.³⁵

Findings from the analysis in relation to adequacy indicate that 81 carers (61 per cent) said that the fortnightly payment they received for the first child in their care was not adequate to meet the needs of the basic costs of care. Thirty-two carers (24 per cent) said the payment for the first child was adequate; five carers (four per cent) said they were not sure (did not know) whether it was adequate or not; and for 14 carers (11 per cent) who either currently had no children in care or who provided weekend respite the question was not applicable. Overall in considering only carers who responded with a 'yes' or 'no' to the question of adequacy in relation to the first child in care, 72 per cent said the amount received was *not* adequate to meet the basic needs of the child and 28 per cent said it was adequate.

35 It had been anticipated that carers invited to participate in the focus groups would have been in receipt of a standard subsidy payment only as this was requested in letters sent to all who were asked to invite carers to come to the groups. However as the groups evolved it became apparent that carers who wanted to come (many insisting) to discuss their costs were caring for children some of whom received a standard subsidy but many others received 'loadings' on the standard subsidy as they had children with special needs. The range of children with special needs of varying descriptions was extensive and reimbursement of carer's costs in recognition of children's needs was not always reflected in amounts received by carers. When carers were specifically asked about the level of standard subsidy only, their predominant response was 'it is not adequate'.

4.13 Private Health Insurance

Over one-third (38 per cent) of all carer families in the sample had private health insurance and two carer families had ambulance cover only. It was not clear from the responses as to whether foster children were included in a family's private cover. Some carers omitted to note a foster child's inclusion/exclusion; other carers noted that some but not all children in their care were covered; and in one instance a foster family had taken out private insurance for a foster child that was separate from the family's coverage. Issues around private health insurance cover for foster children were discussed by carers at the various groups (see Section 4.22).

Health cards

Fifty-six per cent of all foster children had a health care card (HCC) in their own name while 37 per cent of children did not. For a small number of carers (five per cent), with more than one child in their care, some children had a HCC but others did not. Two carers had their foster children on their own HCC. The lack of a HCC for children in care created problems for a number of carers. Since the focus groups were held, the Commonwealth Government announced that from 1 July, 2001 all foster children are eligible to receive a HCC in their own name.

Medicare cards

Fifty-three per cent of foster children had a Medicare card (MCC) in their own name while over one-third (36 per cent) did not. For eight per cent of carers some children in their care had a MCC while others did not and for three per cent of carers the foster children were on the carer's MCC.

4.14 Overview of the Sample of Carers

The 'snap shot' of carers in the sample provided above does not claim to be representative of all foster carers. In fact there is no way of knowing how representative any sample of carers would be as there are no published data available for the States on the characteristics of their foster carers (see also AFCA, 2001). However the overall number of carers who attended the groups was substantial and all groups comprised a diverse range of experienced carers, mostly women, well qualified to offer their opinions and perspectives on the costs of care.

The budgets constructed by researchers at the BSU to estimate indicative costs of children were based on average, healthy children whose physical, social and material needs were to be met by typical goods, services and activities, in no way seen as 'out of the ordinary' or special. It was very clear from the discussions with carers in all States that this was not the case for many foster children. At times foster children manifested a range of emotional, social and physical needs exacerbated at times by challenging and demanding behaviours that put enormous strains and stresses on carers and not surprisingly, resulting in a number of additional costs.

The overwhelming response from carers in all groups was that the costs to carers in the majority of budget areas were a good deal higher than the estimates they were shown. Many carers found the estimated costs of children at the low cost standard laughable. Some carers with younger children (i.e. two to five year olds) thought they might 'just manage' on 'selected' modest but adequate estimates (i.e. food and clothing and footwear). However, the majority of carers thought even estimates at the modest but adequate level were 'way too low'. Overall the estimated costs of children presented to carers by the researcher were on the whole seen as completely

unrealistic for meeting the needs of foster children. To understand why this was so, it was necessary to unpack many of the component budgets and ask carers to provide explanations (see below).

The focus groups brought together experienced carers who cared for children either medium to long term and were well aware of the many issues surrounding the needs of the children in their care and the nature of the expenses incurred in day-to-day fostering. The analysis of the material from the 26 groups revealed a number of differences between Indigenous and non-Indigenous carers and a separate section on Indigenous foster care follows the more general discussion on costs specific to fostering. In general there was remarkable consistency between carers in the various States on the nature of their concerns in relation to meeting the basic needs of children in care.

4.15 Value of Focus Groups

It is important to mention that the focus groups proved extremely valuable for a number of reasons. The groups allowed carers to focus on the nature and extent of the costs of fostering in a way not provided by any other setting. The carers provided detailed descriptions and examples of how they were meeting the highly diverse needs of children in their care and the nature and extent of relevant costs. Secondly, the discussion allowed carers to freely exchange innovative ideas and practical solutions to the countless problems that arise on a daily basis for carers in relation to meeting the needs of foster children.

For all groups however a common and disquieting pattern emerged of carers struggling to meet needs with inadequate reimbursements. It was also apparent from the discussions that many carers were not aware of the range of entitlements that could be accessed for foster children in their State nor the best 'approach' to take with particular departmental or agency workers in seeking reimbursements or accessing goods and services. Of even greater concern, however, to the researcher was the overt 'power' or 'control' exercised by individual departmental or agency workers in decisions relating to reimbursing the legitimate costs of carers.

The importance of a 'good' relationship between workers and carers was quite evident from the discussion around costs and reimbursements. For many carers ongoing 'battles' fought over obtaining what they believed the children in their care were entitled to receive often overwhelmed the day-to-day care issues of caring for children. The talk amongst carers revealed how canny some carers have become in their dealings with workers with quite a few refusing to take children unless conditions were met in relation to a number of expenses of the children in care. For others carers, their ties of affection to foster children, were used by workers to refuse financial assistance or to intimidate carers to acquiesce to unreasonable demands and 'just manage'. Intimidating and completely unprofessional conduct by some workers may not have been the experience of many but that it happened at all was regrettable and disturbing.

4.16 Responses from Carers

This section of the paper will briefly summarise the main responses from carers in comparing the budget standards estimates of the costs of children and the nature of costs to carers for each component area: housing, energy, food, clothing and footwear, household goods and services, health, transport, leisure and personal care. To cover these nine areas in a succinct manner, it is necessary to generalise to some degree and

omit many of the exceptions to the rule. This approach can be justified however as the experience of the researcher conducting the groups was that no matter the State the groups were held in, the issues discussed by carers in relation to costs of fostering followed the same consistent themes. The focus in the following discussion is not on specific costs to carers per se but rather the intention is to indicate the particular areas where consideration needs to be given in reflecting the costs of fostering in the budget standards methodology.

4.17 Housing

Estimating housing costs³⁶ in budget standards methodology for children is based on the additional cost of rent payments for a couple household when an extra bedroom is required to accommodate a child (see Tables B2 and B12, Appendix B). Other housing components in budget standards were for home contents insurance, water, maintenance and repairs. For children in renter households these additional costs were fairly minimal. Only one component, the premium for contents insurance increased the costs of a child by 50 cents a week for the household. With less than a quarter of carers in the sample in public or private rental accommodation this approach to housing costs was not particularly relevant.

The cost of housing per se for many carers was not an issue (see Table 10). This was understandable, as carers in the first instance, have to be able to provide accommodation for foster children. This was the case for many carers in the sample who began fostering when their birth children had left home and there was space to accommodate children. However for younger aged carers with young children of their own plus foster children space needed to be rearranged or adapted to accommodate extra children. Birth children were sometimes asked to give up their bedroom or share with a foster child.

Due to the general shortage of appropriate carers around Australia problems arose for some experienced carers when they were asked to take additional foster children or sibling groups and space was already at a premium. Overcrowding³⁷ for some carers was inevitable until other solutions could be found. Other carers noted space was also problematic when long-term foster children grew older and needed a room of their own or where sibling foster children of the same sex could not share a bedroom due to personality or behavioural problems. Various strategies came into play at these times with carers building extensions, converting family rooms or garage space to bedrooms, purchasing caravans or moving premises. In most instances carers did this at their own expense and only a very small number of carers received financial assistance from government departments to help defray the costs for additions to their existing housing or when moving. In addition a very small number of carers in public rental were allocated larger public housing accommodation through the intervention of the community or human services department to the housing department in their particular State.

36 Variations in housing tenure (owner, purchaser, public or private renter) and housing characteristics make it very difficult to establish a single housing standard that can be regarded as representative (Saunders et. al., 1998: vii).

37 Carers resorted in the short to medium term of putting children on mattresses on the floor, on lounge, or sharing foster parents' bedrooms. One carer said it was easier to move out of her room and put the four foster children in there and she took the smaller bedroom for herself.

Wear and tear

The area of greatest costs to most carers was general 'wear and tear' on household goods including furniture, furnishings, electrical equipment and white goods. The need to repaint walls and furniture or replace wallpaper more frequently in foster children's bedrooms was mentioned by a number of carers. Repairs and maintenance from damage caused by foster children and excess water use by children well above the normal usage by carers themselves were also areas of additional costs. Not all carers had children who exhibited destructive behaviour. However in most of the focus groups carers gave numerous accounts of minor to major damage caused by foster children. The range of household items that had been damaged or destroyed by foster children and young people was staggering. Carers spoke of smashed and damaged furniture and fittings; holes in walls; doors wrenched from hinges; broken windows; torn curtains, blinds and bedding; damaged electrical equipment; and, broken leisure items and toys. Stealing of goods and money from carer's homes were also common occurrences. The frequent repainting of other internal walls of the house was also commented on by carers as a necessity.

The response from workers to carers' claims for damaged items was variable. It appeared that some workers responded well in reimbursing a carer's claims for damaged goods and property but this was not by any means universal. Exacerbating the problem for carers claiming reimbursement for damage and repairs appeared to be the lack of departmental insurance coverage in some States to cover carers' claims. Some departments appeared to cover substantial claims but not smaller ones.

In addition there was reluctance, if not outright refusal, on the part of carers' insurers for home contents policies to cover claims for damage by foster children. Foster children in short to medium term care were viewed as carers' 'guests' and were seen by insurers as the responsibility of the carers. Other carers noted they were reluctant to claim against their policies due to the loss of a 'no claim' bonus or the amount of 'excess to be paid' before their claims were met. Some long-term carers, had successfully claimed against their policy but incurred large increases in premium payments the following year as their claims involved foster children. Damage to carer cars and their neighbour's property by foster children was also of concern to a small number of carers.

Water

Carers noted high water usage by children in care, though many carers commented this was fairly typical for all children. Excessive water use (laundry purposes) was noted in cases of bed-wetting children (of all ages) and other children who were not toilet trained, not uncommon occurrences with foster children. Carers spoke of multiple loads of daily washing: sheets, doonas, pyjamas and clothes. Additional water use for daily laundering was not the only expense for carers. Higher energy costs, more frequent replacement of white goods (washing machines and dryers) and the purchase of additional laundry products accompanied constant laundering. Carers also noted the replacement of children's mattresses well before their 'use by date' was also not uncommon.

Many carers noted that water was 'a form of therapy' for foster children of all ages which ranged from excessive time in showering or bathing, playing with garden hoses for younger children, and the use of home swimming pools. Carers in hot climates spoke of buying or installing pools in their garden as an activity for foster children

which kept them busy and encouraged other children to play with foster children under the carer's supervision. Warm water like food (see below) was a comfort to some children and helped to soothe and settle fractious or unmanageable behaviours of some infants and children. Carers of children and young people who had been abused spoke of the need for these children to shower or bathe on a more frequent basis than was necessary for normal cleanliness.

4.18 Energy

Carers thought the estimates in the energy budgets were too low (see Tables B3 and B13 in Appendix B). They noted that foster children like most children were high users of energy forgetting or neglecting to turn off lights, televisions, heaters or fans. However, there were certain areas where energy use was different for foster children. Carers mentioned children who would not sleep without a light on all night or carers leaving some lights on through out the house to assist with toileting through the night. Children with certain medical conditions required carers to install air conditioning in their homes. As mentioned previously, higher usage of hot water for showering and laundry plus running washers and dryers on a regular basis increased energy costs above normal use. Most carers saw a clothes dryer as a necessity not a luxury.

Carers spoke also of the importance of keeping foster children busy with multiple activities, which included watching television, and videos, using playstations, computer games and listening to radios or Compact Disks (CD). Carers said it was not unusual for them to purchase separate radios, CD players or even televisions for foster children. Not only was this seen as a less expensive form of entertainment for foster children but it was also necessary if carers themselves wanted to choose what they watched. Nearly all carer families appeared to have more than one television and video player in their homes. Internet access for adolescent foster children was popular though problematic for some carers due to the expense incurred and the tying up of telephone connections. Due to constant use and misuse the costs of repairs or replacements of electrical goods were also high for carers.

4.19 Food

Carers had varied responses to the estimated amounts for food budgets. The majority thought the food budgets at the MBA level were closer to their estimates for food (see Tables B4 and B14 in Appendix B). Food for foster children had connotations well beyond its dietary and nutritional benefits. Carers spoke of food and drink as 'comfort' for children. Most carers spoke of foster children persistently hoarding, stealing or hiding food for 'later', of children eating excessive amounts at meal times and requiring additional snacks and 'treats' between meals. As one carer said

It seems to be something that lives with them...there is always the fear that tomorrow there isn't going to be enough there to eat.

Carers used food to 'make up' to the children in their care: to compensate for upsetting events in a child's life; as a reward for good behaviour, for attending therapy sessions, for doing well at school, or simply to increase children's feelings of self-esteem. Carers spoke of giving treat's or 'snacks to children to take to school to share or swap with friends. Other carers said it was doubly important that these children were seen by their peers to have what all other children had and to be 'the same as everyone else'. Lunch orders once a week and money for adolescents to spend at tuck shops was also seen as the norm for all school children.

Conversely, for other carers persuading children to eat regular and nutritional meals was a battle: children came to carers assessed as ‘failure to thrive’; or with inappropriate eating habits; or with certain medical conditions such as Attention Deficit Disorder (ADD) that presented carers with particular problems in meeting their food needs. The purchase of special formulas for babies and toddlers or food items to entice and encourage children to gain weight or acquire better eating habits was expensive as wastage was higher than normal. While take-away foods and eating out were not high-ticket food items for carers, both were important for many of the reasons mentioned above but also as a ‘break’ or respite for carers from constant food preparation and cooking and to assist with socialising foster children and young people.

There were other additional food costs for carers. It was not unusual for carers with children in all types of care to have established either ongoing contact and visits with members of the foster children’s birth family or to be taking children to access visits. The provision of food and drinks or providing cooked meals by carers on these occasions was not uncommon. The costs for these occasions were not reimbursed or reciprocated by the birth families or recognised by agencies.

4.20 Clothing and Footwear

The costs of foster children’s clothing and footwear for carers was one of the areas of greatest concern (see Table 10). Many carers had problems relating to a ‘cost per week’ for clothing and footwear budgets noting that it was not usual to shop weekly for these items (see Tables B5 and B15 in Appendix B). Shopping for clothing and footwear occurred mainly at the change of season; where children began the school year; when a child came into care; or following a growth spurt.

The variability between States in recompensing or providing reimbursements for clothing and footwear needs of children was, for the researcher, disconcerting and confusing to say the least. For some carers the allowance for clothing and footwear was provided in the standard subsidy payments, for others it was given as a separate fortnightly amount. Carers in some States had in the recent past received without request regular clothing allowances twice a year, then once a year but now had to apply. Other carers said agency workers told them that clothing allowances ‘don’t exist’. It became obvious in many groups that not all carers were aware of their entitlements in this area.

Impact of the GST

Some carers had to provide receipts to the department or agency worker to be reimbursed for clothing and footwear costs. Other carers had to obtain purchase orders to buy clothes/shoes due to the introduction of the GST and the apparent ‘inability’ of government departments to reimburse carers for the tax component of their purchases. Other carers were given an additional payment to cover school clothing and footwear at the time when children moved into infants, primary or secondary schooling. The implementation of the GST has had ramifications for school ‘shops’, once an important outlet for good quality second-hand school clothing and school books. Numerous carers spoke of their schools no longer operating either clothing or book shops because with mostly voluntary staff running the shops, schools were unable to handle and collect the GST component attached to these goods.

Hand me downs

Some carers were of the view that foster children should not have to wear second hand clothing, as one said, 'no foster kid deserves to have second hand clothing – they feel good to have brand new'. Other carers, however, did not see this area as problematic for the children in their care. The purchase of second hand clothing from op shops; receiving hand me down items from relatives and friends; and 'stockpiling' used but respectable clothing and footwear items for various aged children of either sex appeared quite common with carers, particularly for younger aged children. Many carers said due to the amount of standard subsidy they received they simply could not afford to purchase new clothing and footwear items.

It was not unusual for children, particularly younger children, coming into care to arrive at a carer's home with only the clothes they stood up in. If this occurred at night or weekends, which was not uncommon, carers especially in country or outlying areas, had little recourse but to 'make do' (with items from their stockpile) till they could access clothing stores. All carers thought they should be entitled to an initial establishment payment for clothing and footwear when a child was placed with them but in practice this was highly variable among carers both to its occurrence and amounts provided.

Clothing and footwear gives expression to people's individuality and carers were aware of its importance to foster children, once past the toddler stage. Carers spoke of trying to ensure foster children had at least a couple of brand name items of either clothing or footwear and also letting children choose what they were to wear. As one carer said 'we try to keep them up in that sort of thing as much as we can because we don't want them different to other kids'. Another commented that 'they (foster children) have to feel good in what they are wearing. No point in buying clothes if you take them home and they won't actually put them on'.

In general, carers were encouraged by workers to engage foster children in numerous activities and sports to assist with self-development, self-esteem and socialising skills (see also Boushey, 2001). Participation in most sports, for joining and weekly fees and the purchase of clothing, footwear and equipment was seen as expensive. Some carers mentioned that these costs were allowed for in their child's case plan while others said no allowance was made for these costs and they were considerably out of pocket. Initiatives undertaken by individual carers to meet children's needs in this regard may have been rewarding for the children concerned but rarely financially 'rewarding' for carers. Carers spoke of using sports as physical outlets for difficult children and young people and to maintain their own sanity, a point that appears to be given little recognition by most workers.

Besides general wear and tear' on clothing and footwear items and 'growth bursts' which lead to expenditure on clothing and footwear common to all children, many carers spoke of other aspects in relation to foster children that caused additional expenditure. Many carers noted that it was not uncommon for foster children to have little sense of ownership or respect for their personal belongings such as clothing and footwear. Stories were shared of children who constantly mislaid, lost, gave away, swapped or destroyed clothing and footwear items. Cutting up personal clothing, as well as sheets and doona covers by children when angry or upset was mentioned by several carers. Carers said it was not uncommon for children on regular access visits to birth families to return missing various items of clothing and footwear. Many

carers thought doubling the amounts in the clothing and footwear budgets would be closer to the costs they incurred.

4.21 Household Goods and Services (HGS)

The HGS budget was also an area of expenditure where carers found it difficult to relate to a weekly amount to reflect their costs (see Tables B6 and B16 in Appendix B). While it was not always assumed by workers that carers would have all the equipment necessary for fostering, carers noted that there was an expectation that major furniture items and soft goods - beds, mattresses, wardrobes, linen and towels, etc - would be provided by carers. It appeared that only in special circumstances did workers provide certain items, often because a carer could not take the child without them or because of safety requirements (e.g. use of car seats). Most carers appeared to have started fostering with various items once used by their own children. Other carers acquired second hand items from friends and family. As with clothing and footwear items carers stockpiled furniture particularly nursery items: beds, mattresses, cots, prams, strollers, car seats, baby baths, nappy buckets, etc. As one carer noted 'once you've got the equipment you hang onto it'. The storage of these and other items was a major problem for many carers; the purchase of garden sheds or use of garages for this purpose was not uncommon.

This was the budget area noted by carers where the impact of damage by foster children (see Housing 4.17) on furniture and fittings, curtains, blinds and bedding, and electrical equipment could be addressed. It was clear from the discussion with carers that modifications to the perceived lifetimes³⁸ of goods would be necessary to address this area of costs.

Replacement costs for mattresses, bed linen, and pyjamas was high for carers with bed-wetting children or those not toilet trained. Carers commented that mattress and pillow protectors were essential for all children, as was a store of spare doonas and sheet sets. Night time was noted as a particularly stressful time for foster children. Carers said it was not uncommon for children to tear or chew holes in sheets and pillowcases or rip doona covers. Carers went to inordinate lengths to make children feel settled and 'at home'. One carer explained why she thought it was important.

I tend to buy doonas with the Wiggles or Teletubbies or whatever ... because they (foster children) like their room ... because they run up the passage and show the worker where their room is ... and it just all helps with their self-esteem.

With older children with little or no respect for the property of others wear and tear on furniture and fittings and occasional breakages were commonplace, as was the need for frequent cleaning of carpets and soft furnishing. Carers of young children and babies noted more than frequent replacing/repairing/cleaning of lounge suits and carpets from wear and tear and soiling. Cleaning and disinfecting products such as laundry detergent and soaking agents for whites and for colours were more frequent purchases when fostering.

38 In the original BSU research the assumed lifetimes of many goods was reduced to reflect the impact of wear and tear caused by the presence of children in the household. For example, in a one child household lifetimes of certain items were reduced by one year. For households with more than one child assumed lifetimes were reduced by one year for each child.

4.22 Health

For many carers the costs in the health care budget bore little resemblance to their costs (see Tables B7 and B17 in Appendix B). Carer response to these costs was not surprising. The starting point in developing the indicative health budgets in the original BSU research was to determine the costs of meeting a representative range of health care needs by those (including children) who are in *generally good health*. Unfortunately general good health this does not appear to be the norm for foster children as reported by high numbers of carers in this study. Health costs for carers were variable and highly dependent on the needs of individual foster children. In general for minor complaints carers took the children they were fostering to their local GP or Medical Centre. Bulk billing was not always available and some carers had no choice but to pay a 'gap' fee. For other carers their Family GP 'offered' to bulk bill visits because children were being fostered.

For many carers accessing and paying for health care costs was problematic. Carers noted it was not uncommon for foster children to be left with carers with no details of their medical background, record of immunisation and without a Medicare Card or HCC. Carers noted it was 'hard when you have a sick child on your hands and no cards. It was unanimous among carers that all foster children should have both cards in their own names as soon as practical and that eligibility for a HCC should not be dependent on the carer's financial circumstances. An important amendment to Commonwealth legislation was that eligibility for a HCC for all children in foster and kinship care became available from 1 July 2001 regardless of the carer's income level (FACS, 2001). This will be of great benefit to carers but not unless some interim arrangements are made in the first instance, which authorises carers to access services, particularly medications, when a 'sick' child is placed with them.

In most States it appeared that carers were expected to meet the costs of all 'over the counter' medications and prescriptions costing under \$20 per item. Even with a health card a Pharmaceutical Benefits Scheme (PBS)³⁹ prescription costs \$3.50 and for children with chronic medical conditions costs mounted up in a short space of time. In some States public dental care was provided free for school-aged children but in others it was not.

Many carers had private health insurance. Some funds covered foster children in long-term care while others would not include carers' foster children regardless of how long they were with a particular carer. Some carers with no other options used the public health system, which they perceived as 'overworked and under-resourced' for foster children. Carers said they experienced lengthy delays in obtaining appointments and subsequent long waiting periods at public clinics and hospitals. Carers of children with high health needs commented on the extra stress to carers and foster children in using the public health system.

4.23 Transport

The second area of greatest concern for many carers after clothing and footwear was the transport costs of foster children, with numerous carers commenting that one of the biggest costs was petrol. Most carers thought the estimated costs for children in the transport budget were ridiculous (see Tables B8 and B18 in Appendix B). A consistent response from all carers across the groups, particularly for carers in rural

39 Pharmaceutical Benefits Scheme provides for greatly reduced costs for expensive medications, etc.

areas, but also urban carers, was that an extra tank of petrol (at a cost of \$30-40) a week at least was required to meet the day-to-day transport needs of children in their care. Ensuring children attended school and returned home safely was a priority for all carers. Having access at all times to a car was seen as essential for foster carers.

Where it was realistic carers maintained foster children in the schools they attended before coming into care. In many instances this involved extensive car trips twice a day. Transport and schooling costs were exacerbated when carers' children did not attend the same school as the foster children. Carers, whose birth children attended private schools, could not always receive payments to cover the expenses of sending their foster children there as well. Carers had two choices either take the child to a different school or pay private school fees and other expenses themselves. Education for some foster children was seen as doubly important as due to their previous circumstances they were behind in literacy and numeracy and many carers opted to pay for the costs of private schooling.

Child care for younger foster children was also important both for respite but also for the benefits to the child. One rural carer with young children of her own who did temporary (short-term) foster care had a standing arrangement with a local child care centre to take whatever young children were placed with her at the time to assist with the care of the foster children.

Many carers of school aged children noted that it was not unusual to be called by a school counsellor or principal on a regular basis to either come and pick up a foster child who was not coping or to resolve an issue that had arisen in relation to the child. Carers noted there was an expectation on the part of the agency and also the school that carers would always be available at these times. For carers where school buses or other arrangements were used to get children to and from school they noted how important it was to be 'at home' when children arrived (see also Boushey, 2001). Transporting children to various services – doctors, dentists, specialists, therapists and hospitals in addition to after-school and weekend sports, activities, meetings and court appearances for the children was not only costly but time consuming for many carers, particularly for carers in rural regions.

Access and contact

Regular access and contact visits for foster children to their birth families has become a growing and important aspect of foster care placements throughout Australia. Visits to birth parents and/or the foster children's siblings were often undertaken by carers. Carers said there was an expectation by workers that carers would 'help out' with access and contact particularly where there was no concern about carer's details being known by members of the birth families or where children had been in stable long-term placements. In rural areas, carers help out with access and contact by meeting departmental or agency workers at a central point so children can be taken on visits. Rural carers noted that due to a lack of available carers it is not unusual for children to be fostered lengthy distances from birth families and to have regular court ordered access visits two or three times a week. Carers who took children to contact visits in any area often had no option but to 'kill time' waiting while visits took place.

Some carers went to extraordinary lengths to maintain contact with members of children's birth families. They used their annual and the children's school holidays to take foster children interstate (or intrastate) to visit grandparents or siblings or parents who had moved away. For carers with their own young children such holidays were

expensive and not all costs for foster children were covered. Some carers received a contribution towards petrol costs, some received payments to cover accommodation, others received nothing at all. For many carers contact visits were not always possible and telephone, letters and cards were used to maintain communication between foster children and their families. Carers spoke of exorbitant phone bills particularly those where STD calls were necessary to maintain contact.

Receiving reimbursement for transport costs was highly variable. Some carers were told all day-to-day transport costs were included in their standard subsidy payment and received nothing extra. Some carers responsible for access and contacts had an allocation for extra payment noted in their case plan. Other carers who took children on holidays or visits to family received an amount based on kilometres travelled; reimbursement rates were highly variable with States paying 23 cents, another 27 cents, and another 50 cents a kilometre. Where it was not appropriate for a carer to be involved with children's birth families, arrangements for transport for foster children were met by workers, volunteers, contract drivers or taxi services usually reimbursed at commercial or public sector rates which were much higher than those paid to carers.

Vehicles

Numerous carers said they could not continue to foster without two cars in the family. Many foster carers had purchased larger vehicles such as small vans or 'people movers' to transport children. Some States appeared to assist carers in the purchase of these larger vehicles. Carers in one group mentioned the sum of \$8 000 as being a contribution the department made towards costs. One carer who bought a good second-hand 'people mover' for \$43 000 said \$8 000 was helpful but the shortfall still had to be paid by the carer. One carer who went ahead and purchased a larger vehicle on the understanding she would receive financial assistance said it did not eventuate. She said 'you have to get everything written down – verbal agreements can be reneged on'. Another carer said it was not unusual to be 'grounded' for periods of time when the children in her care exceeded the seating capacity of her current vehicle.

The costs for fuel, servicing, tyres and insurance were higher for carers who had purchased larger vehicles. Car seats for younger children and specific seat belt locks were additional costs for some carers though other carers were given car seats by agency or departmental workers. With additional children using carers' vehicles not only was there extra wear and tear on the engine but also on the car's interior fittings; damage to cars by foster children was mentioned by several carers. A few carers, with sibling groups in care, were provided with larger cars by their agency if their own car was not suitable for the numbers of children in care.

4.24 Leisure

Many carers thought the estimated costs in the leisure budgets did not reflect their costs (see Tables B9 and B19 in Appendix B). This was particularly so for carers with school-aged children. Expenses incurred for sporting activities and other leisure pursuits such as movies, fun or theme parks and family outings were in general expected to be covered by the standard subsidy payment. Carers were encouraged to involve the foster children in as many appropriate activities and sports as possible however little financial support, in most instances, was offered to pay for these activities.

Pocket money and gifts

Budget standards methodology does not include an allocation for the cost of presents or pocket money for children. The methodology used in budget standards for gifts is that they are reciprocal items. Money spent on gifts is effectively recovered by gifts received. This is not the case for foster children for whom Christmas and birthdays can be a ‘feast or famine’ occasion with some children never receiving gifts from birth families and others being given gifts from both foster carers and sometimes unexpectedly, from birth parents as well. It was apparent that no State has satisfactory arrangements in place for meeting these quite expensive costs for carers in a consistent manner.

A small number of carers said that on some irregular occasions they had received free tickets for movies or vouchers for entry to local shows for foster children at Christmas and at the child’s birthday. Very few carers overall said they had received any additional financial assistance from their department or agency at Christmas or at children’s birthdays to pay for presents or for parties. At Christmas, not only were many carers paying for presents for the foster children but quite often for members of the foster children’s birth family as well. ‘One-off payments’ to cover Christmas expenses for foster children were mentioned by two groups of carers as highly variable. Carers were never sure in the first instance if they would receive any assistance or if they did, how much it might be. Carers noted that pocket money for children was also not included in the budget standards methodology and this was problematic, as pocket money for foster children in some States is discretionary and in others mandatory. In most States it appeared to be included in the standard subsidy payment.

Photos and life stories⁴⁰

While most households would take photos of family members to record special events and family gatherings, their importance in the case of foster children cannot be over emphasised. Carers, particularly Indigenous carers, noted that keeping the life stories of children in their care was for some children the only way of knowing who they were in the context of their childhood and adolescence. Developing films and sending photos to birth families as well as keeping copies for foster children was for many carers an additional expense. Carers thought school photos in particular were ‘almost compulsory’. Many carers bought school photos and sent them to the birth families and other carers took photos on a regular basis to send to families and children’s friends. Carers are encouraged by their workers to keep records and photos of children in their care but departments do not cover the costs involved. One carer explained how difficult it could be when families were already struggling to pay for basic costs.

Like sometimes when there’s school photos ... it’s the wrong time...the wrong timing and you haven’t got that \$23 ... and you just have to miss out...and (its) just so that you can give these photos to their parents ... to

40 Life story work is an important resource for all children in care (CSC, 2000c: 71-2). It provides an opportunity for children and young people to have an understanding of their personal history and identity and provides answers to questions all children ask – such as ‘who am I?’ A study looking at the experience of a group of Indigenous children in care in NSW found ‘only one of the 15 children reviewed in the study had life story work occurring’ (CSC, 2001: ix).

say well this is how your child is this year ... but you just haven't got the money to pay for that.

An Indigenous carer in SA whose foster children came from the NT took 'lots of photos' and posted them to the family on a regular basis. Developing and postage of photos was costly. Because of distance and lack of contact between foster children and their families the carer occasionally took a video of the children and sent that to the family as well. Another Indigenous long-term carer who has had a sibling group come 'in and out' of her care from time to time noted that maintaining these children's life stories was a very big cost for her. She thought the life story was an extremely important element of a foster child's life; she kept diaries and photos for all the children in her care (see also CSC, 2000c). Having multiple copies of photos developed for extended family members and posting them away was a very expensive exercise. She estimated the cost of photos alone for two children currently in her care was around \$20 per month for each child.

4.25 Personal Care

Some carers thought the MBA standard was close to the costs of children in their care (see Tables B10 and B20 in Appendix B). However very young and also adolescent children were noted by carers as having higher expenses for personal care than for children around the ages of seven to 11. The reasons for the increase in costs were quite different for the two groups. For younger children it was not unusual for carers to comment that children up to the ages of six and seven needed to wear 'pull-ups'⁴¹ at night. Wet or soiled beds were not uncommon for children in this age group. The pros and cons of various brands of disposable nappies caused spirited discussions at most groups with the consensus being that less expensive brands were OK for day time but better brands were essential at night to cut back on the extent of wet beds. For babies and younger children 'wipes', lotions, creams and disposable nappies were an added expense. For teenagers, deodorants, acne preparations, skin washes, disposable razors, menstrual products (both napkins and tampons) contraception and hairdressing, were mentioned by carers as additional personal care costs. In all groups there was animated discussion by carers in relation to the 'excessive amounts' of toothpaste, shampoos, conditioners and toilet paper used by most children in care. Carers perceived high wastage in this area.

4.26 Summary

It was evident from the responses by carers to the preliminary estimates of the costs of children and from other discussion about meeting the needs of the children in care that as they stand the estimates are not adequate to meet those needs. For the majority of carers there appeared to be a number of areas where modifications to costs would be necessary if the estimates were to better reflect carers' costs.

Before discussing how the budget standards estimates might be modified to meet the specific costs of fostering, it is important to consider the situation of Indigenous carers who also participated in focus groups. As noted in the Introduction, focus groups were also held with Indigenous carers in each State and Territory. While both groups of carers shared many similar concerns there were issues for Indigenous carers that were different from non-Indigenous carers and require a separate discussion. The next section addresses these issues within the context of 'different' treatment of Indigenous people in Australia.

41 Pull-ups are disposable padded pants for older children.

5 Issues For Indigenous Carers

5.1 Over Representation of Indigenous Children in Care

It was important to conduct groups with Indigenous carers as overall, Indigenous children have been - and continue to be - significantly over-represented in the child welfare system and more specifically in out-of-home care. The rate of Indigenous children aged 0-17 years in out-of-home care (1999-2000) at 18.3 per 1 000, was significantly higher than for non-Indigenous children at 3.6 per thousand. In NSW Indigenous children were over nine times more likely to be in out-of-home care than non-Indigenous (AIHW, 2001).

Separate focus groups were held with Indigenous carers in the capital cities of most States. A separate focus group with Indigenous carers in the ACT could not be arranged however Indigenous carers participated in one of the two focus groups held in Canberra. A joint focus group was held with Indigenous and non-Indigenous carers in a mining city in far western Queensland.⁴² Reflecting the proportionately large population of Indigenous people in Queensland two groups with Indigenous carers were held - one in Brisbane and the other in Cairns.⁴³ Workers from Aboriginal (and Islander) Child Care Agencies (AICCA) or similar organisations invited carers to attend the Indigenous groups and provided a staff member to facilitate at the groups.⁴⁴ One Indigenous group (Brisbane) was organised by a Departmental Indigenous worker.

5.2 Aboriginal and Islander Child Placement Principle

Inappropriate placement practices for Indigenous children in the past have lead to the implementation by all States of the Aboriginal and Islander Child Placement Principle. This principle requires Indigenous children to be placed with Indigenous families (preferably with their relatives or wider kin groups) when they cannot stay with their own birth families wherever this is possible (Bridge and Freeburn, 2001). However many States have experienced difficulties in adhering to this key principle. For Indigenous children and young people the rate of placements with relatives or kin was highest in NSW at 80 per cent and lowest in Tasmania at 43 per cent (Table 15). The figures for Tasmania improve when account is taken of the numbers of Indigenous children placed with non-Indigenous relatives or kin (that is, part of their extended family), which also complies with the Aboriginal and Islander Child Placement Principle. The proportion of Indigenous children in such placements was highest in Tasmania (19 per cent) and lowest in Western Australia (6 per cent) (ASCRCSSP, 2000: 1256)

42 The Department of Families, QLD, provided the funding to enable this group to be conducted. Limited financial resources for the study prevented additional Indigenous focus groups being held outside the capitals in both the Northern Territory and Western Australia.

43 Fifty-five per cent of the Indigenous population live in QLD and NSW. Queensland's Indigenous population comprised 3.1 per cent of the total State's population compared to 1.8 per cent for NSW (ABS, 2001).

44 Within all States small numbers of AICCAs have been established to assist in recruiting, training and supporting Indigenous foster carers. In most States however there is very limited coverage by Aboriginal agencies (see also CSC, 2001).

Table 15: Percentage of Indigenous children placed with Indigenous Families:1999-2000

| State/Territory | Percentage |
|-------------------------------------|------------|
| New South Wales (NSW) | 80 |
| Western Australia (WA) | 78 |
| Queensland (Qld) | 71 |
| Australian Capital Territory (ACT) | 69 |
| South Australia (SA) ^(a) | 66 |
| Northern Territory (NT) | 64 |
| Tasmania (Tas) | 43 |
| Victoria (Vic) | no data |

Source: AIHW, (2001).

Note: a) Numbers for SA from the Create Foundation, 2001.

5.3 Reimbursement for Kinship Care

Kinship care (care by relatives or kin) for both Indigenous and non-Indigenous children has been utilised by governments to varying degrees for children needing foster care and in some States it appears to be on the increase. Kinship care is of great importance among Indigenous communities. Research has indicated that kinship care payments, which can be less than the amounts of subsidy paid to non-kin carers, have been used selectively among Indigenous communities to their financial disadvantage (AASW, 2000). Cashmore notes the latest data from AIHW (Johnston, 2001), indicate that the number of children in non-reimbursed kinship placements compared to the number in reimbursed care has increased significantly. Cashmore suggests

This increases concern that there is another agenda in the push for kinship care – shifting financial and other responsibilities for these children from the public sector to the private care of families. (Cashmore, 2001:7)

Findings from the survey in Stage 1 of this study indicated that both financial and non-financial support to all kinship carers was different from that offered to formal carers. In relation to payments for kinship care 75 per cent of agencies paid the same rate to all carers but a quarter paid less to their kinship carers than the standard subsidy

Reimbursement for kinship care differs in a number of ways from the standard subsidy paid to other carers. For example in NSW, people providing kinship care *must apply* for a Non-Parental Care Allowance (NPCA)⁴⁵, which is hardship based, whereas formal foster parents are *entitled* to receive payment regardless of their financial circumstances (CSC, 2000b). Unless it can be shown that the families would suffer hardship in meeting children's needs or children were at risk of entering formal foster care, a NPCA may not necessarily be paid to a kin carer. In calculating NPCA, which is based on the standard subsidy paid to other carers, deductions are made for any child support or maintenance the child may have been entitled to receive or any other Commonwealth allowance such as Family Tax Benefit (FTB), previously Family Allowance payments. Kin carers in NSW when being assessed for payment

45 It is understood that the policy in regard to payments to kinship carers in both NSW and WA was under review. The outcomes of the review were unknown at the time of writing of this report.

are required to seek any child support payments ordered in respect of the child or to ask for maintenance from the birth family if the placement is voluntary (DoCS, 2000). Regardless of the special needs of children in kinship care a kin carer in NSW is generally not eligible to apply for any other allowances or contingency reimbursements available to other formal carers in NSW.

In NSW, placements with kin or relatives are not considered to be supervised foster care. Supervised care is care requiring regular case co-ordination, planning and support offered to formal carers. Without supervised care arrangements kin carers are left in a vulnerable position when problems arise with children.

Concern has been expressed by the Community Services Commission and others in relation to kinship care in NSW (see Cashmore, 2001; Bridge and Freeburn, 2001; and Voigt, 2001 for three perspectives on kinship care). The Commission noted that among the range of reforms in the out-of-home care area in the new *Children and Young Persons (Child and Protection) Act, 1998*, the legislation has excluded relative (kinship) care from its definition of out of home care and therefore from the jurisdiction of the newly appointed Children's Guardian (CSC, 2001).⁴⁶ In December 2001, the legislation was amended to include some groups of children in kinship care within the definition of out-of-home care. The amended section of the Act is yet to be proclaimed.

While it has not been possible within this study to document the specific criteria applying to kinship care in every State, suffice to say, it was not uncommon for AICCA workers in focus groups outside NSW to comment on the 'different' and lesser support provided to their Indigenous kinship carers. For example, one AICCA worker (Victoria) said that depending on the type of placement, some carers received additional allowances while others did not; it depended on whether children were statutory clients or voluntary clients. 'Statutory clients are through the department, so they get more allowances. Voluntary clients are different and get less' she said.

AICCA workers felt that the difference between the Agency and the Department was that the department had greater resources to draw on to assist carers than did an Agency. Workers said their Agency only had funding to pay basic allowances, which were not enough to cover additional expenses for carers. As a consequence the AICCA was seen as an agency that did not look after its carers, because it could not provide carers with additional support. 'It is not right,' said the worker. Many agencies from various States in the survey (Stage I of the project) commented on the lack of clear policy guidelines around kinship care and payment to carers.

5.4 Impact of Different Treatment for Indigenous Carers

From discussion with Indigenous carers and AICCA workers in all groups it was apparent that large and often struggling Indigenous families took on children, both related and unrelated. Some times the placement was 'formal' in the sense that children had been brought to the attention of the statutory authority and when placed

46 The role of the NSW Children's Guardian is to (a) exercise the parental responsibilities of the Minister for a child or young person (b) to promote the best interests of all children and young persons in out-of-home care, (c) to ensure that the rights of all children and young persons in out-of-home care are safeguarded and promoted, (d) to examine a copy of the case plan for each child or young person in out-of-home care and a copy of each report made following the regular review of the case plan, (e) to accredit designated agencies and to monitor their responsibilities
(http://www.austlii.edu.au/au/legis/nsw/consol_act/caypapa1998442/s181.html).

the carers received some financial assistance. At other times carers provided care informally where fostered children (and young people) would come in and out of care on agreement between birth family members and carer families. As these informal arrangements usually lacked any legal status it was difficult for carers to obtain financial assistance from the State/Territory to meet the needs of these children. At other times there appeared to be situations where some carers were in limbo. This occurred when a crisis or respite placement, often on a voluntary basis⁴⁷, became a medium or long-term placement with little or no financial assistance or formal case plan arranged by the department to support carers (see also CSC, 2001; CGC, 2001).

In a report prepared for DoCS, NSW in 1999, Danett & Associates found that one of the main priorities in supporting Aboriginal foster carers was ensuring the allowances that carers were entitled to receive were provided. Danett stated that the cause of major disruption and hardship for Aboriginal families occurred when carers did not receive payments. They noted that the main issue was

... the lack of clear of departmental policy on what are approvable benefits. The problems are mainly with the payment of Non-Parental Carers Allowance to voluntary (ie kinship) carers. These problems ... affect all voluntary carers. However, it is a problem that has a greater impact on Aboriginal people because...they represent the large majority of voluntary carers.

(Danett 1999: 23)

In a similar vein the report *New Directions – from Substitute to Supported Care* by the CSC in 2000 noted the consequences of placing children with relatives without providing these carers with the same level of reimbursements (subsidy plus other financial assistance), training or support as other carers received.

... families may be open to exploitation by the system, with children left with them at short notice, with no assessment of the family's capacity to accept the placement, no ongoing support for the family and insufficient financial assistance. There are no clear avenues for ongoing monitoring or review of the placement ... Further, it did not appear that there had been adequate evaluation of research into the effectiveness and implication of kinship care, for either the general population or for Indigenous communities in particular (CSC, 2000b: 62).

5.5 Recruitment and Training for Indigenous Carers

In a report for DoCS, Danett and Associates noted that the recruitment of Indigenous carers was more problematic than recruiting non-Indigenous carers. Aboriginal families had 'greater economic and other pressures ... and a fear of fostering based on the history of relationships⁴⁸ between government and Aboriginal people'. They concluded 'It is NOT (Danett's emphasis) a rewarding thing to do' (Danett, 1999:22). In several groups, particularly those held in WA, NT and QLD, non-Indigenous carers

47 Voluntary care in NSW usually refers to the temporary placement of children in out-of-home care for up to three months as a family support option. Evidence indicates that while the aim of voluntary care in NSW is meant to be 'short term' (under the *Child and Young Person (Care and Protection) Act 1998* voluntary care must not exceed three months in any twelve month period) there are children who have spent between one and six years in temporary care arrangements (CSC, 2001).

48 See also Cunneen and Libesman, 2000.

mentioned that they had cared for Indigenous children for varying periods of time due to the lack of appropriate Indigenous carers.

From the discussion with carers and with AICCA workers in a number of the groups it was clear that it was not always possible in a crisis situations, for example, where a sibling group needed placement or where children with disabilities needed one to one care to find a suitable Indigenous family. As with the shortage of non-Indigenous foster carers there were problems with recruiting, training and supporting Indigenous foster carers (CSC, 2001; Danett, 1999, Freeburn, 1997).

Previous research in NSW has indicated that many Indigenous carers received limited training for fostering. The high need for Indigenous carers has resulted in carers being approved quickly and without having any training. The research noted that caution should be exercised in placing children with untrained carers. It should not be assumed that because carers are culturally appropriate and approved to take children they are competent to handle abused and neglected children with high emotional and behavioural needs (CSC, 2001; Bridge and Freeburn, 2001; Freeburn, 1997).

5.6 Support for Indigenous Carers

In the focus groups it became apparent that one of the most important conditions for a successful carer was positive and on-going support from workers in agencies, associations and from small self-support carer groups. This did not always appear to be possible for Indigenous carers who were more likely to be geographically remote from one another compared to non-Indigenous carers, which made the possibility of support meetings more unlikely. This issue of support for Indigenous carers was also noted by Danett who found that there were a number of necessary supports required for Aboriginal foster carers, one of which was 'regular contact with other carers' (Danett, 1999: 24).

A solution for the lack of informal support for Indigenous carers was noted in the joint focus group with Indigenous and non-Indigenous carers held in a large mining town in western Queensland. The carer's representative, who arranged the focus group, revealed that it had taken many years of hard work to bring the two groups of carers together. The town's virtual isolation from the range of services and resources usually available to carers in bigger towns and cities had raised the necessity of pooling and sharing the care of Indigenous children between both groups and had led to improved relationships between carers. Adherence to the Aboriginal placement principle was not always possible or practical in this geographically isolated western Queensland town. It was not unusual for non-Indigenous carers to take Indigenous children, in particular children with severe disabilities and high needs. The issue of geographical remoteness emerged in this group. AICCA workers spoke of children coming from the Torres Strait and other islands off the north eastern coast of Queensland to be placed with kin or other non-related carers. As a consequence there was little likelihood of regular or on-going contact with birth families for these Indigenous children.

5.7 Regional Disadvantage and Services for Indigenous Communities

Carers from the Queensland mining town highlighted the issues of regional disadvantage in relation to caring for children with special needs. It appeared that even when carers in remote or regional areas could be found to take Indigenous children with disabilities there were difficulties in accessing medical and other services for these children (see also CGC, 2001). Carers in this group also spoke of

other problems of distance; the high costs of perishables and other food items. With all goods arriving by road, rail or air from the coast 900kms away, carers thought their supermarket costs were higher than in other areas and their choice and selection of goods and services limited.

5.8 Indigenous Children with Disabilities

The issue of caring for children with disabilities was highlighted in the Indigenous groups. Given that carers attending the groups were not representative of all Indigenous carers it was difficult to say how widespread this phenomena was. It was, however, noticeable that in most Indigenous groups there appeared to be higher numbers of carers caring for children with moderate to severe disabilities. In surveys of the Indigenous population there was no data recorded on the prevalence of disability in the Indigenous population (ABS/AIHW, 2001; CGC, 2001). In addition no data exist on the percentage of children with disabilities who are placed in out-of-home care, yet anecdotally it was thought to be problematic in the Indigenous community. As was found in this study, Danett and Associates noted that a relatively high proportion of Aboriginal children in care have disabilities, and they are often also in areas remote from special disability services (Danett, 1999).

5.9 Characteristics of Indigenous Carers

A total of 43 carers who identified as Aboriginal or Islander carers completed Foster Carer Forms. Of the 34 carers who provided details on their marital status 19 were married and 15 described themselves as either single parents or single. Thirty-one carers provided details of their main source of family income. Salary/wages applied to 14 carer families; 15 carer families were reliant on income support and two carers ticked 'other' (possibly self-employment).

From an analysis of the focus group material it appeared that Indigenous carers were more likely than non-Indigenous carers to either live in public or Aboriginal housing when they began fostering or to have moved there when the number of children in their care exceeded their capacity to house them otherwise. Indigenous carers were more likely to live with their own extended families, to foster sibling groups and to have more children in their care than non-Indigenous carers. The figures in Table 16 indicate the numbers of children in care with Indigenous and non-Indigenous carers.

Table 16: Numbers of Children in Care for Indigenous and Non-Indigenous Carers

| Children | Indigenous | | Non-Indigenous | |
|-----------------------|------------|------------|----------------|------------|
| | Number | Percentage | Number | Percentage |
| 1-2 | 19 | 44 | 79 | 62 |
| 3-4 | 8 | 19 | 26 | 23 |
| 5-6 | 5 | 12 | 2 | 2 |
| 8 | 1 | 2 | 1 | 1 |
| 10 | 1 | 2 | nil | nil |
| Other ^(a1) | 9 | 29 | 3 | 2.7 |
| Total | 43 | 100 | 111 | 100 |

Note: a) Either 'respite carer only'; or 'no children currently in care'.

5.10 Kin and Relative Carers in the Sample

A total of 18 families in the sample had a foster child who was related to the carer. Thirteen of the 18 families fostering related children were Indigenous carers. This represented around one-third of the Indigenous carer families in the sample. Four of these Indigenous carers stated some of the children they fostered were 'kin' either distant blood relations or from their clan and language area.⁴⁹ For the other nine carers, children cared for were closer relatives - grandchildren, nieces, nephews or cousins. One was a carer's younger sister.

Six foster children of one carer were four grandchildren (sibling group) and two nieces. The siblings aged four, nine, 11 and 15 years had lived with their 61-year-old grandmother for a number of years and the two nieces aged two and four years were more recent additions to her foster family. By contrast, a carer couple with 10 foster children, only fostered one child who was related (from her clan and language area). Similarly a 37-year-old single female carer with no birth children was caring for eight unrelated children. She saw her job as a 'full-time foster carer'.

5.11 Lack of Material Resources

The lack of material resources among Indigenous carers was more obvious than with non-Indigenous carers. Indigenous carers revealed it was not uncommon for foster children to be sibling groups and in the initial placement period to put enormous stress on 'cash strapped' carer families in meeting very basic needs for children. No matter how well some carers planned they were still 'caught short' at times and managing week to week on inadequate allowances often increased the pressure. One such carer (SA) who was an emergency (or crisis) carer explained how she tried to manage on her payment.

You get \$84 a week ... that's what I'm getting paid weekly ... because he's an 'emergency'. By the time I get his formula, his nappies, his wipes and whatever ... and his food ... the \$84 is well ... just, I reckon, just, just covering. See, you take a packet of nappies, a 20 pack of nappies, you're up for \$16 or \$17, and then you get a tin of formula ... Lactogen ... there's another \$15 ... and he goes through two packets of nappies a week and one of those 'Lactogens' a week. His food ... they're \$1.20 or something a jar (a day) ... and then you've got to get him his powder, his soaps and wipes ... if you wanted to scrimp and do it on the real cheap you could possibly do it ... but it makes life really hard.

Other carers expressed similar concerns in attempting to manage with limited resources and it was not surprising that many Indigenous carers were experiencing difficulties on a day to day basis in managing on the payments they received.

5.12 Adequacy of Payments

Twenty-two of the 43 Indigenous carers who completed the question on 'adequacy of payments' in the Foster Carer Form said payments they received were inadequate to meet the costs of the children in their care. Only two carers said payments were adequate. Another two carers said payments were adequate for some but not all foster children in their care while two carers said they didn't know whether the amount was

49 In Aboriginal communities kinship care is much wider than the immediate extended family and can include 'distant' relatives such as second or third cousins. People can be kin even though there is no blood relationship (Bridge and Freeburn, 2001: 8-9)

adequate or not. Two respite carers (Tasmania) said they did not receive any payment for providing weekend respite. Fifteen carers did not answer this question.

5.13 Housing

When one carer (private renter, SA) with one foster child had a sibling group of four placed with her she was asked to move. The carer commented ‘the owner didn’t want to have us there with five children, so we had to leave’. The carer applied for emergency housing through Department of Housing but her application was refused. The carer applied for another 22 private listings ‘we were knocked back on every one of them because of the five kids’ she said. The carer is currently paying around \$200 a week for a five-bedroom house in a rural area, as she could not afford to rent in the city. Many carers were struggling financially and experienced considerable stress when damage to their homes occurred. Departments in several States required carers making a claim to obtain three quotes for repairs and then when a quote was accepted to pay the bill and claim reimbursement from the department. Indigenous carers said they could not afford to pay costs for medium or large repairs to their properties. As a consequence significant damage to homes went unrepaired. This was a similar situation for non-Indigenous carers.

5.14 Transport

It was not unusual for Indigenous carers to be part of an extended family group and also to care for numerous foster children, often sibling groups. For many this caused difficulties with transporting children. In every Indigenous focus group there were at least one or two carers who said they did not own a car. In one group, in far north Queensland, there were two carers without personal transport. One carer who spoke of needing to seek regular medical treatment for a child in her care put the child in its stroller and walked to the surgery. When she could she caught the public bus. Another carer relied on taxis and buses for transport.

An older sole mother who provided respite care on a regular basis sometimes cared for a boy whose school was some distance from her home. Without a car she could not afford the costs to take him to and from school. She said she kept the child at home (with the parent’s agreement) while he was on respite. She said regretfully ‘I mean, I would dearly have loved him to have been able to go to school but then the expense for me would have been too much’ (Carer, TAS).

Carers noted that the children in their care came from far and wide - sometimes interstate others intrastate - it depended where an Indigenous carer could be found to take children. Due to the considerable distances from birth families, access and contact for children was difficult. On some occasions carers mentioned that the department arranged for either the child to return for a visit or for a worker to take the child to the birth family. Unfortunately arrangements for contact visits with family did not always go smoothly or take place as planned⁵⁰ and this led to frustration and anger for the foster children and at times destructive behaviour and damage to carer’s property (Carer, NT).

50 The lack of coherent planning for regular visits was noted in a review of Indigenous children in care by the NSW, Community Services Commission in 2001. The review found that ‘for many of the children and young people contact with family occurred primarily in ad-hoc, unplanned and uncoordinated way – and often not at all’ (CSC, 2001: v).

5.15 Health

Most Indigenous carers in all States said that had access to an Aboriginal Medical Service (AMS) for children in their care. Numerous carers also mentioned they had access to some type of government health card.⁵¹ For many carers having access to an AMS was a bonus for the children in care. A carer summed up the benefits of the AMS.

I find it's easier to take the children there, because people know who I am (foster carer) and they understand. When they (the children) have got to 'do' the dentist, it is a big thing ... and if they know them ... it is no big drama for the children. They (AMS) are excellent down there - they do everything - eyes, everything.

By contrast some carers said they would not use the AMS because they were 'frightened' they might run into the child's birth parents. It could be very awkward said one carer when children had been placed because of abuse and neglect. One carer who had been abused by a child's birth family said:

Sometimes the kids are so excited because they have seen their mother... and they make a beeline for them, (the parents) ... whether they are allowed to be near them or not. What do you do? You can't do anything. You can't go up and drag the kid away and say you're not allowed to talk to your mother (Carer Vic).

Carers attached to AICCAs (Qld) said their agency arranged for the provision of MCC and HCC for the children in their care. One AICCA worker noted that it was not unusual to have to apply for birth certificates for children coming into care and then obtain MCC /HCC and other documentation for carers. Carers without MCC/HCC said additional stress was placed on them when children requiring immediate medical attention came into their care. This concern was underscored by the experience of two carers who had been refused medical attention on more than one occasion because the carers were without the 'paperwork' for the children. Both carers said doctors were made aware that the children had just been placed in foster care but they still refused to treat the children.

One carer said that this lack of compassion and professionalism from the private medical health centre in her town led her now to go straight to the public hospital if foster children required medical treatment. This meant she had to travel further and wait for hours to see a doctor. Usually she said she had to take 'all the other kids' with her. Both carers mentioned that while not all GPs behaved this way, their experience of being turned away was distressing. As one carer who had been refused treatment explained,

When you're caught on a Sunday and you've got no other choice – you want to see a GP ... you can't ... no, I've been refused ... even with a baby ... and I stood there and I argued. I said "this is disgusting". I said "you can quietly use one of my other children's cards". I said "you can leave it till next week ... set our bill aside until next week and I'll get the paperwork to you" (Carer, Qld)

51 Indigenous households with a higher reliance on income support were more likely to hold a Pensioner Concession Card, Health Care Card or Health Benefits Card (ABS, 1999).

5.16 Reimbursements

Carers noted the lack of an additional allowance for pocket money (it was included in the subsidy payment) and said that birthdays and Christmas were particular hard as no extra assistance was provided for foster children. Carers explained that it was very difficult at Easter and Christmas when children wanted to see their families and carers already had commitments to members of their own family. One carer (Qld) was asked to take four additional children over Christmas and also asked to do an access visit on the same day for another child in her care. She said,

I refused to do it ... cause I had 16 children for Christmas. I got them (four additional children) two days before Christmas ... the department did not send one extra red cent ... no emergency care fund ... nothing.

The carer (Qld) explained that with emergency care ‘you should be able to get \$70 [per child] straight away’ when children were placed. In practice this rarely happened. The carer noted that very few workers brought emergency funds with them unless she insisted over the phone. Other carers also received nothing when children were placed as ‘emergencies’ and carers spoke of waiting up to three months before they were reimbursed for a crisis placement. When carers were asked why it took so long to receive reimbursement they said they thought it was due to the high turnover of staff, files becoming misplaced and children moving between different Area offices. ‘No one wants to take responsibility’ one carer said (Carer, Qld).

5.17 Summary

It is evident from the discussion above in relation to many aspects of fostering including issues around reimbursements (subsidy plus other financial assistance) that Indigenous carers appeared more likely to be treated ‘differently’ to non-Indigenous carers in aspects of policy, practice and by members of the wider community. It was not within the brief of the project to cover some of the issues that were revealed in the focus group discussion. While not all issues, detailed above, were directly related to costs of care many had a strong connection to material and financial resources that impact on a carer’s capacity to care and required documentation.

The next segment of the report, Section 6, discusses how the preliminary budgets might be adjusted to better reflect the costs of children in foster care and presents these costs.

6 Levels Of Standard Subsidy And Estimates Of The Costs Of Children

6.1 Data on Standard Subsidy Levels

Before discussing how the estimates of the BSU costs of children might be adjusted to better reflect the costs of fostering brief attention needs to be given to the level of standards subsidy payments paid by the States. An examination of the levels of payments for children of various ages paid by States provides an insight into the difficulties experienced by carers in meeting the costs of caring and why the majority of carers thought payments for care were inadequate.

Since the groups were conducted the costs of two extra children a girl aged 14 and an infant of 12 months have been costed (see Appendix C). The focus group discussions were used to explore costs for these two additional children and feedback provided by carers informed the final estimated costs of their budgets. In the comparison of the BSU estimates and standard subsidy levels in this section of the report the estimates of costs for these two children are included.

Information on the level of standard subsidy paid to carers in all States has been available since the late nineties. Research undertaken by the Queensland Department of Families, on foster payment systems has been published on three occasions (Bray, 1998; Bray and Foti, 1999; Bray 2001). These reports on the comparative analyses of foster care payment systems in all Australian States (and New Zealand) have proved invaluable to this project.

The availability of data for two periods, 1997-98 and 2000, allows a comparison of standard subsidy payments and the BSU estimates of the costs of children. March 1997 was the period when budgets in the original BSU study were costed and estimates of the costs of children developed. At December 2000 the estimates of the costs of children were updated using the CPI (Sydney Index used) between March 1997 and December 2000. Information on the levels of standard subsidies for 1996-1997 will also be included in the Tables (17 to 24). The data indicate that in most States, between 1996-1997 and 1997-98, the rate of standard subsidy was not increased to reflect changes in the costs of living. No research was conducted on the levels of standard subsidy payments for 1999. It is therefore not possible to comment on the changes in standard subsidy levels between 1998 to 2000 except to note that all States appear to have increased payment levels due to the introduction of the GST.

The comparisons in the following Tables are based on BSU estimates on costs for average, healthy children whose physical, social and material needs were met by typical goods, services and activities, in no way seen as 'out of the ordinary' or special. In other words the estimates do not reflect costs specific to fostering which carers in this study reported as significantly higher than the BSU estimates. The last section of this report will detail the budget areas where costs specific to fostering should be reflected and suggest amounts that would be more realistic in meeting the basic needs of foster children.

As noted in Section 1.2 there is also the issue of additional financial costs associated with children with special needs, for example children with a disability, or children with emotional, behavioural or developmental needs who when assessed as requiring additional care and support are deemed eligible for additional allowances, add-on

loadings⁵² or other payments. All States address the issue of ‘children with special needs and/or disability that require supervision, care, accommodation and maintenance by carers in excess of normal requirements for a child in foster care’ by special needs loadings (Bray, 2001: 37). The level of special needs loadings are not addressed here.

6.2 Selecting the Appropriate BSU Standard

To illustrate the difference in the two BSU standards Table 17 indicates the estimates for the costs of children at the low cost and modest but adequate standard for 1997 and 2000 based on the *normative* (or *itemised*) method.⁵³ The table also includes the costs developed for this study of a 14-year-old girl and an infant of 12 months at the modest but adequate level for 2000 only. When carers in the focus groups were asked which BSU estimates most closely resembled their children’s costs the overwhelming response was - costs at the modest but adequate level. As a result of the categorical response by carers only estimates of the costs of children at the modest but adequate level were used when comparing the standards subsidy levels.⁵⁴

The figures in Table 17 indicate that the costs of children vary according to a child’s age and sex. At the modest but adequate level the cost of an infant was closer to the cost of a 10-year-old. The costs of other children increased with the age of the child. The extra costs for an infant mainly reflect higher costs for clothing and footwear, household goods and services and personal care compared to three- and six-year-olds. The explanation for the higher costs of a 14-year-old girl compared to a boy of a similar age was due mainly to the higher costs for the teenage girl’s clothing and footwear and personal care budgets (for detailed explanations on these costs see Appendix C).

52 Add-on or special loadings are defined as increases to the standard subsidy, either in the form of percentage loadings or as flat rate, eg special needs loadings (Bray, 2001).

53 The costs for formal care are not included in these costs for either 1997 or 2000. The original BSU estimates on the costs of children at the modest but adequate level included the costs of care (long day care, before-and-after school care and vacation care) for younger children as these budgets ‘assumed’ that both parents in the household were in full-year, full-time work. This was not the situation for most carers in this study with two-thirds of all carers in the sample noting they were not in the labour market (see Section 4.5).

54 The Victorian Department of Human Services provides support for this approach. The Victorian level of foster allowance is based on Lovering’s costs for middle-income families so as to reflect the wide range of incomes in the caregiver pool. Oldfield’s research in the UK also recommended using the MBA standard of living as the appropriate measure of the cost of a child in a foster family environment (Oldfield, 1997: 80).

Table 17: BSU Estimates for the Costs of Children by Age and Sex for 1997 and 2000 (\$ per week^(a))

| Age/sex in years | 1997 | | 2000 | |
|------------------|-------------------|-------------------|-------------------|-----|
| | LC | MBA | LC | MBA |
| Baby, aged 1 | Na ^(b) | na ^(b) | na ^(b) | 142 |
| Girl, aged 3 | 83 | 96 | 92 | 105 |
| Girl, aged 6 | 99 | 108 | 109 | 118 |
| Boy, aged 10 | 114 | 128 | 126 | 141 |
| Boy, aged 14 | 127 | 161 | 140 | 177 |
| Girl, aged 14 | na ^(b) | na ^(b) | na ^(b) | 185 |

Notes: a) All weekly amounts rounded to the nearest dollar.

b) Denotes costs not developed for children in these age groups. Costs for a baby aged 1 and girl aged 14 were developed at the MBA level only for this study.

6.3 Adequacy of Payments

By examining the amounts paid by each State and comparing them with estimated costs of children it is possible to draw conclusions about the adequacy of payments to carers. Differences in allowances paid by different States also raise questions about equity in the treatment of foster parents and examining foster care payment systems on a State-by-State basis assists in determining the feasibility of a national framework of payments that would address issues of adequacy and equity for foster carers.

Comparing levels of basic subsidies to the BSU estimates as an indication of the financial support offered by governments to carers was a difficult task. The inclusion (or exclusion) of many basic items in a standard subsidy payment and the manner in which some items are treated varied enormously from State to State. Some States provided regular additional allowances to carers for items that other States included in their standard subsidy. In addition there were criteria used by States in relation to basic payments that were specific to that State only. Extensive notes to Tables 18 to 25 (see below) have been used to explain the methods used by an individual State to reimburse carers for basic goods and services within a standard subsidy rate and which 'fit' with items covered in budget standards research. Given the complexity of some State payment systems and the ever-changing nature of payment structures the discussion on comparisons based on data in Tables 18 to 25 should be treated with a degree of caution.

6.4 Comparing BSU Estimates with Levels of Standard Subsidy

Using figures at the modest but adequate level for 1997 and 2000, a comparison of estimates of the costs of children are shown between the various States (Tables 18 to 25). Information on payment levels and explanatory text on other criteria used for reimbursements, including increases due to the introduction of the GST for each State, are from Bray et al (various years). The notes in each table explain the system used by a State when incorporating regular additional payments/allowances for basic goods, which impacted on the level of standard subsidy. For example maintaining a wardrobe of clothing and footwear was a basic day-to-day cost for most carers.⁵⁵

⁵⁵ It was noted by carers in all groups that children coming into care as a crisis (or emergency) placement often come simply in the clothes they have on. Carers in most circumstances had

Many States paid additional clothing allowance (and/or or initial establishment grants) on a regular but not weekly basis while other States included coverage of clothing and footwear costs in the standard subsidy. Where States in 2000 were paying irregular allowances the irregular amounts were converted into a weekly amount and included in the subsidy.

Some States treated the payment of pocket money similarly to clothing and footwear allowances. Some States provided guidance to carers in the amounts to be paid to children and young people while others left it to the discretion of carers to determine. The cost of education was also a basic cost for all carers in the sample with school-aged children. Some States paid irregular education grants to carers, while others covered schooling expenses in the standard subsidy. One State (Tasmania), 'supplemented' the standard subsidy payment to carers not entitled to receive Family Tax Benefit for the foster child with an equivalent allowance (see Table 18). Where information on regular/irregular additional payments, which impacted on standard subsidies payments were clearly provided it has been included in the tables.⁵⁶

Most States, except NSW⁵⁷, group children into various age categories for payments. The level of standard subsidy paid to carers is based on the age of the child. The amount paid for various age groups varies from State to State and there is no consistency between States in how children of different ages are grouped into categories for age-related payments. Age groups of children closest to the age of children in the BSU estimates were used for the comparison.

6.5 The Impact of 'Orders' on Payment to Carers

An additional complicating factor in discussing payment systems is that each State and Territory uses a variety of 'care and protection orders' that can be applied to children in care. The type of order can be changed and more than one order can be issued for any one child. The type of order applying to particular children is important as it can determine the amount of payment that carers were entitled to receive. For example carers of children under *guardianship orders* or who are designated as 'wards' were entitled in some States to additional payments which covered everyday costs (e.g. for clothing/footwear and pocket money) that carers with children under different (minor) orders may not have been entitled to receive.

Data on care and protection orders applying to children in care are produced annually (AIHW, 2001). The type of care and protection orders for children in care for 2000 is provided in the tables for each State and Territory. The orders fall into three main groups from (1), being the most serious to (3), the less serious or minor. They are as follows:

1. **Finalised guardianship and guardianship orders.** These orders involved the transfer of custody and/or guardianship of the child to the State (e.g. the head of the State or Territory community services department). Within this category are orders defined as custody/administrative arrangements. These referred to orders that

little choice but to purchase a limited wardrobe to maintain the child. The expectation might have been that the children would be with carers for short periods of time but regardless of the time component all children required items for day-to-day wear.

56 In the tables following, every attempt has been made to reflect as accurately as possible the system of reimbursements to carers applying in each State. The researcher is responsible for any gaps or misinterpretation of information.

57 From July 2000, NSW moved from age-related payments to a flat rate for all children.

placed children in the custody of a third party, including an agency. Administrative arrangements had the same effect as a court order transferring custody or guardianship – however not all States had such provisions in their legislation.

2. **Finalised supervisory and other finalised orders.** These orders gave a department some responsibility for a child's welfare. The parent usually had the day-to-day care, guardianship or custody of the child. This category also included undertakings which were voluntary orders.
3. **Interim orders and temporary orders.** These orders generally provided for limited periods of supervision and/or placement of a child (AIHW, 2001).

Data provided by the States in the Bray reports indicated that in some States children placed under *Finalised guardianship or custody orders/arrangements* were in receipt of standard subsidy plus the additional payments to the subsidy (e.g. for clothing/footwear and pocket money) made as a matter of course. Carers of children on minor orders in some States could be receiving less financial support (Bray, various years). Information on the percentages of children under the three types of orders is provided in the notes to the Tables 18 to 25.

For ease of explanation of the figures in Tables 18 to 25 the following criteria was applied.

- The BSU ages of children and 'age groups' of children used by States are shown in column 1.
- For the BSU data all descriptions i.e., age of child and sex; dollar amounts; and percentages are shown in *italic* e.g.. *Child, 1, Girl 3, Girl 6, Boy 10, Boy 14 and Girl 14.*
- Data and descriptions of children's age groups for the States are in normal text.
- In columns (4) and (6) the BSU/MBA estimates for 1997 and 2000 are in *italic*.
- The amounts of standard subsidy paid by the States are shown for 1996-97, 1997-98 and 2000 in columns (2), (3), (5).
- The percentage increase in standard subsidy payments between 1997 and 2000 is indicated in column (7), as is the percentage increase in the BSU estimates from 1997 to 2000.
- All amounts are rounded to the nearest dollar.
- Where the impact of the GST was reflected in payment structure the percentage increase is contained in the notes.
- The notes include the list of items covered by a standard subsidy in addition to other payments used to reimburse carers on a regular basis for the year 2000 only.

6.6 Level of Subsidy by Age of Child

The data provided by the comparative analyses of foster care payments in all the States from 1996 to 2000 in Tables 18 to 25 highlight the wide disparity between the States in the levels of standard subsidy paid for children in foster care. In the period under review (2000) most States (with the exception of NSW) had age-related payment systems with payments to carers of adolescent children being higher than for infants and younger children.⁵⁸ The amounts shown in the tables indicate that the

58 Only one State, Victoria pays carers of infants 0-12 months (\$85 per week) slightly more (\$8 per week) than carers of children in the next age group 2-7 year-olds (\$77).

level of standard subsidy or allowance varied considerably from State to State for similar aged children and there was no consistency between States in how children of different ages were grouped into categories for age-related payments. One State, NSW, reimbursed all carers at one rate; WA had two rates; and most other States had five different basic rates of payment.

Of all States, Tasmania appeared to reimburse carers at the lowest level. Tasmania used an additional payment similar to the amount of Family Tax Benefit (FTB) to 'supplement' payments to carers who were not eligible to claim FTB in their own right. This policy contrasts with other States where carers received not only higher levels of payment, but were entitled, if eligible, to claim FTB for children in their care, in addition to subsidy payments. The highest level of payments for children of all ages was made by NSW, which paid a flat rate to all carers but as noted in Table 25 since July 2000 the subsidy also includes the coverage of some services i.e. health, education and child care (up to \$1 000 per annum for each) previously covered by the payment of 'additional allowances' or 'one-off grants' known in NSW as 'contingencies' (Bray and Foti, 1999).

Level of subsidy and BSU estimates of the cost of children

Overall, in relation to weekly amounts paid by States it appeared that even before costs specific to fostering are factored in, there were few examples of subsidies approaching the BSU estimates of the costs of children. The rate paid by Northern Territory (\$97) and the Australian Capital Territory (\$92) for 0-4 year olds were closest to the BSU estimated costs for a three year old (\$105). Payments for older children by the Australian Capital Territory (15-18 year-olds/\$171), Northern Territory (15-17 year-olds/\$164) and Victoria (13 to 15+ year-olds/\$157) were in the vicinity of the BSU estimates of \$177 for a 14 year-old boy.

Only payments in New South Wales⁵⁹ (\$175) exceeded most BSU estimates for children of all ages (including the BSU infant of 12 months). The only exception was for 14 year-old girl where it was \$10 below the estimated cost of \$185 but still closer to the BSU estimates than for any other State.

Coverage of items

The groups of commodities or items covered by a standard subsidy were very different. For example in 1996 it was not clear in some States what items were meant to be covered by the standard subsidy payment. Tasmania covered 'direct costs of placement of children' and NSW described its coverage as 'a contribution to the cost of care of the child' (Bray, 1997: 23). By 2000 most States had taken a more systematic approach to the coverage including a range of goods and services required by children in care.

Increases over time in the level of subsidy

Between 1996-97 and 1997-98 there was *no* increase in the level of subsidy paid to carers in Tasmania, Northern Territory, South Australia, Victoria, Queensland or New South Wales. In all Bray reports (Section 5.2) departments were asked 'Is there an established method for determining the payment (standard subsidy) schedule?' A number of States made mention of using their State's CPI to adjust payments – some stated it was an annual increase, others said the CPI was used from 'time to time' (or

59 NSW is a special case – subsidy now includes a significant number of contingencies see Section 6.6.

‘irregularly’) to adjust payment levels. One assumes that the failure to adjust the level of subsidy to reflect changes in the cost of living would over time have a disheartening and inestimable effect on carers’ capacities to meet the costs of children in their care.

Between 1997 and 2000, all States had increased their rates of payment. The variations in increases across States however were inconsistent and were not the same for all age groups. In a number of States the adjustments made did not reflect the overall CPI increase of around 10 per cent (March 1997 to December 2000) calculated for the BSU estimates.⁶⁰

The increases in levels of payments over the four years (1997-2000) ranged from a low of five per cent to a high of 169 per cent. Western Australia, Queensland and Victoria increased their rates between five and seven per cent. The Northern Territory, Australian Capital Territory and Tasmania increased their rates from between nine to 15 per cent and South Australia’s increases were around 20 per cent.

NSW changed from age-related payments to a flat allowance for all carers (\$175 per week,⁶¹ July, 2000). NSW showed the greatest increase in rates across all four age groups (used prior to 2000). For example, for 0-5 year olds the weekly subsidy rate went from \$65 to \$175 (increase of 169 per cent); and for 15-17 year olds from \$121 to \$175 (increase of 45 per cent). The increase for the youngest age group was considerable. However, it must be remembered that in 1997, NSW reimbursed carers of 0-5 year olds at a rate of \$65 a week, the lowest amount paid by any State for that age group except Tasmania (\$62 per week).

It is of interest to speculate whether States have historically paid much lower rates for carers of infants and young children simply because there is less difficulty attracting carers for children in these age groups. By comparison higher rates paid for adolescents may in part reflect the difficulty in attracting carers for children in older age groups unless payments more closely reflected the ‘real’ and higher costs of children in their early teens.

Adjustment due to introduction of the GST

All States except New South Wales and South Australia increased the subsidy rate to reflect the impact of the GST on carers. Tasmania, Western Australia⁶² and Queensland adopted the Commonwealth’s approach to increasing pensions and benefit levels by four per cent to increase their payment rates. The increase for the Northern Territory was 4.7 per cent; Victoria six per cent; and the Australian Capital Territory seven per cent. South Australia stated there was no specific increase to recognise the impact of the GST and would monitor increases to carers’ costs by ‘regular reviews’ of CPI changes. In New South Wales the department stated that the GST component was factored into the new enhanced Care Allowances, which commenced on 1 July 2000. Comments on the impact of CPI changes from the Bray report are worth noting here.

It is very rare for the full CPI increase to be passed on in carers’ payments and allowances. The reality is that many carers receive a portion of the

60 March 1997 and December 2000 (Sydney Index) were the CPI quarterly periods used by the BSU to update the initial estimated costs of children.

61 Increase was based on the latest ‘costs of children’ research published by the SPRC and NATSEM, (Bray, 2001).

62 Western Australia also increased the clothing allowance by 10 per cent (01/07/00).

increase or no increase at all. An inequity exists here in that workers and residential carers (in fostering) are more likely to receive a greater or full flow on of the (CPI) increase in their salaries. Also of concern has been the lack of any regular CPI adjustment to subsidies and allowances prior to the introduction of the GST, thus discounting the real value of the GST compensation (Bray, 2001: 108).

Carers' response to NSW increase

Many carers in the NSW focus groups commented that the increases in the levels of standard subsidies were welcome and well overdue. However as the notes in Table 25 indicate, while the increase to the rate of subsidy was substantial more than just basic items were now covered by payments. For example the subsidy was expected to cover: housing, food, clothing, footwear, energy, household goods and services, pocket money, health, transport, leisure, holidays personal care and child care (for pre-school aged children).

In addition, for carers of school-aged children the costs of school fees/tuition, excursions and camps up to \$1 000 per child per annum (\$19 per week) were included by the allowance. For children of pre-school age, child care costs of up to \$80 per week were to be covered in their allowance. In addition, combined medical, dental and pharmaceutical costs of up to \$1 000 per annum for children of all ages are to be met by carers from weekly allowance payment. Pocket money was now discretionary but was to come from the weekly allowance payment. Suggested weekly amounts 'equalled' age of children, i.e. \$5 for a 5-year-old to \$15 for a 15-year-old. Some carers in the NSW focus groups thought that under the new payment system they were better off than before but others thought that after the inclusions were taken into account they were in about the same position as before.

6.7 Impact of 'Care and Protection' Order on Carers' Payments

In most States the greater percentage of carers who have children with 'care and protection' orders that were either *finalised guardianship* or *custody/arrangements* received the full subsidy payment. However carers with children who had either *finalised supervisory* or *interim/temporary orders* would have received significantly less in the States - Tasmania, Western Australia, and South Australia - where there were a minority of carers with children under either finalised supervisory or interim/temporary orders who would not have received full subsidy payments. A small number of carers in the focus groups commented on this issue and said the costs for children are the same regardless of the type of order children were under. This matter is not dissimilar to the impact on carers when differing amounts of allowances are paid by different States for children of similar ages in care and raises further questions about equity in the treatment of foster parents.

6.8 Summary

As the data in the tables indicate to the reader it was not a simple exercise to compare and contrast the BSU estimates of the costs of children with the level of standard subsidy paid by the various States. In addition to the complexity inherent in the policy of most States in reimbursing carers, what was abundantly clear was that except for NSW, few States in the year 2000 were paying carers amounts deemed adequate to meet the needs of a child *not in* care let alone children who were being fostered. Even in NSW some carers have questioned the adequacy of payments when all the inclusions (see Section 7.12) to be met from within the allowance were taken

into account. The next section of this report discusses how costs, reported by carers from the focus groups as specific to fostering, might be reflected in the BSU estimates of the costs of children.

Table 18: Standard Subsidies for Tasmania and BSU Estimates of the Costs of Children ‘Not in Care’ and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments:1997 to 2000, Selected Years (\$ per week)

| Age in Years and Age Groups | Tas | Tas | BSU/MBA | Tas | BSU/MBA | Percentage change |
|-----------------------------------|---------|---------|-----------|-------|---------|----------------------|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | 1997-2000 |
| Col.1 | Col.2 | Col.3 | Col.4 | Col.5 | Col.6 | Col.7 |
| <i>Child, 1</i> | - | - | <i>na</i> | - | 143 | <i>na</i> |
| 0 – 6 | 62 | 62 | - | 70 | - | 13 ^(b) |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) |
| 7-9 | 63 | 63 | - | 71 | - | 13 ^(b) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) |
| 10-11 | 64 | 64 | - | 72 | - | 13 ^(b) |
| 12-13 | 73 | 73 | - | 83 | - | 14 ^(b) |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 10 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>na</i> |
| 14+ | 82 | 82 | - | 90 | - | 10 ^(b) |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Subsidy payment included three components: board, clothing allowance and pocket money. Only children under guardianship received weekly clothing allowance included in weekly rate (children aged 0-11 years \$12.00; 12-13 years \$16.00; 14+ years \$19.00). For children placed with carers not eligible for Centrelink payments and under non-guardianship (e.g. *finalised supervisory orders*) orders received a payment ‘in lieu of Family Tax Benefit’ (ILFTB). Carers of children of all ages under non-guardianship received ILFTB of \$18.70 per week. Pocket money was covered by the Standard subsidy. The amounts recommended were: \$2 for children > 7 years, \$3 for 7-9 year olds; \$4.00 for 10-11 year-olds; \$6.00 for 12-13 year-olds; and \$9.00 for young people 14 years +.

Tasmania also provides carers with one-off payments such as a Christmas Allowance (\$30.00) for children under guardianship; an Initial Clothing Outfit Allowance and also an allowance for School Uniforms (provided as required) (no amounts noted).

Care and Protection Orders (30 June 2000):

- *Finalised guardianship or custody orders/arrangements* = 66 per cent;
- *Finalised supervisory orders* = 31 per cent; and
- *Interim/temporary orders* = 3 per cent (AIHW, 2001:31).

Subsidy covers: General board such as food/heating and incidental expenses such as toiletries, haircuts and local travel, basic medical and pharmaceuticals, and hobbies, and recreational activities. The clothing allowance covers general clothing and footwear. Pocket money is included for the child/young person.

GST Increase to subsidy rate = 4 per cent.

Table 19: Standard Subsidies for Western Australia and BSU Estimates of the Costs of Children ‘Not in Care’ and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | WA | WA | BSU/ MBA | WA | BSU/ MBA | Percentage change |
|-----------------------------------|---------|---------|-----------|-------|----------|----------------------|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | 1997-2000 |
| Col.1 | Col.2 | Col.3 | Col.4 | Col.5 | Col.6 | Col.7 |
| <i>Child, 1</i> | - | - | <i>na</i> | - | 143 | <i>na</i> |
| 0-5 | 72 | 83 | - | 89 | - | 7 ^(b) |
| 6-12 | 72 | 88 | - | 97 | - | 10 ^(b) |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) |
| 13-15 | 109 | 128 | - | 142 | - | 11 ^(b) |
| 16-18 | 109 | 130 | - | 145 | - | 12 ^(b) |
| <i>Boy, 14</i> | - | - | 160 | - | 177 | 10 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>na</i> |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Subsidy payments included basic subsidy, clothing allowance and pocket money.

Same level of basic subsidy paid for ward and non-wards.

Wards were entitled to a clothing allowance (also called ‘wear and tear’ payments). For other children this allowance is discretionary. Clothing Allowance is the principle means of providing for the day-to-day clothing needs for children. The scheme consists of two categories of payment, an Initial Clothing Grant and a Clothing Allowance. There are two rates of payment for each category, these being Primary School and High School.

An eligible child in continuous care for a 12 month period will receive three clothing payments per year, whereas a child coming into care for the first time will receive one Initial Clothing Grant and two Clothing Allowance payments. The Initial Clothing Grant is paid on a sliding scale, which is reducible depending on when the child entered care during the first four-month period of eligibility.

Only wards are automatically entitled to a clothing allowance, other children require prior approval supported by a case planning process. Note - school clothing is additional to the clothing allowance.

Western Australia (continued)

Table 19.1 Clothing Allowance, Western Australia

| Age | Clothing Allowance | Initial Grant |
|-------------------|--------------------|--------------------------|
| 6 – 12 years | \$235.28 | \$299.75 (full 4 months) |
| 13 years and over | \$235.28 | \$381.50 (full 4 months) |

Note: Pocket Money payments are automatic for wards but must be recommended as part of a case planning process for non-wards. The amount of weekly pocket money paid is linked to age commencing at 6 – 12 years, \$4.00; 13 - 15 years; \$10.00; and 16 – 18 years, \$13.00.

Table 19.2: Breakdown of Additional Allowances Included in Standard Subsidy Payments, Western Australia

| Age in groups | 0-5 | 6-12 | 13-15 | 16-18 |
|--------------------|---------------|-----------|------------|------------|
| | (\$) per week | | | |
| Clothing Allowance | 10 | 14 | 14 | 14 |
| Pocket Money | 0 | 4 | 10 | 13 |
| Basic Subsidy | 79 | 79 | 118 | 118 |
| Total | 89 | 97 | 142 | 145 |

Care and protection Orders (30 June 2000)

- *Finalised guardianship or custody orders/arrangements* = 92 per cent;
- *Finalised supervisory orders* = nil.
- *Interim and temporary orders* = seven per cent (AIHW, 2001:31).

Subsidy covers: Food and shelter, electricity and gas, local transport, outings and entertainment, haircuts, small toys, general expenses related to hygiene items, basic medical treatment, non-prescriptive pharmaceutical requirements, incidental expenses for education, leisure and hobby activities.

GST Increase to subsidy rate = 4 per cent.

Table 20: Standard Subsidies for Northern Territory and BSU Estimates of the Costs of Children ‘Not in Care’ and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | NT | NT | BSU/MBA | NT | BSU/MBA | Percentage change |
|-----------------------------------|---------|---------|------------|-------|------------|-------------------------|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | 1997-2000 |
| Col.1 | Col.2 | Col.3 | Col.4 | Col.5 | Col.6 | Col.7 |
| <i>Child, 1</i> | - | - | <i>na</i> | - | <i>143</i> | <i>na</i> |
| 0-4 | 84 | 84 | - | 97 | - | 15 ^(b) |
| <i>Girl, 3</i> | - | - | <i>96</i> | - | <i>105</i> | <i>9^(a)</i> |
| 5-7 | 91 | 91 | - | 101 | - | 11 ^(b) |
| <i>Girl, 6</i> | - | - | <i>108</i> | - | <i>118</i> | <i>9^(a)</i> |
| 8-11 | 110 | 110 | - | 120 | - | 9 ^(b) |
| <i>Boy, 10</i> | - | - | <i>128</i> | - | <i>141</i> | <i>10^(a)</i> |
| 12-14 | 124 | 124 | - | 136 | - | 10 ^(b) |
| <i>Boy, 14</i> | - | - | <i>161</i> | - | <i>177</i> | <i>9^(a)</i> |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | <i>185</i> | <i>na</i> |
| 15-17 | 149 | 149 | - | 164 | - | 10 ^(b) |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Child must be in custody or guardianship of Minister (called "in care") to be eligible for payments under Child Maintenance. Eligibility for carer payments or discretionary allowances is the same for all children in care regardless of whether they are in the custody or guardianship of the Minister.

Child and Protection Orders (30 June 2000)

- *finalised guardianship or custody orders/arrangements* = 78 per cent;
- *finalised supervisory orders* = one per cent;
- *interim and temporary orders* = 20 per cent (AIHW, 2001:31).

Subsidy covers: Food, shelter, household provisions, general clothing and footwear, school books, stationery, excursions up to \$20, toys/presents, haircuts and pocket money, leisure and hobby activities, outings and entertainment, daily travel, incidental child care, general hygiene items, basic medical and pharmaceuticals.

GST Increase to subsidy rate = 4.7 per cent.

Table 21: Standard Subsidies for South Australia Compared to the BSU ‘Not in Care’ Estimates and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | SA 1996-97 | SA 1997-98 | BSU/MBA 1997 | SA 2000 | BSU/MBA 2000 | Percentage change 1997-2000 |
|-----------------------------|---------------|---------------|-----------------|------------|-----------------|-----------------------------------|
| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 |
| <i>Child, 1</i> | - | - | <i>na</i> | - | 143 | <i>na</i> |
| 0-4 | 71 | 71 | - | 85 | - | 20 ^(b) |
| <i>Girl, 3</i> | - | - | 93 | - | 105 | 9 ^(a) |
| 5-7 | 76 | 76 | - | 91 | - | 20 ^(b) |
| <i>Girl, 6</i> | 76 | 76 | 108 | - | 118 | 9 ^(a) |
| 8-11 | 82 | 82 | - | 98 | - | 20 ^(b) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) |
| 12-14 | 99 | 99 | - | 118 | - | 19 ^(b) |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 10 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>na</i> |
| 15-17 | 121 | 121 | - | 145 | - | 20 ^(b) |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Standard subsidy includes basic subsidy, additional allowance and education grant. There are two categories (A and B) of payment. Category A (full-subsidy payment) are paid on behalf of those young people for whom the Minister has assumed Custody or Guardianship. Category A includes the basic subsidy, additional allowance and education grant. Category B is base subsidy, paid on behalf of young people who are under guardianship of another person, or who have been placed in foster care as the result of a Family Care Meeting.

(1) Basic (or base) weekly subsidy rates (Paid to Category B carers):

- 0-4 years \$49.00
- 5-7 years \$55.10
- 8-11 years \$61.10
- 12-14 years \$74.00
- 15-17 years \$95.65

(2) Additional Weekly Allowance: Personal costs i.e. pocket money, clothing, pharmaceuticals, haircuts, medical, childcare and travel.

- 0-4 years \$35.50
- 5-7 years \$35.65
- 8-11 year \$36.65\$
- 12-14 year \$44.25
- 15-17 years \$49.10

Full weekly subsidy payment (= 1 + 2) Paid to Category A carers.

- 0-4 years = 49.00+35.50 = \$84.50
- 5-7 years = 55.10+ 35.65= \$90.75
- 8-11 years = 61.10+ 36.65 = \$97.75
- 12-14 years = 74.00 + 44.25 = \$118.25
- 15-17 years = 95.65+49.10 = \$144.75

South Australia (continued)

Education Grants (covers school books, fares, excursions, camps, uniforms, sport wear, and expenses for pre-school fees). Based on the type of order the young person is placed under

and the duration of the placement. Paid for children under custody or guardianship orders only. Paid to all carers on a per term basis i.e. four payments per year.

- Annually \$200.00 for early childhood (approximately \$3.84 per calendar week)
- Annually \$600 for primary school students (approximately \$11.51 per calendar week)
- Annually \$800 for secondary school students (approximately \$15.34 per calendar week)

Establishment Grant One-off discretionary payment (unspecified amount) to buy significant items that will remain the property of the child. Paid when child *first* comes into **long-term care** (for 12 months or more) under a Court Order.

Child Protection Orders (30 June 2000)

- *Finalised guardianship or custody orders/arrangements* = 97 per cent;
- *Finalised supervisory orders* = 3 per cent;
- *Interim or temporary orders* = nil (AIHW, 2001:31).

Subsidy covers: food, electricity, gas, fuel, telephone calls, schooling (not including fees or uniforms), gifts for the child and entertainment.

GST No specific increase to recognise impact of GST - increased cost to carers will be monitored by 'regular reviews' of CPI increases.

Table 22: Standard Subsidies for Victoria Compared to the BSU ‘Not in Care’ Estimates and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | Vic | Vic | BSU/MBA | Vic | BSU/MBA | Percentage change |
|-----------------------------------|---------|---------|-----------|-------|------------|----------------------|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | 1997-2000 |
| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 |
| <i>Child, 1</i> | - | - | <i>na</i> | | <i>143</i> | <i>na</i> |
| 0-1 | 80 | 80 | - | 85 | - | 6 ^(b) |
| 2-7 | 72 | 72 | - | 77 | - | 7 ^(b) |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) |
| 8-10 | 87 | 87 | - | 93 | - | 7 ^(b) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 9 ^(a) |
| 11-12 | 105 | 105 | - | 112 | - | 7 ^(b) |
| 13-15+ | 148 | 148 | - | 157 | - | 6 ^(b) |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 9 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>na</i> |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Carers of young people aged 12 years (Adolescent Community Placement) or 13 years and over (Foster Care; Shared Family Care; Kinship Care) are paid an additional \$10.50 per week for the first six months the young person is in placement.

An additional \$21.00 per week is paid to all caregivers of children under 13 years of age in a reception care placement.

Supplementary Client Expenses – Payments are made to the caregiver to meet one-off supplementary expenses, for example school uniforms. Payments are made upon receipt and approval of specific applications for these funds.

Subsidy covers: Ordinary costs of care, i.e. food, fuel, household provisions, clothing, costs of schooling (except uniforms, fees, books), gifts, pocket money and entertainment.

Care and Protection Orders (30 June 2000)

- *Finalised guardianship or custody orders/arrangements* = 73 per cent;
- *Finalised supervisory orders* = 22 per cent
- *Interim or temporary orders* = 4 per cent (AIHW, 2001:31).

GST - increase to subsidy rate = 6 per cent.

Table 23: Standard Subsidies for Australian Capital Territory Compared to the BSU 'Not in Care' Estimates and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | ACT | | BSU/MBA | ACT ^{b)} | | BSU/MBA | Percentage change |
|-----------------------------------|---------|---------|-----------|-------------------|-------|-------------------|----------------------|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | 1997-2000 | |
| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 | |
| <i>Child, 1</i> | - | - | <i>na</i> | - | 143 | <i>na</i> | |
| 0-4 | 80 | 84 | - | 92 | - | 10 ^(b) | |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) | |
| 5-7 | 88 | 93 | - | 105 | - | 1 ^(b) | |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) | |
| 8-11 | 104 | 110 | - | 123 | - | 12 ^(b) | |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) | |
| 12-14 | 117 | 125 | - | 141 | - | 13 ^(b) | |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 10 ^(a) | |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>na</i> | |
| 15-18 | 143 | 152 | - | 171 | - | 13 ^(b) | |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Level of subsidy the same for children in voluntary or non-voluntary placements.

Establishment Costs – Family Services may meet the costs of initially establishing a child in foster care, on a case by case basis. These costs may include initial clothing, initial school clothing and materials, and beds, desks or other items of essential furniture. These items would be coded to the contingency budget – i.e. not part of the standard subsidy.

Child Protection orders (30 June 2000)

- *Finalised guardianship or custody orders/arrangements* = 72 per cent;
- *Finalised supervisory orders* = 8 per cent;
- *Interim or temporary orders* = 20 per cent (AIHW, 2001:31).

Subsidy covers: Food and shelter, heating, electricity and gas, personal hygiene items, general clothing and footwear, school clothing and footwear, school books and stationery (not fees), school excursions, leisure and hobby activities, non-school and sporting activities, toys and presents, outings and entertainment, haircuts, child care costs, travel costs, general expenses and basic general, medical, dental treatment and pharmaceutical expenses. Other than those specified in the payment of contingency items.

GST increase to subsidy rate = 7 per cent.

Table 24: Standard Subsidies for Queensland Compared to the BSU ‘Not in Care’ Estimates and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | Qld 1996-97 | Qld 1997-98 | BSU/MBA 1997 | Qld 2000 | BSU/MBA 2000 | Percentage change 1997-2000 |
|-----------------------------|-------------|-------------|--------------|----------|--------------|-----------------------------|
| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 |
| <i>Child, 1</i> | - | - | <i>na</i> | | 143 | <i>na</i> |
| 0-1 | 72 | 72 | - | 76 | - | 6 ^(b) |
| 2-4 | 87 | 87 | - | 93 | - | 7 ^(b) |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) |
| 6-10 | 108 | 108 | - | 114 | - | 6 ^(b) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) |
| 11-15 | 131 | 131 | - | 138 | - | 5 ^(b) |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 10 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>Na</i> |
| 16-17 | 122 | 122 | - | 129 | - | 6 ^(b) |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

Same level of subsidy for children ‘in care’ and ‘not in care’ (emergency placements).

From 01.07.2001, the outfitting (clothing and footwear) allowance was changed from one payment every two years to a flat weekly rate of \$17.50 per child. There was also a start-up outfitting payment of \$50.00 for each new foster placement as well as additional payments in special circumstances as required. The ‘new’ weekly outfitting allowance substantially increased the standard subsidy allowance. However this allowance was not included in the Table above as it was implemented after December 2000.

Table 24.1 Subsidy levels for 2001, Queensland

| Age in Groups | Basic subsidy | Outfitting allowance | Total |
|---------------|---------------|----------------------|----------|
| 0-1 | \$75.92 | \$17.50 | \$93.42 |
| 2-5 | \$92.56 | \$17.50 | \$110.06 |
| 6-10 | \$114.40 | \$17.50 | \$131.90 |
| 11-15 | \$138.32 | \$17.50 | \$155.82 |
| 16-17 | \$128.96 | \$17.50 | \$146.46 |

Child Protection Orders (30 June 2001)

- *Finalised guardianship or custody orders/arrangements* = 89 per cent;
- *Finalised supervisory orders* = 8 per cent
- *Interim or temporary orders* = 3 per cent (AIHW 2001:31).

Subsidy covers: Food, shelter, household provisions, general clothing and footwear, sports and activity fees, school books, stationery, school excursions, toys/presents, haircuts, pocket money, leisure and hobby activities, outings and entertainment, daily travel, incidentals, childcare, general hygiene items, basic medical and pharmaceutical needs.

GST increase to subsidy rate = 4 per cent.

Table 25: Standard Subsidies for New South Wales Compared to the BSU ‘Not in Care’ Estimates and Percentage Change in Level of BSU Estimates and Standard Subsidy Payments: 1997 to 2000 Selected Years (\$ per week)

| Age in Years and Age Groups | NSW | NSW | BSU/MBA | NSW/MBA | BSU/MBA | Changes in level (percent) 1997-2000 |
|-----------------------------------|---------|---------|-----------|---------|---------|---|
| | 1996-97 | 1997-98 | 1997 | 2000 | 2000 | |
| Col 1 | Col 2 | Col 3 | Col 4 | Col 5 | Col 6 | Col 7 |
| <i>Child, 1</i> | - | - | <i>na</i> | - | 143 | <i>na</i> |
| 0-5 | 65 | 65 | - | 175 | - | 169 ^(b) |
| <i>Girl, 3</i> | - | - | 96 | - | 105 | 9 ^(a) |
| <i>Girl, 6</i> | - | - | 108 | - | 118 | 9 ^(a) |
| 6-11 | 71 | 71 | - | 175 | - | 146 ^(b) |
| <i>Boy, 10</i> | - | - | 128 | - | 141 | 10 ^(a) |
| 12-14 | 97 | 97 | - | 175 | - | 80 ^(b) |
| <i>Boy, 14</i> | - | - | 161 | - | 177 | 10 ^(a) |
| <i>Girl, 14</i> | - | - | <i>na</i> | - | 185 | <i>Na</i> |
| 15-17 | 121 | 121 | - | 175 | - | 45 ^(b) |

Notes: a) = Percentage change in BSU estimated costs of children from 1997 to 2000

b) = Percentage change in level of standard subsidy payment from 1997 to 2000

The costs of school fees/tuition, excursions and camps up to \$1 000 per child per annum (\$19.00 per week) were included in the weekly allowance payment. Similarly, for children of pre-school age child care costs of up to \$80 per week could be used by a carer and these costs, up to \$1,000 per child, annum were included in the allowance.

In addition combined medical, dental and pharmaceutical costs up to \$250 per quarter (\$19.00 per week) for children of all ages were to be met by carers from the weekly allowance payment. Pocket money was now discretionary but was to come from the weekly allowance payment. Suggested weekly amounts ‘equal’ age of children, i.e. \$5 for a 5-year-old to \$15 for a 15-year-old.

Type of order does not affect payment.

An allowance titled ‘Non Parental Care Allowance’ can be made to support of a child’s placement in the community. The payment is for family or kin carers who could experience hardship in meeting the child’s needs and to prevent children coming into formal out-of-home care. The amount paid will not exceed the Care Allowance and contingency payments will not be paid (see also Section 5.7 of this report).

Subsidy covers: Housing, food, clothing, footwear, energy, household goods and services, pocket money, health, transport, leisure, holidays, personal care and child care (for pre-school aged children).

Child Protection Orders (30 June 2000)

- *Finalised guardianship or custody orders/arrangements* = 83 per cent;
- *Finalised supervisory orders* = nil;
- *Interim or temporary orders* = 17 per cent (AIHW 2001:31).

7 The Extra Costs Of A Foster Child

7.1 Introduction

The previous sections of this report have indicated that from a number of perspectives - the findings from the survey with agencies; the analysis of the focus group discussions; and the comparison of the BSU estimates of the costs of children (not in care) with the standard subsidy payments by States - that the level of basic subsidies paid by many States to carers appears to be inadequate to meet the basic costs of children in foster care.

The findings from the focus groups suggested that carers not only incurred costs, which were common to all children but they also experienced a range of costs specific to fostering. This section of the report examines the differences in costs between the BSU estimates and costs for foster children in all the commodity areas and suggests ways of addressing costs that fit within budget standards methodology.

The discussion with carers identified many aspects in relation to the costs of fostering that need to be considered when developing estimates of the costs of foster children. The original BSU research benefited from previous work on budget standards developed by the Family Budget Unit (FBU) at the University of York in England. The FBU standards were adjusted through a process of 'incremental modification' to fit Australian conditions, values and patterns of behaviour. The work by Oldfield (1997), which examined the extra costs of fostering and the adequacy of foster care allowances in the UK, proved useful in assisting the development of foster care costs in Australia.

Oldfield's study was undertaken as part of the FBU work on the costs of children and involved interviews with 32 foster families in a local area (North Yorkshire), exploring the direct and indirect costs of fostering to carers. Based on the identification of additional costs to carers, budget standards methodology was then used to supplement existing component budgets and to create additional budgets for foster households. The FBU budget standards of estimates of the costs of children in the UK were then modified to reflect foster carers' additional costs. The findings from the study indicated that children in foster care do incur substantially higher direct costs than children not 'in care' and that the allowances paid to carers fell well short of the level of allowances paid to carers (Oldfield, 1997).

The direct extra costs of caring identified by carers in the UK research evoked a sense of *déjà vu* for the researcher in the Australian study. The study identified costs to carers in the UK for damage and maintenance, renovations and extensions, fuel, heating, food, clothing, household goods and services, telephone, transport, leisure goods/activities and gifts, all bearing great similarity to the costs of Australian carers. While the similarity of costs specific to fostering for both countries was in one sense reassuring, of concern was the fact, noted by Oldfield, that in the area of study (North Yorkshire), as in this study, foster care allowances were seen by many carers as not adequate to meet the needs of children in care.

In Oldfield's UK research a combination of methods were used to reflect the specific costs of fostering. They included an increase in the number and range of goods, services and activities in a number of commodity areas; reduced lifetimes for some goods; a percentage increase to some budget components (e.g. energy); and new budgets (e.g. gifts) to reflect the costs of foster children (Oldfield, 1997). Where they

were considered appropriate, use has been made of Oldfield's approach and where necessary adaptations were made to suit Australian circumstances, values and community norms in relation to fostering.

This section identifies the additional costs for a number of goods and services not included in the BSU estimates. It also discusses the items or commodity area already included in budget standards that require an 'adjustment' either in item numbers or lifetimes or where appropriate an overall percentage increase in the commodity area to reflect the nature, behaviour and health of foster children as described in great detail by their carers. The additions and adjustments made to children's budgets are in a sense arbitrary as they are not grounded in statistical data based on a representative sample of carers around Australia. However given the lack of large scale research on costs incurred by carers this study marks the first attempt at developing a national standard (or benchmark) for subsidy payments that could be applied in the States.

This study has benefited greatly from the original budget standards research when the extensive ground-breaking work of establishing standards for Australian households was developed (Saunders et al., 1998). The original research provided a solid foundation from which to build on the costs of foster care. One of the strengths of the budget standards approach is that the methods used to determine a standard are transparent, easily understood and flexible. If required, adjustments can be made to items, costs or lifetimes. Value judgements and assumptions underlining the development of the budgets can be assessed and if required, can be refined, modified or varied to better reflect community norms. As explained earlier, however, the estimates of the costs of children based on a budget standards approach at best provide an indication only of the amounts of money required to meet basic direct costs of children (Saunders, 1999: 70).

Extensive detail is provided in the commodity areas where changes have been made to reflect costs specific to fostering. Where appropriate, new items (goods and services) are described, assigned a lifetime and a cost is provided. Where necessary, a justification or explanation for the inclusion of an item is given. Estimating the additional costs specific to fostering follows the format of Sections 4.17 to 4.26 and covers housing, energy, food, clothing and footwear, household goods and services, health, transport, leisure and personal care. In setting standards for subsidy payments only estimated costs for children at the modest but adequate level are discussed.

7.2 Housing

The estimates of housing costs for children in the BSU research were based on the amount of increased rent payments incurred by a household for an extra bedroom when a child was added to a couple household. One-third of families in this study owned their own their home so the cost of housing was not an issue. For two-thirds of carers housing costs were significant with close to half (44 per cent) paying off a mortgage, 14 per cent renting privately and eight per cent in public rental.

As private renters were a minority group in the sample the estimated amount for private rental for children was disregarded, as it did not reflect the costs for the majority of carers in the study who were either home owners or purchasers (77 per cent). Instead the housing cost used was based on the costs for a couple purchasing a home at the MBA standard. The costs for a child were calculated on the difference between the costs to a purchaser couple (without children) of a two-bedroom house

compared to a couple with one child in a three-bedroom house.⁶³ These costs were considered more suitable for incorporating costs specific to fostering as they included a number of recurrent costs mentioned by carers as impacting on their overall housing costs. These weekly costs included the following:

- mortgage (principal/interest);
- house and Contents Insurance;
- maintenance & repair costs;
- water rates (fixed charges/usage; sewerage and drainage);
- council rates;
- garbage collection; and
- land rates.

Based on the difference method, the estimated weekly cost for a child in relation to housing for purchaser couples (plus one child) for December 2000 was approximately \$25. This compares to \$33 per week for a child for a couple renting a unit, a difference of \$8 per week. The difference or deductive method used here to estimate the costs of a child highlighted an anomaly caused by the use of the data for estimating the costs of repairs and maintenance for purchasers. When developing costs for maintenance, repair and decoration in the original budget standards study use was made of data from the 1993-94⁶⁴ Household Expenditure Survey (HES) for average annual costs for repairs and maintenance for detached houses. The data provide no details on the number or ages of children in these households. The weekly estimated cost (updated to December 2000) for a three-bedroom house for maintenance and repairs was \$14.76. The cost for a similar two-bedroom detached house was \$18.79, which was more than for the larger property. One explanation for the extra maintenance and repair costs for the smaller house was that two-bedroom houses (now rarely built) may be older structures than similar three-bedroom houses and hence more expensive to maintain.

When calculating the costs for a child (based on the costs of housing for purchaser couples) using the deductive approach as in the original BSU study, the inclusion of the difference between the maintenance and repairs costs for the two properties resulted in a negative cost (-\$4.03) for the child. This anomaly has been addressed by removing the costs for repairs and maintenance from the calculation of a child's costs and using the normative method (Section 4.2), to assign maintenance and repairs costs. For children not in care, a weekly amount of approximately \$5 for a child's costs (i.e. \$14.76/3) was assigned. With this amount included within other costs in the housing budget the weekly estimated costs for a child for purchaser couples was \$33.32. There was a minor difference of \$0.16 between the weekly costs of a child to renter couples compared to purchaser couples.

‘Wear and tear’ and damage

One of the most significant costs for carers in the study was for general ‘wear and tear’ and damage to household goods including furniture, furnishings, carpets, fittings, electrical equipment and white goods. Carers spoke of the need to repaint walls and furniture or replace wallpaper more frequently in foster children's bedrooms. Carers

63 All costs in relation to housing are based on those applying in Hurstville, Sydney for 1997 and updated to December 2000 using the CPI for Sydney. For an elaboration of the methodology underlying the housing costs interested readers are referred to Chapter 3 of the original budget standards report (Saunders et al., 1997: 113-160).

64 1993 HES figures updated by the CPI to February 1997.

in most groups gave numerous accounts of minor to major damage caused by foster children and for some carers there were substantial costs incurred for maintenance and repairs. Damage by foster children was perceived as far in excess of normal 'wear and tear' caused by birth children.

Insurance - home and contents

Finding an appropriate method to reimburse carers for the damage caused by foster children was not a simple task. As noted previously in Section 3.18 some carers experienced little difficulty in having their claims for damage met, either by the department or by their own insurer. Others carers however were left high and dry for a number of reasons. Carers stated that some departmental workers refused to recognise their claims or demanded evidence (e.g. before and after photos) that was impossible for them to produce. Some agencies appeared to have no insurance coverage for carer's claims or they limited requests for reimbursement to large claims only, expecting carers to 'fix' minor damage and repair or replace goods as best they could.⁶⁵

Some carers' insurers refused to pay claims for damage by foster children. For successful claimants the end result was often the loss of their no claim bonus and increased insurance premiums. With most insurance policies for house contents incorporating an excess⁶⁶ to be paid by the claimant before the insurer pays a claim it is understandable that carers were reluctant to use their own cover. For carers whose foster children had damaged their car or a neighbour's property there was little option but to meet costs themselves.

This dilemma in relation to insurance cannot be addressed within the context of budget standards methodology. Simply increasing the amount assigned to insurance premiums for children in care and adding this amount to their cost would not address the problem of insurers refusing to recognise carers' claims. In addition it will not assist those carers whose premiums are increased the following year when claims were successful. Reducing the lifetimes of some household items in the HGS budget would be of benefit to carers in this area and this is discussed in Section 7.6

The method proposed here to address the problem was to use the amount designated for 'repairs and maintenance' in the housing budget to reflect 'wear and tear' and provide some reimbursement to carers in meeting the often substantial costs of repairs and redecoration. In the case of a foster child the total weekly estimate for repairs and maintenance of \$14.76 (for a three-bedroom house) has been assigned to a child's costs. This amount has been factored into the housing budget for foster children of all ages, except for the infant of 12 months who is considered unlikely to cause excessive 'wear and tear' or damage. The issue of costs associated with excessive 'wear and tear' on furniture, furnishings, carpets, fittings, electrical equipment and white goods is also addressed in the HGS budget where lifetimes assigned to some items have been reduced (Section 6.6).

Water

The BSU estimates for water were based on the 'average usage per person' as calculated by the NSW Water Board (Saunders et al., 1998: 142). When estimating

65 A recent study in the UK also noted that carers experienced difficulties in making insurance claims for foster children. The Social Services (UK Government Department) has certain exclusions in its coverage which penalised carers (Kirkton, 2001a: 203)

66 The excess is the variable amount not covered by the policy.

the costs of water for children in the BSU research no particular account was paid to the perceived ‘higher usage’ by children. The cost for one child (\$1.40 per week) simply represented the additional cost of an extra person to a couple household. Most carers noted high water usage by children in care, though many carers commented this was fairly typical of all children. The areas where water usage was higher than usual was for additional laundering, bathing, showering and more generally when children were playing or using backyard swimming pools (Section 4.18). In recognition of these higher costs, the weekly water costs for a child have been doubled. The cost of \$2.80 per week per child has been factored into the housing budget for children of all ages.

The extra costs for housing, incorporating costs specific to fostering for children of various ages, are shown in Table 26. These costs include allocations for repairs and maintenance and water.

Table 26: Costs of Housing for Foster Children by Age and Sex: December 2000

| | Cost per week ^(a) (\$) |
|--------------|-----------------------------------|
| Child, age 1 | 34.87 |
| Girl, age 3 | 44.71 |
| Girl, age 6 | 44.71 |
| Boy, age 10 | 44.71 |
| Boy, age 14 | 45.16 ^(b) |
| Girl, age 14 | 45.16 |

Note: a) Estimates based on costs to purchaser couples.
b) Higher costs for older children reflect coverage of a computer and printer in the contents insurance premium

7.3 Energy

The more frequent usage of water in caring for children resulted in additional costs to carers for energy for laundry purposes (running washing machines/dryers) and for pumps required to heat water and run pool filters or pump water from water tanks or bores into houses (this factor was mentioned by a number of rural carers). Carers also noted children were more inclined to forget or neglect to turn electrical appliances and lights off. Children required more lights to be left on at night and carers in northern States reported they used air conditioning in excess of their own demands for younger foster children and in school holiday periods. Similarly, carers in the southern areas of Australia noted use of additional energy in the winter months for heating spaces where children were engaged in home activities. For a number of rural carers the purchase of firewood or oil each winter to heat their home came at a high cost. In addition the heating of hot water for showering/laundry for foster children increased energy costs above carers’ normal use. Older children’s use of multiple appliances - televisions, videos, play stations, computer games, Internet, radios and CDs - also increased the costs of energy for carers.

In calculating the BSU energy costs for children it was noted that the greatest use of energy by households in Australia was for heating and cooling houses. In addition the data revealed that the heating of water for various household reasons represented around one-third (27 per cent) of all energy use. While spa/pool heaters; pool pumps

and bore water pumps had a lower penetration in comparison to other electrical appliances they consumed large quantities of electricity when they were present (Saunders et al., 1997:165). The data used to estimate costs for the energy budget showed that each additional child to a household added more usage than that associated with an additional adult indicating the 'high' usage of energy by children.

Carers found the estimates (\$2.58 per week per child) in the energy budgets for children were too low. This was also the finding in Oldfield's research with carers in the UK where a high proportion (88 per cent) stated that foster children's costs were higher than birth children of the same age and sex (Oldfield, 1997: 115). In reflecting the higher costs to carers the weekly estimates in the energy budgets for all children have been increased by 50 per cent. The increased costs of energy for all children are provided in Table 27.

Table 27: Costs of Energy for Foster Children by Age and Sex: December 2000

| | Cost per week (\$) |
|--------------|--------------------|
| Child, age 1 | 3.87 |
| Girl, age 3 | 3.87 |
| Girl, age 6 | 3.87 |
| Boy, age 10 | 3.87 |
| Boy, age 14 | 3.87 |
| Girl, age 14 | 3.87 |

7.4 Food

The estimated costs of food for children at the MBA level was one budget area, where a number of carers thought the estimates were close to their actual costs (see Section 4.20). However, carers stated that food (and drink) for foster children went well beyond dietary and nutritional benefits and was also used to meet the need for comfort, reward, esteem, well-being and socialisation. Carers reported common patterns of over-eating or excessive consumption of drinks as well as stealing, hoarding or hiding food. Obsessive and abnormal eating behaviours led to higher consumption of some foods and higher wastage with others.

Carers of younger children (infants and toddlers) mentioned the need to build up under-weight or 'failure to thrive' children, encourage the consumption of more appropriate foods and correct former dietary deficiencies. In light of these findings the food budgets for children of all ages have been increased by 10 per cent to reflect additional expenditure in meeting 'other' needs and to address abnormal eating behaviours.⁶⁷

A further area of extra costs for many carers was in providing additional food and drink at times when foster children and birth families came together for contact and/or

⁶⁷ The approach taken by Oldfield to reflect the similar circumstances of foster children in relation to food in the UK study was to base the increase on the amount of energy used by a child in a higher age group. For example children in age groups 0-4 were given food budgets suitable for 5-10 year olds (Oldfield, 1997: 117-118). Oldfield's approach was not considered as appropriate as the one taken in this study.

access visits. To reflect these costs the budgets have been increased a further five per cent for all children. Table 28 indicates the food costs for fostering children.

Table 28 Costs of Food for Foster Children by Age and Sex: December 2000

| | Cost per week (\$) |
|--------------|--------------------|
| Child, age 1 | 29.55 |
| Girl, age 3 | 32.33 |
| Girl, age 6 | 40.40 |
| Boy, age 10 | 53.87 |
| Boy, age 14 | 68.56 |
| Girl, age 14 | 59.65 |

7.5 Clothing and Footwear

Addressing the need for clothing and footwear in budget standards methodology is based on the age and sex of a person and covers requirements for a wardrobe for a 12-month period for home, work, school and leisure purposes.⁶⁸ In the survey of agencies, workers noted that one of the most problematic areas for carers was in meeting the costs for clothing and footwear for children: 74 per cent of agencies reporting this concern (Section 3.9). Carers themselves reiterated a similar level of concern in the focus groups (Section 4.21). They reported that many children coming into care often had nothing in the way of clothing and footwear or had minimal wardrobes of poor quality and cleanliness.

As noted in Section 6.4 there was a great degree of variability in the method States used to reimburse carers for clothing and footwear for foster children. Some States paid additional clothing allowance (and/or initial establishment grants) on a regular but not weekly basis, other States included coverage of clothing and footwear costs in their standard subsidy. Other States made provision for school uniforms when children first came into care and then paid for uniforms on an ad hoc basis as children moved into infants, then primary and/or secondary school.

It is understandable that the outfitting of children is one of the most problematic and expensive areas for carers. It is the only budget area where every item is completely individual and where a quantity of quite costly items, particularly footwear, is required from 'day one' of the placement.

Two options are proposed to address clothing costs specific to fostering. One is to give all carers of children coming into care (with little or no clothing and footwear) an initial allowance to purchase immediate necessities to cover day wear (including basic school items), night wear, underwear and footwear appropriate to a child's age and sex. The number of items should enable the carer to outfit the child without recourse to daily washing/drying of any item in the early placement period. Allowances for initial clothing requirements are already part of current payment systems in a number of States: Tasmania (Initial Clothing Outfit Allowance); Western Australia (Initial Clothing Grant); South Australia (Establishment Grant); Victoria (Supplementary

68 Appendix C provides a detailed explanation of the development of this budget for a 14-year-old girl and a 12-month-old infant.

Client Expenses); ACT (Establishment Costs); and Queensland (Outfitting Payment). While this concept is not new it is debatable whether the amount of the grant or allowance was adequate to meet initial costs given the concerns of agencies and carers in this area.⁶⁹

The following example indicates what an initial clothing grant needs to cover for a 14-year-old girl. Approximately \$400 (around one-third) of the annual clothing budget would be required to provide the teenager with the small range of the selected items (mentioned above) at the initial placement. Table 29 indicates the essential items that would be required and provides a description of the items, where they were costed, number of items allocated and their total price. It is a salutary exercise to illustrate in detail exactly what is involved in meeting initial clothing and footwear needs and to indicate costs. It is a relatively simple (though time consuming) exercise to indicate specific costs in any number of commodity areas for children of any age and to make adjustments, additions or modifications as required. It is of interest to note that in this particular example a pair of joggers allocated to 14-year-olds has not been included. To do so would increase the cost this budget by an additional \$100.⁷⁰ It is proposed that the initial grant be followed by a second allocation to outfit the child for the current season (ie summer or winter). The total of these two allowances approximates half the annual costs for children (based on a child's age and sex).

69 Oldfield's study also recommends an additional initial clothing allowance as a one-off payment at the start of a placement (Oldfield, 1997: 118).

70 The costs of footwear were noted by carers as one of the most expensive items for teenage children. Oldfield's study also found that expenditure on footwear was a major part of a child's clothing costs and was highest between the ages of 12 to 17 (Oldfield, 1997: 53).

**Table 29: Costs of Selected Clothing and Footwear Items Suitable for a 14 Year-old Girl
December 2000**

| Main clothing items | Descriptions | Fibre content | Retail outlet | Item Price \$ | Quantity | Total Price \$ |
|----------------------------|---|-----------------------|----------------------|----------------------|-----------------|-----------------------|
| Pants | 3/4 length stretch pants | Cotton/poly | Target | 29.95 | 1 | 30 |
| Jeans | Fitted waist, flare leg | Denim | Target | 29.95 | 1 | 30 |
| Summer skirt | Drawstring waist, side splits, 3/4 length | Viscose rayon | Target | 29.95 | 1 | 30 |
| Shirt | 3/4 sleeves, collar, stretch | Cotton | Target | 29.95 | 1 | 30 |
| Top | Basic 'Hot Options', rib | Cotton | Target | 12.00 | 1 | 12 |
| T-shirt | Crew neck short sleeves | Cotton | Big W | 4.93 | 3 | 15 |
| Tank top | Sleeveless, scoop neck | Poly/cotton | Big W | 4.93 | 1 | 5 |
| Shorts | Loose, short leg | Micro fibre | Target | 11.94 | 2 | 24 |
| UNDERWEAR/NIGHTWEAR | | | | | | |
| Briefs | Basics bikini (5 pack) | Cotton | Target | 7.00 | 1 | 7 |
| Bra | 'Body soft' bralette | Cotton/elastin | Kmart | 17.95 | 2 | 36 |
| Nightie | Sleeveless, 3/4 length | Satin | Target | 19.95 | 1 | 20 |
| Pyjamas | T-shirt, short leg boxer | Poly/satin | Big W | 29.93 | 1 | 30 |
| Sport socks | 'Trizone' sports socks | Cotton blend | Kmart | 6.75 | 2 | 14 |
| Sandals | Slides | Synthetic | Big W | 7.96 | 1 | 8 |
| SCHOOL CLOTHES | | | | | | |
| Shoes (school) | 'Rollers' | Leather/upper | Target | 37.00 | 1 | 37 |
| Tunic/frock | Summer style | Cotton/poly | School | 39.00 | 1 | 39 |
| Polo shirt (sport) | Knit shirt | Poly/cotton | Target | 12.95 | 2 | 13 |
| Shorts (sport) | Knit drawstring waist | Poly/cotton | Target | 18.65 | 1 | 19 |
| Socks, school | Bonds, ankle length, (2 packs of 3) | Cotton/nylon/elastine | Big W | 15.00 | 1 | 15 |
| School bag | Back pack | Polyester | Target | 21.00 | 1 | 21 |
| Total | | | | | | 433 |

The second proposal is to include in all standard subsidy payments an amount to cover the estimated weekly costs for clothing and footwear as developed by the BSU unit. This regular weekly allocation would enable households to maintain and replace items as required. If provided in conjunction with the establishments grants it would more adequately met the needs of children in care and not leave carers 'out of pocket' in the initial placement period. As children in care can lack respect or sense of ownership of personal belongings and as there is a need for extra laundering, carers are faced with the higher replacement rates than usual for clothing and footwear items. This second approach would assist in addressing this situation. approach. Carers in the focus groups suggested that the clothing and footwear budgets be doubled to more adequately represent their costs. However, if the two options suggested above were put into place it would negate the necessity for 'doubling' the estimates and provide a more equitable solution for all carers. Table 30 indicates the costs for clothing and footwear for foster children as part of a standard subsidy payment. The method for incorporating the costs of an initial grant for clothing is addressed in Section 6.11.

Table 30: Costs of Clothing and Footwear for Foster Children by Age and Sex: December 2000

| Age/Sex of child | Cost per week (\$) |
|------------------|--------------------|
| Child, age 1 | 21.51 |
| Girl, age 3 | 12.79 |
| Girl, age 6 | 14.53 |
| Boy, age 10 | 15.26 |
| Boy, age 14 | 16.76 |
| Girl, age 14 | 22.84 |

7.6 Household Goods and Services (HGS)

The Household Goods and Services (HGS) budget contains the largest number of separate items (400) of any of the commodities covered by budget standards.⁷¹ HGS comprises several discreet areas: furniture, floor coverings and their maintenance, blinds, curtains, whitegoods and electrical appliances, household linen and soft furnishings, other furnishings and ornaments, gardening tools and equipment, tableware, cookware and kitchen ware, cleaning utensils, household durables and non-durables, as well as school fees and charges, child care fees, and the costs of pets, stationery and postage.⁷²

Wear and tear

As noted in the discussion on housing, the HGS budget was the other commodity area where carers discussed many additional costs due to wear and tear and damage to numerous household items including furniture, fittings, appliances, linen/towels, and soft furnishings. In particular carers commented on the excessive wear on beds and bedding, (including frequent replacement of mattresses) by foster children of all ages (Section 4.22). The approach taken here to reflect wear and tear and damage reduces the life times in the budget by one-third for a limited number of items regularly used by children of all ages: the television video, lounge, bookcase, dining table and chairs. This reduction is also applied to a child's bedroom furniture and bedding as well as to large appliances such as a refrigerator, washing machine and dryer.⁷³ An increase is made in the allocation for the cleaning of carpets and soft furnishings. This approach is applied to all children except for the infant of 12 months who is not considered to cause excessive 'wear and tear' on the items mentioned.

Additional items

Some additional items added to the budget include a single bed size waterproof mattress protector and pillow protector for children aged 3 to 10 years. An extra sheet set (from two to three sets), doona and doona cover set (2 to 3 sets) and an extra

71 Appendix 7.B (in Saunders et al., 1998) provides detailed HGS budget for all 400 items including all item names, their description, unit price, quantity and lifetimes.

72 Use has been made of Oldfield's approach to the HGS budget by reducing lifetimes of some appliances, including extra items (e.g. mattress protectors) as appropriate and increasing amounts of other goods (e.g. cleaning products) and services (e.g. telephone, postage).

73 Carers reported more frequent replacement of their white goods (i.e. refrigerators, washing machines and dryers) due to fostering.

cotton blanket (from one to two) is included for children of all ages (except for the infant 12 months). For all children extra quantities of washing powders, laundry soap, bleach and disinfectant are allocated in the weekly estimate of costs. The quantities of greeting cards and wrapping paper for gifts (for birth family members) are also increased for children in all age groups.

Repairs and maintenance of household appliances, postage and telephone costs

The weekly amount allocated⁷⁴ for repairs and maintenance of household appliances for all children was doubled from \$1.69 to \$3.37 per week. To reflect the additional telephone charges for calling workers and/or birth families and extra postage charges (e.g. cards, gifts, photos for birth families) incurred by carers the weekly amount of \$2.97 (for phone and postage) allocated for older children was increased by one-third to \$3.96 and applied to all children's budgets.

There is no allocation for child care or pets for foster children in the HGS budget. No changes were made to allocations for school fees and charges based on a range of school expenses for children attending government schools in NSW. As a consequence the costs do not reflect the need for foster children to attend private schools that are often better placed (e.g. smaller numbers of pupils per class; increased opportunities for individual attention; extra curricular activities or specialised educational opportunities) to cater for the needs of some foster children that are not met through the public school system. Table 31 indicates the costs for the HGS budget for foster children. Costs are lowest for Infants and gradually increase according to children's age. The increased costs reflect additional furniture items assigned for school aged children (desks and chairs) and higher school fees and charges for older children.

Table 31: Costs of HGS for Foster Children by Age and Sex: December 2000

| Age/Sex of child | Cost per week (\$) |
|-------------------------|---------------------------|
| Child, age 1 | 19.45 |
| Girl, age 3 | 25.66 |
| Girl, age 6 | 27.61 |
| Boy, age 10 | 39.18 |
| Boy, age 14 | 41.38 |
| Girl, age 14 | 41.38 |

7.7 Health

Health care costs for children in care was highly variable and according to carers higher than for children not in care. Three issues in relation to meeting costs appeared to be of particular concern to carers. One was the state of ill-health (or high health needs) of the child at the time of placement when it was commonplace for carers to be seeking medical assistance within the first 24 hours. The lack of information provided by workers to carers about a child's medical background (including immunisation history) and the lack of either a Medicare (MCC) or Health Care Card (HCC) in the child's name at this time made the normal process of visiting a bulk-

⁷⁴ Data on costs repairs and maintenance of household appliances for a 3-bedroom house have been taken from the 1993-94 HES and updated to December 2000.

billing practice with a foster child very difficult. In the focus groups just over half of all carers had a MCC or a HCC for children in their care (Section 3.13.1-2). The other 50 per cent of carers appeared to rely in part on the goodwill of their family GP to obtain medical care prior to cards being supplied.

The second issue for carers was in relation to the costs of over-the-counter medications, which could be substantial due to number of minor complaints children had when they came into care. Carers noted that if any purchase of over the counter medications was under \$20 the department/agency rarely met these costs.

The third health issue related to the reliance by carers on the public health system (perceived by carers as 'under resourced and understaffed') for foster children as the costs of private specialists was beyond the means of most carers. A small number of carers had chosen to take out Private Health Insurance for a foster child while others had attempted (not always successfully) to include a foster child in their coverage. As with Home Contents Insurance, not all Health Funds provided cover for foster children.

These are crucial issues but ones not easily addressed through budget standards methodology. The starting point in developing the indicative health budgets in the BSU research was that the cost of meeting a representative range of health care needs by those who are in *generally good health*. Unfortunately general good health this does not appear to be the norm for foster children as reported by high numbers of carers in this study. In addition the BSU health budgets covered only visits to a GP for children and did not allocate visits to private specialist for children. Budget standards methodology assumes that all households utilise Medicare-funded health services, which includes accessing specialists through the public health system (see Chapter 8, Saunders et al., 1998). This same principal is proposed to apply in the case of foster children.

Health Care Cards

An important amendment to Commonwealth legislation in 2001 (1 July) was that eligibility for a HCC for all children in foster and kinship care is available to all carers regardless of their income level (FACS, 2001). This will be of great benefit to carers for all prescription drugs covered by the Pharmaceutical Benefits Scheme (PBS).

In the original BSU modest but adequate budgets the cost of prescriptions represented the full cost of cheaper brand drugs without any reductions applying (Health Budget, Saunders et. al., 1998). By comparison the cost of prescriptions to holders of HCCs is less expensive around \$3.50 per prescription (as of December 2000). As all carers now have access to a HCC for children in their care the allowance in the health budget for prescription medicine has been reduced to reflect the lesser costs. The moderate cost for non-prescription medications allocated in the original BSU health budget for children was increased by 100 per cent to reflect the high cost of over the counter medications noted by carers.

To reflect the additional health needs of foster children six additional visits⁷⁵ to the GP have been included in the budgets for all children. These visits are assumed to be bulk-billed at no cost to the carer. Each child in the BSU health budget was allocated

75 The cost of extra kilometres required for additional visits to the GP are factored into the transport budget for all children.

a number of prescriptions. Due to the allocation of extra visits to GPs the cost of three additional prescriptions at \$3.50 each are included for children of all ages.

The original BSU Health budget included one annual dental check up for children of all ages (except the infant) plus a yearly scale for children aged six, 10 and 14 years. Many carers stated that dental care was provided free for primary school aged children. While carers with a HCC are able to access public dental clinics (where they exist) many carers reported that waiting lists were very long (up to two years for a regular check up). As a consequence it is assumed that carers may have to access dental care outside school clinic times and in an emergency. To cover these occasions the allowance in the budget for dental care has not been altered. Table 32 indicates the costs of health care for foster children of all ages by the discrete components in the health budget.⁷⁶

Table 32: Costs of Health for Foster Children by Age and Sex: December 2000

| | Prescriptions | Non-prescription medications | Dental | First Aid Kit ^(a) | Total |
|--------------|---------------------|------------------------------|--------|------------------------------|-------|
| | Costs per week (\$) | | | | |
| Child, age 1 | 0.67 | 0.67 | 0.00 | 0.05 | 1.39 |
| Girl, age 3 | 0.67 | 0.67 | 0.99 | 0.05 | 2.38 |
| Girl, age 6 | 0.45 | 0.75 | 1.51 | 0.05 | 2.84 |
| Boy, age 10 | 0.47 | 0.52 | 1.51 | 0.05 | 2.55 |
| Boy, age 14 | 0.47 | 0.48 | 2.23 | 0.05 | 3.23 |
| Girl, age 14 | 0.47 | 0.48 | 2.23 | 0.05 | 3.23 |

Note: a) The weekly costs of a First Aid Kit represents one-third of the costs shared between couple households with one child

7.8 Transport

The BSU estimates of transport costs for children were minimal⁷⁷ as they assumed that the child was dropped off and picked up by a couple on their way to and from work.⁷⁸ Very little additional travel was factored in for children except for twice-weekly local trips (102 per year, 5km round trip⁷⁹) to visit friends or go to birthday parties, attend sports training or games, or for other leisure activities. Transport costs for GP visits were also factored in (six per year/10 km round trip). It was assumed that a child's visit to the dentist coincided with an adult visit and no additional costs

76 Poor health was common in foster children in the UK as well. Oldfield addressed the 'extra' health needs by including a number of additional over the counter medications (Oldfield 1997: 125-126)

77 En route to work the BSU transport budget assumes the working couple drive the six and ten-year-old to before school care and the three-year-old to the child care centre. After work they drive home via after school care and the long-day centre. The 14-year-old boy is assumed to catch the school bus (free travel to and from school).

78 In the MBA couple household both adults were assumed to be in full-time employment and travelled to work by car.

79 One week of social visiting was deleted due to one week's annual holiday taken by the household.

were incurred. All day trips and annual holidays were taken together as a household. One of the key assumptions that underpinned the BSU transport budget was that households spent a great deal of time together in pursuing many leisure pursuits. As a consequence there were significant cost economies in the original BSU transport budget for children (Chapter 9, Saunders et al., 1998).

Carers reported that the costs of transporting foster children were considerably higher than the BSU estimates. Transport costs are very specific to where carers lived and for rural and regional carers their costs were higher than for carers in metropolitan areas. Most carers appeared to use a car on a daily basis with some carers stating that without a car they would not be able to continue fostering. Many carers stated that they drove their foster children (of all ages) to school because of truancy concerns, a child's lack of confidence or behavioural problems (Section 4.6).

In the original BSU research a number of transport budgets factored in the costs for households where the family car was used to transport children to and from school in addition to any labour market activity of the adults. This model is more appropriate to the lives of foster carers and has been utilised to determine annual kilometres to cover daily trips for taking children of ages six, 10 and 14 to school and for leisure activities.⁸⁰ A further allocation of kilometres is included in the transport budget to cover the six extra GP visits (an extra 60 kms per week).

The budget includes public transports costs (\$5 per week for 50 weeks) for the 14-year-old boy and girl to allow for a small amount of social or sports travel on weekends without carer supervision.

Access and contact visits

Due to the varied nature (distances travelled, number of trips, etc) of access and contact visits by carers it has not been possible to allocate average costs to carers in this area. This issue is referred to in the Conclusion and Recommendations.

Vehicles

Estimating costs to carers who have purchased a larger vehicle to transport foster children is also difficult. Attempting to estimate what proportion of costs should be allocated to foster children in these instances is highly problematic.⁸¹ Each case would be quite individual and would need to take into consideration the sale or deposit price gained from the car being traded in (if this was the case) offset against the total cost of the new or second hand vehicle being purchased, including the costs of insurance, service, oil, petrol, tyres and other accessories. If costs were to be determined on a per capita basis (Section 3.2), which would seem equitable for both the carer and the department then the number of children in care (and birth children) would also be relevant. A few carers when buying a larger car stated that the department made a contribution as recognition of the additional costs associated with an update but the majority of carers who purchased a larger vehicle to continue

80 The transport costs for children also include the associated proportional costs of tyres, repairs, petrol and oil. These costs are based on an eight-year-old Toyota Corolla.

81 Oldfield based all transport costs for foster carers in the UK on larger vehicles (seating capacity for 2 adults and four children) (Oldfield, 1997). It was not clear from the focus groups with carers in the Australian study however that the greater percentage of carers required larger vehicles. Fifty per cent of carers in the Australian study noted they had no birth children at home. Another characteristic of the carers was that close to two-thirds of carers had only one or two children in their care. On this basis it is feasible that around only a small proportion of carers might require larger vehicles.

fostering appeared to pay the extra costs themselves. This issue is also referred to in the Conclusion and Recommendations.

Summary

Table 33 indicates the transport costs for foster children. The costs for the older children are highest due to the addition of public transport costs. The children aged 6 and 10 have higher costs overall than for the three-year-old and infant due to transporting to school. The costs for the six-year-old are slightly higher than for the 10-year-old as there is an allocation of a booster seat for this child. Included in the budget of the three-year-old is the cost of a car seat and for the 12-month-old baby, car blinds and a car restraint. The infant's costs are higher than those for the three-year-old due to the higher price of the car restraint chosen for the 12-month-old based on the recommendation by safety authorities for a child of this age.

Table 33: Costs of Transport^(a) for Foster Children by Age and Sex: December 2000

| Age/Sex of child | Cost per week (\$) |
|------------------|--------------------|
| Child, age 1 | 4.38 |
| Girl, age 3 | 2.86 |
| Girl, age 6 | 8.00 |
| Boy, age 10 | 7.58 |
| Boy, age 14 | 12.84 |
| Girl, age 14 | 12.84 |

Note a) These costs do *not* include transport costs relating to contact and access visits

7.9 Leisure

In the BSU leisure budget a range of leisure activities and goods (including toys for younger children) were included. Allocations for children, based on available data of ownership of leisure goods or participation in leisure activities, were made for passive leisure activities. These activities were reading (books, magazines, newspapers); watching television and video; video rental hire; using personal radios (for children over 10); personal computer, printer, software (for children aged 14 years); playing cards, board games, hobbies; using camera/film (for the household); playing with toys (for all younger children) and leisure goods (for boy and girl aged 14 years). The toys/leisure goods included a range of items suitable for active leisure for children of all ages including a bicycle (for children aged six and over) and assorted equipment appropriate to the age and sex of the child, ie, skateboard, boogie board; basketball; netball; football; soccer ball; cricket set; and tennis gear.

Allocation for attending movies, family outings, day trips, and one week's annual holiday were included. Children were allocated a number of sporting activities including sports played at school. The costs for one out-of-school sport (i.e. soccer for boys, netball for the girl aged, 14, and Little Athletics for the girl, aged six) were included. In addition it was assumed that households would participate in walking and swimming at little cost to the household.⁸² Underlying the leisure budget was the

82 Weekly swimming (pool entry costs for a family) was included as the sporting activity shared by adults and children. Allocations for appropriate head coverings, footwear, swimmers, caps

intention to provide a consistent, coherent and normatively informed framework for healthy leisure expenditure that would allow people to make their own choices within it (Saunders et al., 1998:381). In the case of foster children it is assumed that carer families would take a similar approach to activities and sport and no additional costs are included.

Pocket money and gifts

The original BSU leisure budgets contained no allocation for pocket money or the purchase of gifts. Both items were considered by carers to be of importance for the well being of foster children.

Carers in the focus groups thought foster children, in general, should receive pocket money. Carers used pocket money as a reward for good behaviour or as earnings for jobs; for savings for a special occasion or when on holidays, or for general spending without conditions. Allowing children in care some discretionary money was also seen as important in the UK study as carers said it taught children how to handle, save, spend and make value judgements about money (Oldfield, 1997: 69-71).

Deciding on how much weekly pocket money should be paid to children in care is not an easy task as there is little normative data to support specific amounts for children of different ages. The approach adopted here is to allocate amounts based on the child's age commencing when a child turns six years of age. An amount of \$6 a week is allocated to a six year old with increases each year so that by age 14 a young person receives \$14 per week.

Most carers stated they received no extra financial assistance to cover gifts for children at Christmas or for their birthdays. Most carers were 'out of pocket' on these occasions as they attempted to treat foster children the same as they would their own. Carers were adamant that children in care deserved the same treatment as other children in the home and that it was particularly important on these special occasions.

One option in meeting the need for gifts for children in care for birthdays and Christmas could be to add a specific weekly amount to the leisure budget to reflect these costs. This approach however is not recommended as any amount included in the weekly subsidy for such particular purposes would be 'lost' in general spending over time. In the UK the practice by some authorities is to pay carers an additional amount equal to one week's subsidy payment at Christmas and at a child's birthday for purchasing gifts and providing the child with a birthday party. This approach could be adopted for Australian children in care. As well as meeting adequacy issues it is also more equitable for carers when a child is placed in the period prior to Christmas or their birthday.

Carers commented that it was not unusual to buy small presents or send cards to birth family members on a regular basis and include photos of the foster child as it was a way of maintaining contact and relationships as well as acknowledging major events in a child's life (see also Oldfield, 1997: 106-7). Taking photos of foster children on special occasions (e.g. birthday, Christmas, school concerts) as part of maintaining a child's life story was also seen as important by carers (see Section 4.25.2). Life

and goggles were made in the clothing and footwear budgets for all children. Shorts (skirts), T-shirts and appropriate footwear were also included for out-of-school sports and school sports in this budget.

storybooks⁸³ were also seen by agencies as an important contribution in maintaining the child's links with the birth family (CSC, 2000c; Tregagle 1995). An additional amount of \$3 per week is included in the budgets of all children to cover the extra costs for small gifts, cards, extra film (and developing) for photos for birth families and life storybooks.

Summary

Table 34 indicates the costs of leisure for foster children. As with a number of other budget areas costs are lower for younger children and gradually increase for older children.

Table 34: Costs of Leisure for Foster Children by Age and Sex: December 2000

| | Cost per week (\$) |
|--------------|--------------------|
| Child, age 1 | 5.15 |
| Girl, age 3 | 14.21 |
| Girl, age 6 | 23.07 |
| Boy, age 10 | 26.30 |
| Boy, age 14 | 43.72 |
| Girl, age 14 | 43.33 |

The requirements for a leisure budget for an infant are quite low comprising a small selection of toys. No allowance is made for additional costs for an annual holiday taken by a carer as it is assumed that the accommodation cost for an infant is included in the carer's costs. Leisure needs increase for older children and the substantial cost for teenagers reflect the inclusion of a computer, printer and software.

7.10 Personal Care

The BSU personal care budget included items purchased by households for their own grooming.⁸⁴ For some carers the BSU estimates of costs for personal care for children were similar to their actual costs. Other carers reported higher costs for pre-schoolers due to the necessary purchase of disposables to accommodate wetting and soiling beyond the age when children are usually toilet-trained children. Pull-ups (disposable nappies), which were not included in the original BSU study, are included the budget for the three-year-old.⁸⁵ An allocation of two nappies per day covers day and night time sleep period. Oldfield's study in the UK also noted foster children were later to toilet train and required the use of disposables for longer periods (Oldfield, 1997: 102).

Although a number of carers of teenage children noted young people's preference for brand name toiletries (ie deodorants) no allowance has been made in the budget to reflect these personal preferences. The approach adopted here is to assume that a teenager's pocket money (or money from earnings) be used for preferred products not included in household budgets. This fits with Oldfield's notions of 'choice' and

83 In NSW workers are required to ensure that children and young people are assisted in developing a life story book. Carers, workers or others are to provide the practical assistance (CSC, 2000c)

84 For a full description of all items contained in the Personal Care Budgets see Chapter 11, (Appendix 11A) (in Saunders et al., 1998).

85 Huggies brand 'pull-ups' (Size 3) selected for this item (\$14.65 for a packet of 17 nappies).

‘autonomy’ in the case of young people heading towards independence and also fits with the idea of pocket money for older children being used as a means by which children learn to exercise preference and budgeting skills (Oldfield, 1997: 71, 111).

Carers’ comments on waste and overuse of toiletries by children of all ages have been addressed by increasing the amount for shared items (e.g. soap, toothpaste, shampoo, conditioner, talcum powder) in the budgets of all children (except the infant of 12 months) by 50 per cent. Oldfield’s study in the UK also noted ‘destructive, careless or extravagant behaviour’ in relation to personal care products. In addition, adolescents were perceived to use extra personal care products (toiletries) as they could not be monitored or supervised as was possible with younger children (Oldfield, 1997: 110-112).

It is of interest to note the wide variation between the costs of children according to their age and sex in this budget (Table 35). Children in the middle age groups (three- and six-year-olds) were the least expensive with infants, toddlers and young adolescents (particularly girls) indicating very specific needs to accommodate personal care and cleanliness. The allocation of disposables for the infant and three-year-old and sanitary products for the 14-year-old girl were substantial costs in this area.

Table 35: Costs of Personal Care for Foster Children by Age and Sex: December 2000

| | Cost per week (\$) |
|--------------|--------------------|
| Child, age 1 | 36.57 |
| Girl, age 3 | 17.49 |
| Girl, age 6 | 2.81 |
| Boy, age 10 | 3.67 |
| Boy, age 14 | 6.75 |
| Girl, age 14 | 15.79 |

7.11 Summary of Costs

The original BSU research on the estimated costs of children formed the basis for developing the extra costs of fostering. In each commodity area the extra costs deemed appropriate for children in care were added to the BSU costs and these ‘new’ costs presented in Tables 26 to 35 in this Section.

Factoring in the costs specific to fostering is presented in two stages. The first stage illustrates how the extra costs of fostering are incorporated into a standard subsidy payment based on weekly costs. The second stage addresses the issue of additional allowances, which are ‘one-off’ payments for initial clothing and for gifts (for children’s birthdays and Christmas). In this stage the two sets of fostering costs are brought together to indicate the amounts required to meet costs specific to fostering as well as the overall percentage difference between BSU costs of children and costs specific to fostering.

The first stage presents two sets of figures. One set of figures are the costs at the modest but adequate level for children ‘not in care’ the BSU estimates (Table 36).

The second set of figures in Table 37 are the estimated costs of foster care which are based on the BSU estimates plus the extra costs of fostering derived from Tables 26 to 35. The second stage shows the impact on fostering costs when the additional allowance for initial clothing grants and for gifts are included and indicates the overall percentage increase between BSU estimates of the costs of children and fostering costs.

Table 36: BSU Estimates of the Costs of Children at the Modest but Adequate Standard for Children *Not* in Care: December, 2000

| | Commodity Group ^(a) | | | | | | | | | Total |
|--------|--------------------------------|--------|-------|---------|-------|--------|--------|---------|-------|---------------|
| | Hsng | Energy | Food | Clthing | HGS | Health | Trnspt | Leisure | Per C | |
| Child, | | | | | | | | | | |
| Age 1 | 33.06 | 2.58 | 25.70 | 21.51 | 15.49 | 2.03 | 4.38 | 2.15 | 36.57 | 143.47 |
| Girl, | | | | | | | | | | |
| Age 3 | 33.06 | 2.58 | 28.12 | 12.79 | 9.19 | 2.87 | 2.69 | 11.21 | 2.10 | 104.59 |
| Girl, | | | | | | | | | | |
| Age 6 | 33.06 | 2.58 | 35.13 | 14.53 | 11.26 | 3.03 | 2.15 | 14.07 | 2.37 | 118.17 |
| Boy, | | | | | | | | | | |
| Age 10 | 33.06 | 2.58 | 46.84 | 15.26 | 22.50 | 2.45 | 1.71 | 13.30 | 2.89 | 140.59 |
| Boy, | | | | | | | | | | |
| Age 14 | 33.06 | 2.58 | 59.62 | 16.76 | 27.13 | 2.43 | 2.46 | 26.72 | 5.97 | 176.73 |
| Girl, | | | | | | | | | | |
| Age 14 | 33.06 | 2.58 | 51.87 | 22.84 | 27.40 | 2.43 | 2.46 | 28.85 | 13.59 | 185.09 |

Note: a) Hsng = Housing; Clthing = Clothing; Tnsprt = Transport; and Per C = Personal Care

Table 36 shows the BSU estimates of the costs for children at the modest but adequate level which were presented to carers in the focus groups. The amounts do not include the costs of care (long day care/before and after school care/vacation care) as they were not relevant costs for the majority of carers in this study.⁸⁶ The estimates for the costs of a 12 month old infant and a girl aged 14 years developed after discussion with carers in the focus groups are included with the original BSU figures as they form the basis for factoring in the extra cost of fostering for children in these age groups. The figures in Table 36 indicate that the BSU estimates of the costs of children vary with age and sex. Variation in costs occurs mostly in the commodity areas where costs are more generally based on the individual need of specific children, for example, in the food, clothing, HGS, transport, health, leisure and personal care budgets. Costs are more constant across the commodity areas of housing and energy where costs are part of shared household expenses. In general costs for children in the budgets of food, clothing, HGS and leisure show a steady upward progression in costs as the age of the child increases.

There are however some exceptions. For example, the total costs for the one-year-old child are higher than for the three- and six-year-old girls and the 10-year-old boy. The increase in costs is most marked in the areas of clothing, personal care and HGS. Infants have higher clothing costs than older children due to their exponential growth at this age, which reduces the lifetimes of most items to six months. In addition infants require similar items in multiple quantities to accommodate wetting and

86 Care costs were included in the original budget standards estimates as both adults in the household were assumed to be in full-time work. This was not the situation for most carers in the sample.

soiling and frequent daily changes of clothing. Similarly in the HGS budget an infant's need for a large range of 'baby' items (cot, stroller, high chair, etc) increases costs in this budget above those of older children (three- and six-year-olds). It is the need for disposables and toiletries that substantially increase costs in the infant's personal care budget. In fact, not only are these costs the highest than for any other child, the personal care budget exceeds the costs for any other single commodity area for an infant.

Another exception is for the older girl and boy (14-year-olds). A teenage girl is slightly more expensive than a boy of the same age due to higher costs for personal care (sanitary products) and clothing and footwear (wider range of items). The boy's food budget is higher (higher energy requirements) than that for the girl but even so there is a difference of \$9 between the costs of a girl and boy of the same age. Overall the total costs of children increase with the age of the child except for the one-year-old child as explained above.

Fostering costs – first stage

Table 37 indicates the estimated extra costs for meeting the needs of foster children. After factoring in expenditures specific to fostering the costs in most commodity areas are higher than in the BSU estimates. The one exception is in the health budgets where the availability of a HCC for all foster carers reduces the estimated costs for younger children (ages one, three and six), due to the fall in the costs of prescriptions.

The costs in Table 37 represent amounts, which could be used to set the level of a standard subsidy for children of various ages in out-of-home care to cover basic day-to-day costs and are discussed further in Section 7.12.

Table 37: Estimated Costs for Foster Children at the Modest but Adequate Standard (December 2000)

| | Commodity Group ^(a) | | | | | | | | | Total |
|-----------------|--------------------------------|--------|-------|---------|-------|--------|--------|---------|-------|---------------|
| | Hsng ⁽¹⁾ | Energy | Food | Clthing | HGS | Health | Trnspt | Leisure | Per C | |
| Child, Age 1 | 34.87 | 3.87 | 29.55 | 21.51 | 19.45 | 1.39 | 4.38 | 5.15 | 36.57 | 156.75 |
| Girl, Age 3 | 44.71 | 3.87 | 32.33 | 12.79 | 25.66 | 2.38 | 2.86 | 14.21 | 17.49 | 156.30 |
| Girl, Age 6 | 44.71 | 3.87 | 40.40 | 14.53 | 27.61 | 2.84 | 8.00 | 23.07 | 2.81 | 167.84 |
| Boy, Age 10 | 44.71 | 3.87 | 53.87 | 15.26 | 39.18 | 2.55 | 7.58 | 26.30 | 3.67 | 196.98 |
| Boy, Age 14 | 45.16 | 3.87 | 68.56 | 16.76 | 41.38 | 3.23 | 12.84 | 43.72 | 6.75 | 242.26 |
| Girl, Age 14 | 45.16 | 3.87 | 59.65 | 22.84 | 41.38 | 3.23 | 12.84 | 43.33 | 15.79 | 248.09 |

Note: Note: a) Hsng = Housing; Clthing = Clothing; Tnsprt = Transport; and Per C = Personal Care

Table 38 looks at the additional expenditure required to meet the costs of foster children by the age and sex of the child. The extra costs for fostering are considerably more for older children particularly the teenage boy (\$65.54) and girl (\$63.01). The increases for the three, six and ten-year-olds are \$51.71, \$49.67 and \$56.40 respectively. The increase for the infant (\$13.28) is the lowest for all children and

reflects minimal increases in the areas of housing, energy, food, HGS and leisure and decreases in health.

Table 38: Extra Costs of a Foster Child by Age and Sex of Child: December 2000

| | Cost per week (\$) |
|--------------|--------------------|
| Child, age 1 | 13.28 |
| Girl, age 3 | 51.71 |
| Girl, age 6 | 49.67 |
| Boy, age 10 | 56.40 |
| Boy, age 14 | 65.54 |
| Girl, age 14 | 63.01 |

Source: Tables 25 to 33

The main explanation for the minimal increases for an infant compared to other children is due to the absence of extra costs in housing and HGS to reflect wear and tear and damage. These factors were not considered significant to carers with a child in this age group. Due to the nature ('one-off' payments) of reimbursements to carers for additional allowances for initial clothing grants and for gifts for children in care these costs were not factored into the weekly estimates in Table 37. These costs have been included so as to enable a final comparison to be made between the BSU estimates and costs specific to fostering in relation to the overall percentage increase in costs between children not in care and foster children.

Second stage - clothing grants and gifts

The approach taken in this stage to determine a weekly cost to cover the initial clothing grants is to halve the weekly cost for clothing for each child (the initial grant is equal to half the annual expenses for each child). For example, the weekly amount for an initial clothing grant for a 14 year-old girl is $(\$22.84/2)$. Eleven dollars and forty-two cents is assigned for the teenage girl's costs.

The approach for calculating an amount for gifts is to allocate the equivalent of one week's foster care costs (i.e. a standard subsidy payment) based on the age of the child (last column in Table 37) for two separate occasions - at Christmas and at the child's birthday - and equalise the amounts out over the year to arrive at a weekly figure. For example, to cover gifts for a 14 year old girl the amount required is based on two weekly subsidy payments $(\$248.09 \times 2)/52.14$ which give a weekly amount of \$9.44. The two additional weekly costs (clothing plus gifts) for a 14-year-old girl total \$20.86. A similar exercise determined costs for children in other age groups.

To derive final fostering costs the estimates of an additional allowance for gifts and initial clothing grant for clothing and footwear are added and presented in Table 39. This table shows all additional costs, which make up the aggregate costs of a foster child, by the age and sex of the child additional weekly expenditure for costs specific to fostering (from Table 38) and the costs for initial clothing grants and the allowance for gifts (averaged on a weekly basis) and indicate the percentage increase in costs for foster children compared to children not in care.

The extra costs of fostering represent 21 per cent (child, aged 12 months), 61 per cent (girl, aged three) 54 per cent (girl, aged six), 51 per cent (boy aged,10), 47 per cent (boy aged 14) and 45 per cent (girl aged 14) more than the cost of a child not in care. The figures indicate that the differences on average between children in care and the BSU estimates of the costs of children represent close to 52 per cent. The average is based on children aged three, six, 10 and 14 only, as the additional costs identified for an infant 12 months, as mentioned in the text, were not of the same magnitude. To include these costs would distort the average applying to children in the other age groups. These findings are comparable with Oldfield's results where the extra costs of fostering represented 62 per cent, 54 per cent and 51 per cent for children aged four, 10 and 16 more than the costs for a child not in care, with an overall average of 56 per cent (Oldfield, 1997:130).

Table 39: Additional Costs of Fostering by Amounts and Percentage by Age and Sex of Child (\$ Per week)

| <i>(First Stage)</i> | Child, Age 1 | Girl, Age 3 | Girl, Age 6 | Boy, Age 10 | Boy, Age 14 | Girl, Age 14 | |
|--|-----------------|----------------|----------------|----------------|----------------|-----------------|-------------------------------|
| Additional expenditure (from Table 36) | 13.28 | 51.71 | 49.67 | 56.40 | 65.54 | 63.01 | - |
| Costs for Gifts and Initial Clothing Allowance calculated on a weekly basis | | | | | | | |
| <i>(Second Stage)</i> | 16.77 | 12.31 | 13.62 | 15.11 | 17.59 | 20.86 | |
| Sub-total (Rows 1 & 3) | 30.05 | 64.02 | 63.29 | 71.50 | 83.13 | 83.86 | - |
| BSU estimates ^(a) (from Table 34) | 143.47 | 104.59 | 118.17 | 140.59 | 176.73 | 185.09 | - |
| Total all costs | 173.52 | 168.61 | 181.46 | 212.09 | 259.86 | 268.95 | - |
| | | | | | | | Average ^(b) |
| Percentage difference | 20.95 | 61.21 | 53.56 | 50.86 | 47.04 | 45.31 | 51.60 |

Note: a) Estimated costs of foster care at December 2000

b) Average percentage difference based on children aged, three, six, 10 and 14 only.

7.12 Suggested Level for a Standard Subsidy Payment

Having determined estimates of the costs specific to fostering it is possible to suggest a level of standard subsidy which would incorporate all the aspects of costs specific to fostering except for the initial clothing grant and the allowance for gifts, to be paid to carers at particular points in time, for children in medium- to long-term care. For example the initial clothing grant (equal to half the annual amount for clothing budget based on a child's age and sex) is to be paid in two instalments, one, when a child first comes into care and two, within a designated period once the placement is stabilised.

The allowance for the purchase of gifts (equal to one week's standard subsidy payment based on a child's age and sex) could be paid to carers at two points in time, once, prior to a child's birthday and second before Christmas. Clothing grants and

gift allowances would be classified as mandatory payments i.e. ‘one-off grant’ or ‘additional allowance’.

Based on the BSU estimates and costs specific to fostering, as explained above, the figures in Table 40 indicate the recommended levels of weekly subsidy as follows:

- infant 12 months and three year old - \$157 and \$156 respectively;
- six-year old - \$168;
- ten-year old - \$242; and,
- boy and girl, aged 14, \$242 and \$248 respectively.

Table 40: Estimated Level for a Standard Subsidy by Age and Sex of Children.

| | \$ Per week | | | | | |
|--|----------------|---------------|---------------|---------------|---------------|----------------|
| | Child Age 1 | Girl Age 3 | Girl Age 6 | Boy Age 10 | Boy Age 14 | Girl Age 14 |
| BSU estimates ⁽¹⁾ (from Table 34) | 143.47 | 104.59 | 118.17 | 140.59 | 176.73 | 185.09 |
| Additional expenditure for costs specific to fostering (from Table 36) | 13.28 | 51.71 | 49.67 | 56.40 | 65.54 | 63.01 |
| Standard subsidy | 156.75 | 156.30 | 167.84 | 196.99 | 242.27 | 248.10 |

7.13 Comparing the estimated costs of fostering to the basic levels of States’ subsidies

Table 41 presents an overview of payments by all States compared to the estimated level for a standard subsidy to meet the costs of fostering based on the level of subsidies and costs of children for the year 2000. As indicated by the figures in the table few States reimbursed carers at rates that approximate the estimated cost of children in care. A significant increase in the levels of subsidy payments paid for all children would be required if the issue of adequacy of payments was to be addressed and carers were to receive, on a regular basis amounts closer to the ‘real’ costs of fostering.

In payments for younger children (children aged 12 months, three, and six) NSW is the only State that appears to reimburse carers at a higher rate than the recommended standard subsidy payment. However carers of younger children in NSW are expected to cover other costs such as child care fees (up to \$1 000 per year⁸⁷) which are not included in the BSU estimates of the costs of children or in the costs specific to fostering (additional expenditure in Table 40). The NSW the flat rate standard subsidy of \$175 paid for children of all ages does not meet the costs of older foster children (boy 10, boy 14 and girl 14) who require estimated weekly amounts of \$197.00, \$242.00, and \$248.00 respectively. In addition for children of all ages, the NSW standard subsidy includes the coverage of additional services i.e. health, education and childcare (up to \$1,000 per annum for each) previously covered by the payment of ‘additional allowances’ or ‘one-off grants’ known in NSW as ‘contingencies’.

87 Carers are permitted to use \$80.00 per week (of the \$1 000 included in the subsidy payment) for child care fees.

Except for NSW (with the qualifications noted above), no State recognises the substantial costs of an infant of 12 months though many States appear more cognisant of the costs of adolescent children. Age-related costs do appear to be important when setting subsidy levels and the approach taken by NSW in setting a flat rate (with qualifications for additional services to be covered) will need monitoring and evaluation by researchers to judge whether it is meeting both adequacy and equity issues for carers.

Table 41 The Estimated Costs of Children in Foster Care and the Standard Subsidy Levels for all States by Age of the Child: 2000 (\$ per week)^(a)

| Age | TAS | WA | NT | SA | VIC | ACT | QLD | NSW | Estimated Costs of Children in Care |
|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------------------|
| 0-1 | 70 | 79 | 97 | 85 | 85 | 92 | 76 | 175 | 157 |
| 2 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | - |
| 3 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | 156 |
| 4 | 70 | 79 | 97 | 85 | 77 | 92 | 93 | 175 | - |
| 5 | 70 | 79 | 101 | 91 | 77 | 105 | 93 | 175 | - |
| 6 | 70 | 79 | 101 | 91 | 77 | 105 | 114 | 175 | 168 |
| 7 | 71 | 79 | 101 | 91 | 77 | 105 | 114 | 175 | - |
| 8 | 71 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | - |
| 9 | 71 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | - |
| 10 | 72 | 79 | 120 | 98 | 93 | 123 | 114 | 175 | 197 |
| 11 | 72 | 79 | 120 | 98 | 112 | 123 | 138 | 175 | - |
| 12 | 83 | 79 | 136 | 118 | 112 | 141 | 138 | 175 | - |
| 13 | 83 | 118 | 136 | 118 | 157 | 141 | 138 | 175 | - |
| 14 | 90 | 118 | 136 | 118 | 157 | 141 | 138 | 175 | 242/248 ^(b) |
| 15 | 90 | 118 | 163 | 145 | 157 | 171 | 138 | 175 | - |
| 16 | 90 | 118 | 163 | 145 | 157 | 171 | 129 | 175 | - |
| 17 | 90 | 118 | 163 | 145 | 157 | 171 | 129 | 175 | - |

Notes: The figures in this Table for both the standard subsidy payments and estimates of the costs of fostering are indicative only. Reimbursements for carers provided by governments vary on a State-by-State basis and the reader is advised to consider the figures in this Table in light of the discussion in Sections 6 and 7.

a) All dollar amounts rounded.

b) Amount of \$242 applies to a boy aged 14. Amount of \$248 applies to a girl aged 14.

Source: For all States' subsidy amounts, see Bray, 2001:34.

8 Conclusion and Recommendations

The study used three sources of information to examine the issue of adequacy of subsidy payments: surveys with agencies and foster care associations; focus groups with carers; and estimates of the costs of children developed by the BSU at the SPRC for children *not* in care. The study attempted to demonstrate the potential of budget standards methodology to measure the adequacy of payments to carers in all States by factoring into the BSU estimated costs of children an assessment of the costs associated with fostering for children in different age groups. Recommendations for practice and future policy direction arising from the study are presented.

The 1997 BSU estimates of the costs of children were updated to December 2000 and costs specific to fostering were factored in for children of various ages: a one-year-old child, three-, six- and 14-year-old girls and 10- and 14-year old boys. The estimates of the costs of foster children indicated that children in care are on average 52 per cent higher than the costs of children *not* in care (Table 39).

The findings from the survey with agencies, the analysis of the focus group discussions and the comparison of the BSU estimates of the costs of children, with costs specific to fostering factored in, confirmed that the level of standard subsidies, paid by a number of States were substantially below the costs required to meet basic, everyday needs of children in care. Based on data for the year 2000, the figures in Table 41 indicated that the level of the standard subsidy paid by most States was well below the estimated costs of children in care, as determined in this study.

The study also found that depending on the type of care order (Section 6.5) applying to children most States addressed the issue of providing the majority of carers with an initial clothing allowance when children were placed in care. However no State, except Tasmania⁸⁸, appeared to address the issue of the costs of birthday and Christmas gifts for children in care in an adequate or consistent way. Suggestions for how these two important additional payments might be addressed are discussed in Section 7.5.

Recommendations

- 1 *That consideration be given by the Commonwealth and the States for a national framework for payments that would address issues of adequacy and equity for all foster carers across Australia and better reflect the real costs of caring.*
- 2 *That all States review their level of standard subsidy (including higher payments for specified categories of need) paid to carers and increase levels to reflect the direct costs of fostering. The review process should include consultation with NGO agencies and carer associations.*
- 3 *That all States cover a similar set of budget items in the standard subsidy to meet the extra costs to a family of a child in care.*
- 4 *That regardless of the type of care order a child is under, all carers to be paid the same rate of weekly subsidy.*
- 5 *That the issue of additional allowances, (Section 7.5 and 7.9) i.e. 'one-off' payments for initial clothing and footwear, and an allowance for gifts (for*

88 Tasmania provides carers of children under guardianship orders with \$30 annually, as a Christmas Allowance, to be used towards the costs of Christmas presents (Bray, 2001: 51)

children's birthdays/Christmas) be reviewed to ensure that costs are adequately met in a consistent and systematic way.

6 That the additional allowances for initial clothing and footwear requirements and for gifts should be mandatory payments for all children in medium to long-term care.

8.1 Age Related Payments

Most States, except NSW, use age-related payment systems to reflect increased costs, as children grow older. In general, the level of subsidies paid by States increase for older age groups. This corresponds with the findings in the study (Table 39), which indicate that the estimated costs of foster children, with the exception of a one-year-old, rise as their age increases. A finding from the survey with agencies (Table 14) was that 'a standard subsidy should be age-related'. Most agencies (79 per cent) agreed with the statement.

Recommendation

7 That States maintain age-related payment schedules for standard subsidy payments. That age-related payments more closely reflect the real costs of fostering for children in particular age groups, in particular, younger children.

8.2 Consumer Price Index (CPI)

The findings in Tables 18 to 25 indicated that there has been no uniform approach by the States to adjust the level of standard subsidy to reflect changes in the cost of living. Some States were reported as using their State's CPI to adjust payments; some stated it was an annual increase, others said the CPI was used from 'time to time' (or 'irregularly') to adjust payment levels (Bray, 2001).

Between 1996-97 and 1997-98 there was *no* increase in the level of subsidy paid to carers in Tasmania, Northern Territory, South Australia, Victoria, Queensland or New South Wales. Between 1997 and 2000 all States had increased their rates of payment (Bray, 1997; Bray and Foti, 1999; Bray, 2001). The variations in increases across States however were inconsistent and were not the same for all age groups. In a number of States the adjustments made did not appear to reflect the overall CPI increase of around 10 per cent (March 1997 to December 2000) calculated for the BSU estimates.⁸⁹ Unless the States reflect CPI changes relevant to their State, the levels of subsidies will fail to cover carer costs. If payments do not reflect the rate of inflation then over time carers will be progressively out of pocket or children's needs will not be met.

Recommendation

8 That all States systematically update the level of weekly subsidy paid to carers to correspond with regular changes in the CPI.

Accessing Services for Children

The issue of accessing various health (including dental, mental and disability services) and other therapeutic services to meet the special needs of foster children and young people requires urgent attention. Of all specialist services, counselling was the

⁸⁹ March 1997 and December 2000 (Sydney Index) were the CPI quarterly periods used by the BSU to update the initial estimated costs of children.

service that appeared to be needed most by children in care and also the service most difficult for carers to arrange (Section 2.14). It is not surprising that many children placed with foster carers have a pressing need in relation to counselling (and other specialist services). This need occurs, as result of negative experiences and/or abuse or neglect prior to being placed. In addition most children have also been removed from their birth family (or have experienced a placement breakdown), which is an additional trauma.

Numerous studies on the value of early intervention by way of providing services for abused, neglected or disadvantaged children and young people have been shown to be of enormous benefit to children and young people. Providing high quality specialist services at the early stages of a problem (i.e. psychological, educational, medical, etc.) has long-term gains, both for children and the community more generally and provides cost savings in the longer term (National Crime Authority, 1999; McCain and Mustard, 1999; Perry and Marcellus, 1997; Weikart, 1982). The importance of using specialist consultants in counselling for abused and neglected children has been highlighted in work by Lieberman (Lieberman, 1999).

In relation to early intervention for abused and/or neglected children, the provision of children's services (child care) is also important for pre-school aged children (Fisher, McHugh and Thomson, 2000). Children gain socially and developmentally from attending a children's service. Children's services are used by parents (including foster parents) for a number of reasons, such as their own work, training or leisure needs and because parents want children to be involved in activities, which stimulate and assist their development (Brennan, 1983).

Research indicates that due to abuse and neglect, children may develop maladaptive behaviours (Perry and Marcellus, 1997). For foster parents, child care can offer respite from the day-to-day care of children, allowing well trained and provisional staff to address children's needs and support foster parent in their caring role. In addition longitudinal studies indicate that children do better if they have experienced good quality children's services before starting school (Cooper and Sutton, 1998; McCain and Mustard, 1999).

Recommendations

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|----|---|
| 9 | <i>That unless a placement is of a temporary nature, i.e. children are aware they will be returning to their birth family in a relatively short period of time, all children and young people in care should be offered specialist counselling to assist them to recover from the impact of any family violence, abuse or neglect they may have previously experienced and to assist them to adjust to their changed circumstances. The offer of counselling should not be at the discretion of a worker but be viewed as the right of the child or young person in care. All costs for specialist counselling to be met by the department.</i> |
| 10 | <i>That in the case of carers of pre-school aged children, good quality child care on a regular basis, should be made available and paid for by the department at no cost to the carer.</i> |

8.3 Reimbursement for Carers

Obtaining reimbursement for all types of specialist services, including counselling and child care, was found in both the survey findings and from the discussion with carers to be at times a frustrating and difficult process to negotiate. These

reimbursements, known as one-off grants or contingency payments, are paid under special circumstances in a non-recurrent way (e.g. medical expenses), are named differently in every State, and appear to serve a number of different purposes.⁹⁰ In South Australia, for example, the wide ranging nature of contingency payments include: Establishment Grants; Incidental Expenses; Brokerage Funds; and discretionary payments for out of the ordinary high costing expenses associated with interstate travel, orthodontic and medical treatment and property damage (Bray, 2001: 51).

In addition contingency payments may be mandatory or discretionary, or be part of an approved (formal) case plan. In most States, once amounts exceed a certain amount approval for payment is required at managerial or area level. What is also apparent is that in some States, the local Area or District has an allocated budget with reimbursements subject to ceiling and threshold payment levels (Bray, 2001: 49-56).

Discussion with carers indicates that reimbursements for additional costs in some States appeared to be made as a matter of course and in others they were made at the discretion of a worker. Carers reported that there appeared to be little consistency in how decisions were made in relation to discretionary payments. Some carers were not aware of entitlements that other carers in their State were receiving for similar expenses incurred for foster children. At times, when a department did not meet a carer's claim for additional expenses, agencies had little choice but to reimburse carers out of agency funds. In addition, even when claims were approved, it was not unusual for carers to wait many months to receive reimbursement.

Recommendation

11 That all carers be provided with policy documentation in relation to the discretionary and mandatory payments (and amounts) for the children in their care. That all States consider a review of their administrative procedures to ensure that carers (and/or services) are reimbursed within a reasonable period of time (within 14 days) after carers/services have lodged a claim. That 'ceiling and threshold payment levels' be removed from reimbursement systems to ensure equity for all carers and adequacy to meet children's costs for specialist services.

8.4 Respite for Carers

The lack of respite care services for carers, noted by many agencies in the survey, accentuated the problems faced by carers. The surveys with agencies and associations showed that in many States there was a reduction in the level of subsidy paid to carers when the child went to another carer to allow the major carer 'weekend respite' or when the child returned for short periodic visits to their birth family.

In one State a minimum of 21 days per year respite was permitted for 'narrowly specified' reasons and during this period a dual allowance was paid for the child. For the majority of carers, however, it appeared that when respite was provided, the subsidy was reduced by the 'daily' rate,⁹¹ for each day the child was not with the major carer. For most carers regular respite from their caring role was often one of

90 Readers are referred to the Bray Report which provides extensive comparative tables on the way both mandatory and discretionary payments are made and expenses reimbursed for each State and Territory (Bray, 2001: 60-66)

91 The 'daily rate' is calculated by dividing the weekly rate of standard subsidy by seven to obtain a daily rate.

the most difficult areas to organise and access either through their agency or the department (see also Bray, 2001: 107). The provision of respite for carers is undoubtedly essential, and while it involves financial costs to governments, it could be a major factor in retaining carers in fostering and also preventing placement breakdown.

Recommendation

12 *That all States place a high priority on funding access to suitable respite care on a regular basis for all carers. That on the grounds of equity, no carers should be penalised by any reduction in their subsidy payments for either weekend respite or when the child is on short periodic visits to their birth family.*

8.5 Related Costs Relevant to Fostering

There were some related matters where using a budget standards approach could not accommodate some costs incurred by carers. The nature and impact of these costs were of concern to many carers and are discussed below.

Insurance

Obtaining appropriate reimbursement for damage to their homes and contents by foster children was a problematic area for most carers. Damage to a carer's car or to a neighbour's property was also of concern to some carers. Many carers with Contents Insurance were not able to utilise their cover where damage was caused by foster children without incurring some type of penalty or outright refusal by insurers for reimbursement of claims.

Recommendation

13 *That agencies and departments who administer foster care systems find a prompt and appropriate policy response to the significant problem of insurance coverage for carers. That all States ensure that carers have **full** indemnity against all damage caused by foster children to either their property or the property of others.*

Health

There were several areas of concern in relation to health: payments for over-the-counter medications; coverage of foster children by private health funds; and the availability of Medicare cards for foster children

Over-the-counter medications were expensive for carers as many children in care appeared to experience numerous minor complaints (e.g. head lice, scabies, school sores) requiring regular treatment. In a number of States, the policy of reimbursing only for amounts that were over \$20, left many carers considerably out of pocket.

Recommendation

14 *That on the grounds of equity the costs for all over-the-counter medications purchased for children in care be reimbursed regardless of the amounts.*

Some carers who were members of a health fund found that not all private health insurers 'allowed' foster children to be included under a carer's policy. This action by private health funds prevented some carers from using private specialist services for children in care. Private specialist services were seen by some carers as an option,

for children with pressing health issues, when the public hospital system had long waiting times for such services of between six to 12 months.

Recommendations

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| 15 | <i>That the appropriate Commonwealth and State Departments explore the feasibility of legislative changes to enable carers to include foster children in long-term care in a carer's private health fund.</i> |
| 16 | <i>That where it is deemed appropriate and necessary to meet the pressing health needs of children, private health insurance in a child's name should be provided by the agency/department and the costs of premiums paid by the department.</i> |

The lack of a Medicare card for children in care causes considerable inconvenience and costs to carers. This issue is pressing as carers stated that **more** stringent criteria apply (as of January 2002) for accessing Pharmaceutical Benefits Scheme medications apply. Pharmacists will have to sight a Medicare card or be provided with the child's Medicare number in order for foster carers to obtain a prescription at the reduced rate. Unless carers have a Medicare card (or know the number) for the child, or the child's name is on their card, they may be severely disadvantaged.

Recommendation

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| 17 | <i>That a temporary Departmental (or Agency) Medicare card be issued by workers to all carers when a child is placed or until other arrangements for a card in the child's (or carer's) own name can be made.</i> |
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The paucity of information provided to carers in relation to the medical history of children coming into care, including, for example, records of immunisation, drug and alcohol use and other details about chronic conditions (e.g. asthma) is unacceptable. Carers and their family are put at risk when the medical and psychological background of children coming into care is unknown.

Recommendation

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| 18 | <i>That as part of the assessment process, where medical details or background of children coming into care are unknown, they are seen by a general practitioner and any relevant health or medical information relayed to the carer as soon as practical.</i> |
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Transport/Travel for Access and Contact

Two aspects of costs associated with transport require action by governments. One is in relation to access visits and the other to the purchase and use by carers of larger vehicles.

Taking children in care to birth families for contact and access visits, when judged by workers as appropriate, appears to be becoming more commonplace for carers in all types of placement situations. Reimbursement for transport costs was either difficult to arrange or the rate paid by the agency/department was at such a low rate it was insufficient to cover carer costs. Carers should not be treated less than others (i.e. employed public servants) when using their private car for work purposes.

Some carers spoke of using weekends and/or holidays to take children for access visits to birth families who lived some distance away or who had moved since the child was placed. Costs in relation to accommodation (hotel/motel) required on these visits were often borne by carers. Others carers had little resort but to camp or caravan to reduce the costs of accommodation on these visits.

All departmental workers are entitled to claim for the costs of travel in relation to their work and would do so if they were responsible for access and contact visits. The situation of carers in this situation is no different.

Recommendations

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| 19 | <i>That all cost of travel using a carer's personal car should be reimbursed by the department/agency at the rate used to reimburse workers in the public sector in the particular State where the travel takes place.</i> |
| 20 | <i>That the cost incurred by carers for overnight stops (accommodation/food) on access visits be fully reimbursed. Carers should be able to choose to either have their costs reimbursed by tendering receipts or take the per diem rate paid to public servants in the particular State where travel takes place.</i> |

Use of Larger Vehicles

The issue of assisting carers with costs of purchasing larger vehicles (six to 10 seaters) required to transport foster children needs to be addressed. There does not appear to be clear policy guidelines in a number of States in relation to this matter. In addition, carers noted that the costs associated with running larger vehicles (registration, insurance, tyres, service, petrol) are significantly higher than for smaller sedans.

Recommendations

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| 21 | <i>That all carers should be entitled to receive financial assistance with the purchase of a larger vehicle, if due to their caring role, (caring for sibling groups or with several children in care) they are required to purchase a larger vehicle.</i> |
| 22 | <i>That all carers using larger vehicles should be able to apply for a loading on their subsidy payment to cover the increased costs of transport.</i> |

Remote/Regional Allowances

A supplement should be paid to carers in remote and rural areas for additional costs associated with distance (i.e. travel, STD phone costs, additional wear and tear on vehicles, etc.). Accessing specialist services (medical, dental, therapeutic, etc) was doubly difficult in many country and regional areas due to the lack of government and private provision. For many carers obtaining respite was also more difficult due to geographical isolation.

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| 23 | <i>That carers in remote and regional areas receive a loading on the standard subsidy payment to assist with extra costs attributable to distance.</i> |
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8.6 Indigenous Carers

There were a number of issues in relation to Indigenous carers, which impacted on their ability to care. Indigenous people had the highest number of children requiring out-of-home care. When fostering, carer families appeared to have more children

placed in their care, to be struggling financially and to have less material resources than non-Indigenous carers.

Given their circumstances, it is incongruous that the policy in some States regulates that where Indigenous carers are kinship carers they receive less financial assistance than other carers in the community as well as lower levels of support essential to their caring role. Of equal concern is that Indigenous carers are not given the same training and access to services as other carers. These last two issues are also of equal importance to non-Indigenous kinship carers.

Recommendations

- 24 *That all (Indigenous and non-Indigenous) kinship carers receive the same level of standard subsidies paid to other carers.*
- 25 *That all (Indigenous and non-Indigenous) kinship carers receive the same level of support and access to services for children in care as other carers.*
- 26 *That training and support groups be made available for all (Indigenous and non-Indigenous) kinship carers.*

8.7 Other Issues Raised by Carers

Many other issues were raised by carers in the course of the study, which go beyond the scope of this project, particularly in relation to levels of support, training, information and assessment of carers. Other concerns related to the role of workers and agencies in providing support and assistance to foster carers. The report notes (Section 4.15) that the discussion in the focus groups was wide ranging and many carers saw the groups as an opportunity to expand on a host of related topics. Many areas concerned the policy and practice of government departments in relation to permanent placements, guardianship, adoption, case planning and case conferencing (or the lack of).

Older carers with young children (some with disabilities) were worried about what would happen to their foster children when they were no longer able to care for them. Some carers spoke of the continuing stigma (and racism) experienced by children in their care, this appeared more noticeable in rural groups. Allegations of abuse against carers and issues of disciplining foster children were also raised in a number of groups. This topic expanded into discussion on the negative impact of fostering on foster carer's birth children, grandchildren and friends. Many carers regretted that they had fewer opportunities to spend with family and friends and others spoke of family and friends not wanting contact due to the behaviour of foster children or the fear of what they might do (see also Section 3.17).

For some carers dealings with Centrelink was problematic. Carers stated that some Centrelink workers were not aware that receipt of reimbursement for fostering was *not* income to be assessed or means tested when carers were attempting to access Commonwealth payments (FTB) for children in care (see also Bray, 2001: 104-5). Small numbers of carers spoke of the 'injustice' of losing the additional subsidy payment (approved due to the nature of care required when the child came into care) after they had put in considerable time, skills and financial resources to 'stabilise' a child's behaviour.

8.8 Further Research

Four areas, which came to light in the study, deserve further attention by researchers and governments: the NSW *Foster Care 2000 Reforms*; kinship care; children in care with disabilities; and the indirect costs of caring.

Foster Care 2000 Reforms

NSW is the only State that has moved from an age-related payment system to a flat rate subsidy payment incorporating the coverage of some items previously covered by contingency payments. To date little is known in relation as to how the *Foster Care 2000 Reforms* have been perceived by carers and whether carers are managing to meet costs more satisfactorily under the new system. For carers with children with special needs provision was made to pay higher allowances (*Care+1* and *Care+2*). Whether these two categories, that replaced 12 others, are meeting their objective of recognizing the demands of children and young people with special needs is also unknown. A timely evaluation of all aspects of the changed reimbursement system would be of benefit to policy makers, researchers and carers.

Kinship Care

All Australian States have legislation or policy which encourages the placement of children with a child's extended family before the child is placed with an unrelated carer. In NSW, there are varying opinions on policy developments in relation to kinship care but currently little is known about the benefits/disadvantages of such care in the Australian context (Developing Practice, 2001; Dixon, 2001; Sultmann and Testro, 2001). In some States it appears the amount of reimbursement, training, support and other services offered to kinship carers, both Indigenous and non-Indigenous, differs from that provided to other carers. In light of these issues studies in the area of kinship care are essential to ascertain whether kinship (or relative) care promotes successful outcomes for children in care and whether carers are being equitable treated, *vis-a-vis*, other carers.

Children with Disabilities in Care

The issue of Indigenous children with disabilities also appeared to be higher than for non-Indigenous children. The question about how many children in care have disabilities and the circumstances in which out-of-home care becomes an unavoidable option for such children should be of interest to researchers and of concern to policy makers.

Indirect Costs of Care

Discussions in the course of the focus groups carers indicated there were a number of indirect costs, which arose due to their fostering role. The research revealed a number of 'hidden' costs for carers, which were rarely discussed or measured in the literature on direct costs. These include the indirect or opportunity costs which impact on carers and their families (Oldfield, 1997; Mitchell and Cooke, 1988; Cass, Keens and Wyndham, 1983). The work involved in caring for foster children is not only extensive and demanding in its nature but also means that the main carers, usually women, generally have less time to spend with family and friends or to pursue labour market or leisure activities. The effect of forgone earnings (and occupational superannuation) from paid employment for women caring for children has been shown to be substantial (Chapman Dunlop and Gray., 2001; Begg and Chapman, 1988; Mitchell and Cooke, 1988; and Joshi, 1987).

The premise of governments and many in the wider community, including some foster carers, is that carers are motivated by an altruistic notion of caring for vulnerable children in their homes and therefore do not expect to be compensated for what they do, beyond the reimbursement of costs for the children in their care (Smith and Smith, 1990). Opportunities in Australia and in other western countries for married women (the core of foster carers) to participate in paid work have grown substantially over the last three decades (van Acker, 1999; Mitchell, 1998). Now that women have the option of unskilled paid work with regulated hours, pay and conditions in numerous service industries, both government and non-government agencies are experiencing increasing difficulty in attracting suitable and appropriate carers willing to foster on a 24-hour, seven day a week basis, with little respite and minimum reimbursement. A recent inquiry into out-of-home care in NSW also found there was a lack of social recognition of foster carers' contribution and a perception that the role of foster carers was undervalued (CSC, 2000a). These findings were echoed by carers in this research who were also concerned about the lack of dignity, respect and support they received from some departmental officers and professionals in the field.

There is mounting evidence in Australia (Sultmann and Testro; 2001; CSC, 2000b) and elsewhere (Berridge, 1997) that foster carers need to have increased skills, knowledge and resources (emotional and physical) to nurture and care for difficult children with challenging and complex needs. There is also increasing recognition that for difficult and demanding children, carers should receive a scale of payment linked to their level of skills and experience (House of Commons, 1998). In NSW, new forms of foster care are emerging. The use of carers, specially recruited for children with extremely high or complex support needs and in receipt of higher allowances is on the increase (CSC, 2000b).

The conclusion to be drawn from this research indicates that it is time to consider whether all foster carers (including relative and kinship carers) might be entitled to more than simple reimbursement for the direct costs of children. Such a significant change in payment systems would, of course have a major impact on government funding of foster care services. It is also not a straightforward issue as there is evidence in the literature (Smith and Smith, 1990; Baldock, 1983) that carers have mixed feelings about payments for caring work and the 'professionalisation' of foster care.

8.9 Implications from this Study

All carers are entitled to be paid, at least, an amount sufficient to cover the day-to-day direct costs of fostering, rather than a contribution or part payment towards costs. This is because no one who volunteers their time, energy and effort to care for children and who incurs a number of indirect costs (both financial and non-financial), which are rarely ever referred to let alone addressed, should be expected to pay children's basic financial costs. It would be difficult to conceive of any other voluntary position in society which involves the responsibility and care for children seven days a week, 24 hours a day in a carer's home with no relief or respite.

There are moral and legal reasons why governments should reimburse carers at socially acceptable and approved standards of living for the children they place in care. Regardless of the type of order a child is under while in care their costs are the same. Meeting basic everyday needs is a constant factor that deserves an equitable approach to all carers. It is hoped that the findings from this report will assist policy development in setting appropriate levels of standard subsidy and assist in recruiting and retaining foster carers.

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APPENDIX A: ABS/CPI COMMODITY AREAS

Table A1: ABS/CPI Commodity Areas, (March 1997, December 2000)

| ABS/CPI Commodity Areas | CPI March 1997 (Sydney) | CPI December 2000 (Sydney) | BSU Budget Area |
|--|----------------------------|-------------------------------|---|
| Food | 121.7 | 134.6 | Food |
| Alcohol & Tobacco | 167.1 | 198.2 | NA |
| Clothing & Footwear | 107.5 | 113.3 | Clothing & Footwear |
| Housing | 104.9 | 116.1 | Housing |
| Energy (Housing) | 104.9 | 116.1 | Energy |
| Household furnishings, Supplies and Services | 111.6 | 114.3 | Household, Goods & services (HGS) |
| Health | 148.6 | 153 | Health |
| Transportation | 125.9 | 138 | Transport |
| Communication | 106.7 | 105.1 | HGS (telephone/postal costs) |
| Recreation | 114 | 124.2 | Leisure |
| Education | 156.7 | 185.6 | HGS (pre-school, primary & secondary fees) |
| Miscellaneous | 136.6 | 169.4 | Personal Care, insurance services, child care |

APPENDIX B: PRELIMINARY BUDGETS FOR CHILDREN

Table B1: Estimated Costs of Household Budgets for Girls Aged 3 and 6 Years (*not in care*) (\$s) per week (Draft)

| Commodity Areas | Modest-But- Adequate (based on 2 adults both F/T paid work) | | Low Cost (based on 2 adults; 1adult home F/T) | |
|---|--|--------------------------------|--|-----------------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| All prices based on Sydney prices for December 2000 & rounded to the nearest dollar | | | | |
| Housing, including insurance | 33.00 | 33.00 | 36.00 | 36.00 |
| Energy | 3.00 | 3.00 | 2.00 | 2.00 |
| Food | 28.00 | 35.00 | 22.00 | 28.00 |
| Clothing and Footwear | 13.00 | 15.00 | 11.00 | 14.00 |
| HGS ⁽¹⁾ | 198.00 | 62.00 | 15.00 | 7.00 |
| HGS - costs of care components | <i>\$189.00 (child care F/T 5 days)</i> | <i>\$53.00 for BASC and VC</i> | <i>\$8.00 for 4 hours occasional care</i> | <i>No BASC, no VC</i> |
| Health | 3.00 | 3.00 | 3.00 | 3.00 |
| Transport | 3.00 | 2.00 | 3.00 | 8.00 |
| Leisure and recreation | 11.00 | 14.00 | 8.00 | 10.00 |
| Personal Care | 2.00 | 2.00 | 2.00 | 2.00 |
| Total | 295.00 | 170.00 | 102.00 | 108.00 |
| Total (excluding care costs) | \$105.00 | \$118.00 | \$92.00 | \$108.00 |

Note: (1) HGS Includes weekly costs of long day care for a three year old girl at MBA standard; before-and-after-school care (BASC) and vacation care (VC) for six year old girl at MBA standard; and occasional care for three year old girl at LC standard care. HGS also includes school expenses for 6 year olds at both standards

Table B2: Estimated Weekly Housing Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000 (Based on privately rented premises)

| | Modest-But- Adequate | | Low Cost | |
|------------------------------------|---|----------------|--|----------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| Rent increase for extra bedroom | 32.60 | 32.60 | 36.00 | 36.00 |
| Contents Insurance | 0.48 | 0.48 | nil | nil |
| <i>Insurance costs explanation</i> | <i>Due to more expensive items for MBA children insurance premiums increased slightly</i> | | <i>Additional items for children absorbed by premium previously paid for a couple only .</i> | |
| Rates & Garbage Collection | nil | nil | nil | nil |
| Water | nil | nil | nil | nil |
| Repairs and Maintenance | nil | nil | nil | nil |
| Total ⁽¹⁾ | \$33.00 | \$33.00 | \$36.00 | \$36.00 |

Note: (1) Amounts rounded to the nearest dollar

Table B3: Estimated Weekly Energy Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| Electricity/gas | Modest-But-Adequate | | Low Cost | |
|-----------------|--------------------------------------|---------------|---|---------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| Total | \$3.00 | \$3.00 | \$2.00 | \$2.00 |
| | <i>Includes use of clothes dryer</i> | | <i>No clothes dryer for LC families</i> | |

Note: Amounts rounded to the nearest dollar

Table B4: Estimated Weekly Food Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|----------------------|---|----------------|---|----------------|
| | Aged 3 | Aged 6 | Aged 3 | Aged 6 |
| | Costs reflect best selling brand names | | Costs reflect less expensive brands ie 'no frills', 'home brand' | |
| Dairy | yes | | yes | |
| Fruit and vegetables | yes | | yes | |
| Meat | yes | | yes | |
| Cereals and Bread | yes | | yes | |
| Take-away | yes | | yes | |
| Total | \$28.00 | \$35.00 | \$22.00 | \$28.00 |

Note: Amounts rounded to the nearest dollar

Table B5: Estimated Weekly Clothing and Footwear Costs for Girls aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate Costs | | Low Cost Costs | |
|---------------------|---------------------------|---|----------------|---|
| | Aged 3 | Aged 6 | Aged 3 | Aged 6 |
| Warm wear | yes | yes | yes | yes |
| Summer wear | yes | yes | yes | yes |
| Underwear/nightwear | yes | yes | yes | yes |
| Shoes | yes | yes (includes school clothes and shoes) | yes | yes (includes school clothes and shoes) |
| Total | \$13.00 | \$15.00 | \$11.00 | \$14.00 |

Note: Amounts rounded to the nearest dollar

Table B6: Estimated Weekly Household Goods and Services Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate Costs | | Low Cost Costs | |
|---|---------------------------------|-------------------------------|------------------------------|---------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| Household linen: sheets, pillowcases, doonas, washers, towels | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> |
| Tableware, cookware | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> |
| Furniture: bed, wardrobe, chest of drawers, bedside table, | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> |
| Cleaning and household products | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> |
| Appliances | <i>no</i> | <i>no</i> | <i>no</i> | <i>no</i> |
| Tools | <i>no</i> | <i>no</i> | <i>no</i> | <i>no</i> |
| <i>Costs of child care component of HGS</i> | <i>(\$189.00) not included)</i> | <i>(\$53.00 not included)</i> | <i>(\$8.00 not included)</i> | <i>nil</i> |
| HGS (total) | \$9.00 | \$9.00 | \$7.00 | \$7.00 |

Note: Amounts rounded to the nearest dollar

Table B7: Estimated Weekly Health Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate Costs | | Low Cost Costs | |
|----------------|----------------------------------|--|-----------------------|--------------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| Doctor | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> |
| Specialist | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> |
| Dental visit | no | yes | no | yes |
| Dental Filling | no | no | no | no |
| Dental Scale | no | yes | no | yes |
| Prescriptions | | (includes non-prescription medication) | | |
| Total | \$3.00 | \$3.00 | \$3.00 | \$3.00 |

Note: Amounts rounded to the nearest dollar

| | GP VISITS | SPECIALIST | DENTAL FILLING | DENTAL SCALE | PRESCRIPTION |
|------------|------------------|-------------------|-----------------------|---------------------|---------------------|
| 3 Year Old | 4 per year | 1 per 2 years | nil | nil | 4 per year |
| 6 Year Old | 4 per year | 1 per 2 years | nil | 1 per 2 years | 4 per year |

Table B8: Estimated Weekly Transport Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

| All prices based on Sydney prices for December 2000 | | | | |
|---|---|--|---------------------|---|
| <i>Based on the use of adult's personal car</i> | Modest-But-Adequate | | Low Cost | |
| | Aged 3 | Aged 6 | Aged 3 | Aged 6 |
| <i>Transport explanations</i> | Child dropped at Centre on parent's way to work | Dropped off to BASC* & vacation care on parent's way to work | | Carer drops off/picks up from school each day |
| Petrol – child care, appointments | yes | yes | yes | yes |
| Contact & Access visits? | To be discussed | To be discussed | To be discussed | To be discussed |
| Car Seat | Yes (NRMA approved) | Yes (NRMA approved) | Yes (NRMA approved) | Yes (NRMA approved) |
| Total | \$3.00 | \$2.00 | \$3.00 | \$8.00 |

Note: BASC – Before and after school care. Amounts rounded to the nearest dollar

Table B9: Estimated Weekly Costs for Leisure for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate Costs | | Low Cost Costs | |
|--|---------------------------|----------------|----------------|----------------|
| | Aged 3 | Aged 6 | Aged 3 | Aged 6 |
| Sport - Swimming (example) | yes | yes | yes | yes |
| Toy box | yes | yes | yes | yes |
| Computer | no | no | no | no |
| Movies, Animal/Marine Park | yes | yes | yes | yes |
| Holidays away | yes | yes | yes | yes |
| Leisure at home: reading, TV, music, games, photos | yes | yes | yes | yes |
| Life story (costs?) | ? | ? | ? | ? |
| Total | \$11.00 | \$14.00 | \$8.00 | \$10.00 |

Note: Amounts rounded to the nearest dollar

Table B10: Estimated Weekly Personal Care Costs for Girls Aged 3 and 6 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate Costs | | Low Cost Costs | |
|--|---------------------------|---------------|----------------|---------------|
| | <i>Aged 3</i> | <i>Aged 6</i> | <i>Aged 3</i> | <i>Aged 6</i> |
| Soaps & toothpaste, shampoo & conditioner | yes | yes | yes | yes |
| Skin products | <i>none</i> | <i>none</i> | <i>none</i> | <i>none</i> |
| Jewellery, watches | <i>none</i> | <i>none</i> | <i>none</i> | <i>none</i> |
| Bags, wallet | yes | yes | yes | yes |
| Hairdresser | yes | yes | yes | yes |
| Total | \$2.00 | \$2.00 | \$2.00 | \$2.00 |

Note: Amounts rounded to the nearest dollar

Hairdresser: **Low cost :** 1 cut every 8 weeks

Modest but adequate: 1 cut every 6 weeks

Table B11: Estimated Costs of Household Budgets for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

| Commodity Areas | Modest-But- Adequate (based on 2 adults both F/T paid work) | | Low Cost (based on 2 adults; 1adult home F/T) | |
|---|--|-----------------|--|-----------------|
| | <i>Aged 10</i> | <i>Aged 14</i> | <i>Aged 10</i> | <i>Aged 14</i> |
| All prices based on Sydney prices for December 2000 | | | | |
| Housing | 33.00 | 33.00 | 36.00 | 36.00 |
| Energy | 3.00 | 3.00 | 2.00 | 2.00 |
| Food | 47.00 | 60.00 | 36.00 | 47.00 |
| Clothing and Footwear | 15.00 | 17.00 | 14.00 | 16.00 |
| Household Goods & Services(HGS) ⁽¹⁾ | 73.00 | 27.00 | 18.00 | 22.00 |
| Health | 2.00 | 2.00 | 2.00 | 2.00 |
| Transport | 2.00 | 2.00 | 8.00 | 2.00 |
| Leisure and recreation | 14.00 | 27.00 | 10.00 | 10.00 |
| Personal Care | 3.00 | 6.00 | 2.00 | 4.00 |
| Total | 192 | 177 | 129.00 | 143.00 |
| Total (excluding care costs) | \$141.00 | \$177.00 | \$129.00 | \$143.00 |

Note: (1) **HGS** Includes before and after school care (BASC) costs and vacation care (VC) costs for boy aged 10 years at MBA level. \$51.00 of the \$73.00 in **HGS** represents weekly costs for BASC and VC costs.

HGS also includes school expenses for 10 and 14 year olds at both levels

Table B12: Estimated Weekly Housing Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

| <i>All prices based on Sydney prices for December 2000 (Based on rented premises)</i> | | | | |
|---|---|----------------|---|----------------|
| | Modest-But- Adequate | | Low Cost | |
| | Aged 10 | Aged 14 | Aged 10 | Aged 14 |
| Rent increase for extra bedroom | 32.60 | 32.60 | 36.00 | 36.00 |
| Contents Insurance | 0.48 | 0.48 | nil | nil |
| <i>Insurance cost explanations</i> | <i>Due to more expensive items for MBA children insurance premiums for household increased slightly</i> | | <i>In LC additional items for children absorbed by premium previously paid for a couple household without children.</i> | |
| Rates & Garbage Collection | nil | nil | nil | nil |
| Water | nil | nil | nil | nil |
| Repairs and Maintenance | nil | nil | nil | nil |
| Total | \$33.00 | \$33.00 | \$36.00 | \$36.00 |

Note: Amounts rounded to the nearest dollar

Table B13: Estimated Weekly Energy Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| Electricity/gas | Modest-But-Adequate | | Low Cost | |
|-----------------|---------------------|----------------|----------------|----------------|
| | <i>Aged 10</i> | <i>Aged 14</i> | <i>Aged 10</i> | <i>Aged 14</i> |
| Total | \$3.00 | \$3.00 | \$2.00 | \$2.00 |

Includes use of clothes dryer

No clothes dryer for LC families

Note: Amounts rounded to the nearest dollar

Table B14: Estimated Weekly Food Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|----------------------|---|----------------|---|----------------|
| | <i>Aged 10</i> | <i>Aged 14</i> | <i>Aged 10</i> | <i>Aged 14</i> |
| | <i>Costs reflect best selling brand names</i> | | <i>Costs reflect less expensive brands ie 'no frills', 'home brand'</i> | |
| Dairy | yes | | yes | |
| Fruit and vegetables | yes | | yes | |
| Meat | yes | | yes | |
| Cereals and Bread | yes | | yes | |
| Take-away | yes | | yes | |
| Total | \$47.00 | \$60.00 | \$36.00 | \$47.00 |

Note: Amounts rounded to the nearest dollar

Table B15: Estimated Weekly Clothing and Footwear Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|---------------------|--|----------------|--|----------------|
| | Aged 10 | Aged 14 | Aged 10 | Aged 14 |
| Warm wear | yes | yes | yes | yes |
| Summer wear | yes | yes | yes | yes |
| Underwear/nightwear | yes | yes | yes | yes |
| Shoes | yes | yes | yes | yes |
| | (costs include school clothes and shoes) | | (costs include school clothes and shoes) | |
| Total | \$15.00 | \$17.00 | \$14.00 | \$16.00 |

Note: Amounts rounded to the nearest dollar

Table B16: Estimated Weekly Household Goods and Services Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|---|----------------------|----------------|----------------|----------------|
| | Aged 10 | Aged 14 | Aged 10 | Aged 14 |
| Household linen: sheets, pillowcases, doonas, washers, towels | yes | yes | yes | yes |
| Tableware, cookware | yes | yes | yes | yes |
| Furniture: bed, wardrobe, chest of drawers, bedside table, | yes | yes | yes | yes |
| Cleaning and household products | yes | yes | yes | yes |
| Appliances | no | no | no | no |
| Tools | no | no | no | no |
| BASC and vacation care costs | (51.00) not included | no | no | no |
| HGS (total) | \$22.00 | \$27.00 | \$18.00 | \$22.00 |

Note: Amounts rounded to the nearest dollar

Table B17: Estimated Weekly Health Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | | |
|----------------------------|--|--------------------|-----------------------|---------------------|---------------------|
| | <i>Aged 10</i> | <i>Aged 14</i> | <i>Aged 10</i> | <i>Aged 14</i> | |
| Doctor (see below) | Bulk billed | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> | |
| Specialist (see below) | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> | <i>Bulk billed</i> | |
| Dental visit (see below) | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> | |
| Dental Filling (see below) | <i>no</i> | <i>no</i> | <i>no</i> | <i>no</i> | |
| Dental Scale (see below) | <i>yes</i> | <i>yes</i> | <i>yes</i> | <i>yes</i> | |
| Prescriptions (see below) | (includes non-prescription medication) | | | | |
| Total | \$2.00 | \$2.00 | \$2.00 | \$2.00 | |
| | GP VISITS | SPECIALIST | DENTAL FILLING | DENTAL SCALE | PRESCRIPTION |
| Boy aged 10 | 4 per year | 1 per 2 years | nil | 1 per 2 years | 4 per year |
| Boy aged 14 | 4 per year | 1 per 2 years | nil | 1 per 2 years | 4 per year |

Note: Amounts rounded to the nearest dollar

Table B18: Estimated Weekly Transport Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|---|--|---|--|---|
| <i>Based on use of adults' personal car</i> | <i>Aged 10</i> | <i>Aged 14</i> | <i>Aged 10</i> | <i>Aged 14</i> |
| <i>Transport explanations</i> | <i>Adult drops of/picks up child on parent's way to work</i> | <i>Public transport with school concession card</i> | <i>Non-working adult drops off/ picks up from school</i> | <i>Public transport with school concession card</i> |
| Petrol – child care, appointments | yes | yes | yes | yes |
| Contact & access visits | <i>To be discussed</i> | <i>To be discussed</i> | <i>To be discussed</i> | <i>To be discussed</i> |
| Car Seat | <i>no</i> | <i>no</i> | <i>no</i> | <i>no</i> |
| Total | \$2.00 | \$2.00 | \$8.00 | \$2.00 |

Note: Amounts rounded to the nearest dollar

Table B19: Estimated Weekly Costs for Leisure for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|--|---------------------|-----------------|-----------------|-----------------|
| | Aged 10 | Aged 14 | Aged 10 | Aged 14 |
| Sport - Swimming (example) | yes | yes | yes | yes |
| Toy box | yes | yes | yes | yes |
| Computer | no | yes | no | no |
| Movies, Animal/Marine Park | yes | yes | yes | yes |
| Holidays away | yes | yes | yes | yes |
| Leisure at home: reading, TV, music, games, photos | yes | yes | yes | yes |
| Life story (costs?) | To be discussed | To be discussed | To be discussed | To be discussed |
| Totals | \$14.00 | \$27.00 | \$10.00 | \$10.00 |

Note: Amounts rounded to the nearest dollar

Table B20: Estimated Weekly Personal Care Costs for Boys Aged 10 and 14 Years (not in care) (\$s) per week (Draft)

All prices based on Sydney prices for December 2000

| | Modest-But-Adequate | | Low Cost | |
|--|---------------------|---|---------------|---|
| | Aged 10 | Aged 14 | Aged 10 | Aged 14 |
| Soaps & toothpaste, shampoo & conditioner | | | | |
| Skin products | none | Includes acne medication and deodorant | none | Includes acne medication and deodorant |
| Jewellery, watches | watch | watch | watch | watch |
| School bag, wallet | yes | yes | yes | yes |
| Hairdresser | yes | yes | no | no |
| Total | \$3.00 | \$6.00 | \$2.00 | \$4.00 |

Note: Amounts rounded to the nearest dollar

Hairdresser: **Low cost:** Adult uses home hair cutter for cutting boys' hair

Modest but adequate: 1 cut every 6 weeks

APPENDIX C: BUDGETS FOR A GIRL AGED 14 AND BABY 12 MONTHS OLD (NOT IN CARE)

Introduction

‘New’ estimates for the costs of two additional children were developed for this study. The children were a 14-year-old girl and a 12-month-old baby. Estimating costs for the 14-year-old girl was a fairly straightforward exercise as a number of budget areas already estimated for a 14 year-old boy were applicable in this instance. Budgets developed for the 14-year-old boy (from the original BSU study) for housing, energy, transport, health, and household goods and services were used for the 14-year old girl. New estimates of costs were developed for budgets for food, and clothing and footwear for the teenage girl. Use was made of the leisure and personal care budgets developed for a 14-year-old boy with some modifications to items/activities in the leisure budget to reflect the interests of a teenage girl. A number of additional items were included in the personal care budget, which were allocated in the budget for the 35-year-old woman. These items included the allocation for sanitary products and a small number of jewellery items and fragrance products appropriate for a teenager.

In one sense developing the budgets for an infant was ground breaking work. In Australia as in the UK there is a paucity of data on the costs of babies and in particular the costs of babies in care. Oldfield’s UK study addressed the needs of foster children aged 0-4 but did not develop budgets specifically for infants. Oldfield noted that ‘is scope and demand for knowledge on the cost of a baby’ (Oldfield, 1997:184). For this study a number of new budgets have been constructed while other budgets have been adapted from the original BSU study on the costs of a three-year-old. For 12-month-old infant budgets were developed for food, clothing and footwear, leisure (toys), personal care and household goods and services. The budgets developed for a three-year-old girl for housing, energy, transport⁹² and health were considered appropriate to use for the infant and will not be discussed here. Only those budgets where new or substantially modified estimates of costs have been completed - food, clothing and footwear, leisure and personal care for both children and a separate household goods and services budget for the infant⁹³ are covered in this section.

Food Budgets

The food budgets for the two additional children were based on previous work by Murray who developed the food budgets in the original BSU project (Murray1996; Saunders et al., 1998). The food budgets in the original study were developed by first establishing a weekly food profile suitable for the age and sex of each person. The food profiles were based on behavioural data describing the types of food typically eaten by Australians as well as some of the differences in dietary behaviour of

92 One additional item, removable sunblinds, was allocated to the transport budget for the infant.

93 Many assumptions and value judgements were made when developing household budgets in the original budget standards project. A number of ‘rules of thumb’ were applied in situations where there was no data available to underpin the approach taken - for example - in determining the lifetimes of a number of goods particularly when the presence of children added to the normal wear and tear and increased the usage. It is not possible within the framework of this project to expound on the complexity of the task undertaken at that time. Interested readers are referred to the extensive 635 page Report (Saunders et al., 1998) which explains in greater detail all the steps taken, the basis on which they were made and the implications of the results.

different age and sex categories. The profiles were also designed to be nutritionally sound, ensuring that the amount of food as well as the vitamin, mineral and fibre content were adequate for the age and sex of each person.

The behavioural data was obtained from the *1985 National Survey of Schoolchildren (aged 10-15 years)* (DCSH, 1988). This survey was the only national data available on food intake for children at the time of the Budget Standards project. There is now more up-to-date dietary information available from the National Nutrition Survey, Australian Bureau of Statistics, 1995. However, for the scope of the Foster Care project it was not feasible to update the dietary profiles according to the changes that may have occurred in dietary behaviours since the 1985 National Survey. The profile of the 14 year old girl could have been developed using the most recent data, however in order for the diet profiles to maintain consistency with the previous work it was decided that the diet profile would be developed using the 1985 National Survey.

Identifying the cost of food for the 12-month-old infant was largely based on normative information. There is no available behavioural data on the amount and type of food eaten for this age group. The 1985 National Survey was used as a guide to identify the types of food commonly eaten by children in Australian households. However, the main sources of information used for the development of the infant food profile were the Infant feeding guidelines for health workers, National Health and Medical Research Council (NHMRC), 1996; *Dietary guidelines for children and adolescents*, NHMRC, 1995; *Recommended dietary intakes for use in Australia*, NHMRC, 1991; and S. Thompson, 1991, *A Healthy Start for Kids*.

Infant formula has been included in the food profile for the infant. Infant formula is recommended when an infant does not have access to breast milk. Solid food after 6-months of age is also required to satisfy the infants' appetite and increasing nutritional requirements, NHMRC, 1995. The range of food included in the infant food profile was not as extensive as the list of food for the older children. A number of foods were not appropriate for inclusion in the infants' dietary profile. Foods such as nuts, berries, shellfish and fish were excluded due to their high allergy risk. Foods known to be difficult to digest under 1 year of age were also excluded, such as onions, cucumber, cabbage and broccoli.

The estimated energy (KJ) requirements for the infant and 14-year-old were taken from published tables, NHMRC, 1991. Detailed information on the method used is reported in Saunders et al., 1998.

The items in the food budget for a 12-month-old baby included formula and solids (bread, cereal, fruit, vegetables and meat). Similarly the food budget for the teenage girl reflected a varied selection of fruit, vegetables, bread, cereals, meat and dairy products as well as small amounts of take-away food and drinks. Including take-away food was seen as important in the original BSU study as it reflected the actual eating behaviours of Australian school children. Estimated weekly costs developed for budgets at the modest-but-adequate standard are shown in the following Table C.1.

Table C1: Cost of Food at the Modest but Adequate Standard
(December 2000 prices)

| | | (\$ per week) | | | |
|--------------|-----------------|----------------|--------------|--------------|--|
| Child, Age 1 | Formula (11.96) | Solids (13.74) | Total | 25.70 | |
| Girl, Age 14 | All foods | | Total | 51.87 | |

Clothing and Footwear Budgets

There is no published Australian data on which to base the clothing and footwear budgets for a 14 year-old girl or a 12 months old baby. Researchers when attempting to develop clothing budgets for the original BSU project also faced a lack of data in this area. This problem was addressed at that time by conducting two small surveys in 1996 to provide an indication of the number and types of items worn by men, women and children (including teenagers) in Australian households (Saunders et al., 1998). Based on the findings from the two surveys and using items included in the clothing and footwear classifications taken from the *Australian Household Expenditure Survey* (HES) 1993-94, lists were drawn up to cover clothing and footwear budgets for household members of different ages and both sexes⁹⁴ for home, work, school and leisure purposes.

These draft budgets were presented to a number of focus groups in 1997 and based on their comments and suggestions the budgets were refined (see Chapter 6, Saunders et al., 1998). The methodology used in constructing clothing and footwear budgets in the original BSU research has been utilised to develop the budget for the 14-year-old girl and the infant of 12 months. Reference has also been made to the clothing budget developed for a 16-year-old girl at the Family Budget Unit (FBU) at the University of York, England (McCabe and Rose, 1992) to assist in selecting items for a younger woman.

Clothing and footwear for a 14 year-old girl

In determine appropriate quantities, types of clothing and footwear items and lifetimes to met the needs of a teenage girl reference was made to the findings from surveys (mentioned above) and to the UK research (McCabe and Rose, 1992). The inclusions in wardrobe of the 14 year-old were based, in part, on the BSU lists of basic clothing and footwear items developed for a 35-year-old woman and the 14-year-old boy (ie school items). Adjustments and modifications were made to reflect the age, lifestyle and fashion interests of a teenage girl.

In general, the coastal regions of Australia where most Australians live enjoy temperate climates with mild to cool winters and warm to hot summers. The budget therefore contains more summer than winter clothes with allowances made for reduced life spans due to more frequent washing of lighter fabrics and colours and the result of the increased perspiration of the wearer. The assumption was made that clothes for the teenager were laundered weekly or twice-weekly and that sufficient clothing was available to maintain personal cleanliness.

Items for the 14-year-old girl covered seasonal needs for home, school and leisure purposes including outer wear, other casual clothes (including clothes for special occasions and sports clothes), school items (uniforms and shoes), underwear,

94 In the original BSU project clothing and footwear budgets were developed for females aged 3, 6, 35 and 70 years and for males aged, 6, 10, 35 and 70 years.

nightwear, accessories and casual footwear. The UK research noted that the adolescent years were an important time for all young people as this was the time when they were becoming more independent and expressing their individuality in the clothes they wore (Bradshaw, 1993). McCabe and Rose suggested that young teenage women like to 'experiment with different styles...participate in a wide variety of activities and are strongly influenced by peer pressure' (McCabe and Rose, 1992:15).

With these thoughts in mind and guided by information from Australian magazines for younger women and store promotions for teenage clothing and footwear the items were chosen on the basis of current popularity and availability. As these items were to reflect a modest but adequate standard of living no attempt was made to choose items that were the least expensive. The shape and dimensions of young teenage women develop quite quickly and what might 'fit' in one season may no longer in the next. It was therefore considered prudent to choose a range of less expensive items that could be adapted to suit various social events both formal and informal. As a consequence the young women's wardrobe was slightly more generous than the one developed for the 14-year-old boy. Most items were given a lifetime of one year although a number of items such as sleepwear, accessories and loose fitting casual clothes were given longer lifetimes, ie two years. Most items were priced at chain stores such as Target, Kmart or BigW though one pair of brand name shoes and joggers were priced at Grace Brothers (see below).

Footwear

Due to the normal school attendance of a 14-year-old only a small selection of casual, mostly medium priced footwear was allocated. For summer a pair of casual flatties, sandals and joggers were allocated and for winter a pair of ankle high boots and a pair of slippers. Two pairs of school shoes were allocated for the 12-month period. Participants in the original BSU focus groups spoke of buying more expensive brand joggers and shoes as they were better for children's feet and lasted longer (see Kirkton, 2001b). In addition parents also noted the importance to teenagers of having brand name trainers. Parents also noted young people in this age groups were hard on footwear and good quality trainers were essential due to their popularity and frequency of wear for casual outings and for sports participation. Brand name joggers in the mid range cost were therefore included in the budget.

School clothing

Pricing school clothing for a 14-year-old girl was more problematic than for a boy of the same age. In the original budget standards research it was noted that for boys in State secondary schools basic shirts, shorts and long pants in varying school colours can usually be obtained in a local chain store such as Target, Kmart, Lowes or designated local retail outlets. With girls the design, colour and fabric of school uniforms (tunics or dresses) is more often specific to a particular school and the uniform can only be obtained either through the school itself or from a designated outlet arranged through the school. To assist with costing various items information was obtained from a number of State High schools in the Hurstville area⁹⁵ on prices and description of uniform items for girls.

95 The original BSU approach involved calculating the costs for some items (ie housing, schooling, child care, etc) for household budgets were based on costs in a specific part of Sydney. The methodology used methods that could be replicated in other areas or States. Hurstville was the designated Sydney suburb chosen for pricing a number of commodity areas (Saunders et al., 1998)

The costs for allocated items in the budget for summer and winter uniforms was arrived at by averaging the cost across several schools for the same (or similar) item. Slacks, blouses and fleece shirts (sweatshirt style) were optional uniforms for the winter term for senior girls in many Sydney High Schools and these were selected for winter uniform requirements. Tunics or dresses were allocated for the summer terms. Where prices were provided by schools for main uniform items an average costs was determined and allocated. Costs were obtained from stores such as Target and Kmart for a number of other basic school items such as sports uniforms (including skirts, shorts, polo shirts, track suits), socks and packbacks.

In the original BSU study an allowance was made for cost savings associated with the purchase of some clothing and footwear items at sale times. From time to time, especially towards the end of a season or financial year and also at Christmas, sales or 'specials' often with substantial discounts are a common feature at most retail chain stores. In reflecting both the availability of discounts from shopping when sales are on and to offset to some extent the wastage factors associated with the occasional 'bad buy' a reduction of five per cent was applied across the board to all clothing and footwear budget. This five per cent reduction has been applied to the clothing and footwear budget of the teenage girl as well.

The complexities involved in developing a budget that underlies estimates but also allows for easy replication or modification for a individual of a specific age and sex at a future date are illustrated in Appendix C.2. This table contains each and every clothing and footwear item for a 14-year-old girl, a description of each item, its fibre content, the retail outlet at which it was priced, the unit price, the quantity of each item and its assumed lifetime.

Clothing and footwear – Infant (twelve months)

There were any number of readings available to consult on meeting the needs of babies and young children in the commodity areas of clothing, household goods and services and personal care. Several 'authorities' on the needs of Australian babies (Green, 1994; Fowler and Gornall 1994; Penguin Pocket Series, 1990; Kiley, M. 2000; and *Practical Parenting*, 1998/99, were consulted to assist in the decision making process. Information on Australian safety standards for a number of baby products was checked through the website for *Choice* magazine (www.Choice.com.au).

Authorities on the needs of infants suggested that all clothing items should be colour fast, non-flammable or fire resistant, easily fastened, durable, and unrestrictive. Selection of items was based on these criterion and most items chosen were made of natural fibres (mostly cotton).

A number of other suggested criteria were applied in choosing clothing and footwear items appropriate for a child just beginning to find its feet and exploring the world around it. The experts advised that children around this age should go barefoot in the house unless very cold. Only one pair of soft leather shoes with flexible soles with supportive heels were chosen for outdoors in the winter period. Socks or 'bootees' (slippers) were included for other occasions when footwear was desirable. Young infants also require a reasonable number of similar styled items due to frequent accidents involving wet or soiled nappies and as a consequence of experimenting at 'new' eating, drinking and playing habits. It is not unreasonable suggested authorities for some clothing items to be changed several times a day due to the nature and

location of activities. Quantities of similar clothing items were selected to accommodate this factor.

Fortunately a wide selection of infant clothing was easily obtainable in the moderate price range from large chain stores such as Kmart, Big W, Target, etc. Items chosen for the 12 month old for all seasons and for day and night wear were based on a 'unisex' model of simple tops and pants or 'sets' with no dresses included. Due to the rapid growth rate of children around this age all seasonal clothing items were given a lifetime of 6 months. Similar to the information provided for the 14 year old girl's wardrobe Appendix C.3 lists all items, description, fibre content, retail outlet, unit price, quantity of each item and assumed lifetime for an infant's wardrobe.

Leisure Budget for a 14-Year-old Girl

In allocation the type and amount of leisure goods and activities appropriate for a young teenage girl use was made of the leisure budget developed for the 14-year-old boy in the original BSU study. The items included in the budget for a teenage boy were based on available data on the participation rates of young people in a range of leisure activities, which indicated what young people most liked doing. These activities included watching television (TV), using a computer, general play, 'going places', playing sport, reading, 'hanging around', and listening to the radio. Allocations for personal leisure goods for the teenage boy were made on the basis of available data and other evidence of participation in activities and ownership of certain goods (see Chapter 10, Saunders et al., 1998). Personal items allocated for the teenager included books, magazines, radio/CD player, personal computer, printer, games software and sporting equipment. A certain number of leisure items were assumed to be already in the home of the two adults with whom the teenage boy resided, - television⁹⁶ and video, stereo system, books, magazines, newspapers, camera and film, cards and board games. The two adults also had allocations of tapes, CDs, hire videos, etc and went on outings and holidays which it was assumed was shared by the three members of the household.

Similar items were included in a leisure budget for the 14-year-old girl with some modifications in sporting and leisure goods to reflect the interests of a teenage girl. For example the soccer ball, football, Star Wars model kit, skateboard and protective pads were replaced by a basketball, netball, backboard, paint/colour kit and tennis equipment (racquet, balls and bag). As with the teenage boy similar allocations for attending the cinema, going on family outings and family holidays were included in the budget.⁹⁷ See Appendix C.4 for a list of all items in this budget.

Leisure budget for a 12 month old infant

Experts in child development have emphasised the importance of play for children (Wyver, 1995). The leisure budgets for children aged three and six years in the original BSU study made allowance for the purchase of a selection of children's toys (see Chapter 10, in Saunders et al., 1998). The same approach has been taken for the infant of 12 months. The allocation of items for an infant of 12 months was based mainly on selecting a number of toys suitable for a child in this age group based on the types of toys recommended by writers of baby books. In general authorities recommended toys that were non-flammable, non-toxic, sturdy (non-breakable) and

96 Based on the level of TV ownership a second television was allocated to households with two adults and two children (or more), at the MBA level in the original study.

97 The estimated costs for the family outing and family holiday for the 14 year old were based on an equal sharing of costs between three people in a three-person household.

easy to wash. The types of toys suggested for 12-month child were those which would promote the development of a child's manual, cognitive and social skills; toys such as colourful soft toys - teddies, dolls and animals, large blocks, pull and push toys, colourful balls and sturdy cardboard boxes. In selecting a suitable range of toys attention was also paid to recommendation by Choice when shopping for toys. Choice suggests that all labels or instructions on packaging should be checked to ensure:

- the toy is recommended for a child of a particular age or age grouping. Toys noted as 'not suitable for children under three' are not so marked as an indication of skill level or intelligence but as a safety warning. It is illegal for toys (and their parts) suitable for children under three to be so small that they can present a choking hazard. As a guide, if a toy or its parts can fit wholly into a 35 mm film canister they should not be given to a child under three years of age; and
- there are instructions for proper assembly and use (if appropriate).

Choice also suggests that selection should be based on toys that do not make loud noises, particularly toys that are held against the ear, such as walkie-talkies and toy mobile phones — as they can be harmful to hearing. In addition containers for toys (boxes (with lids) should be of a design that will not trap fingers or close on top of children. Ride-on toys need to be stable and appropriate to the age of the child.

Bearing this criterion in mind a range of toys was selected which included soft toys, push/pull and stacking toys, a small rocking horse, balls, books and bath toys. Two 28 litre-interlocking cubes were provided to store toys when not in use. In addition, to fit Australian children's summer behaviour, a small wading pool, bucket and spade were added. As with the clothing and footwear budget most selected items were suitable for either a 12-month-old girl or boy. Appendix C.5 contains the full list of items.

Personal Care for a 14-Year-old Girl

The personal care budget for the 14-year-old girl was based on items contained in two personal care budgets developed in the original BSU research - budgets for a 14-year-old boy and a 35-year-old woman. Similar types and quantities of shared items necessary for personal cleanliness – soaps, toothpaste, shampoo, etc and individual items such as deodorant, toothbrush, dental floss, medicated cleanser, pimple cream and watch as allocated for a 14-year-old boy were assigned to a girl of the same age. Items taken from the budget for a 35-year-old woman included the allocation of sanitary products, razors (for hair removal), haircuts and hair accessories. In addition a cosmetic purse (for sanitary products), a small amount of costume jewellery and body spray suitable for a teenager was allocated. Where it was possible to utilise items previously priced in March 1997 this was done and these prices were updated to December 2000. The full list of items is contained in appendix C.6.

It is of interest to note that the list of items required to meet the needs of an adolescent girl compared to a boy of the same age in the area of personal care are more extensive. As a consequence costs in this budget area are higher than for the boy of a similar age. As an indication of the differences in costs for young teenage boys and girls of the same age in this and other budget areas all costs for a girl and boy, 14-years-old are presented in Appendix C 9.

Personal Care for an infant of 12 months

In developing a list of items in the area of personal care for an infant of 12 months the researcher was faced with a plethora of both products and brands, particularly in

relation to disposable nappies. A number of books on the needs of babies, particularly those written by 'health experts', suggest a limited use (or avoidance) of any commercial product, including soap, to keep babies clean and comfortable. However others, such as the respected Tresillian Guide (Fowler and Gornall, 1994) took a more realistic approach suggesting the regular use of soaps, bathing solutions and creams in caring for infants. The writers however did recommend that all products were non-perfumed (less likely to irritate a baby's skin) products. An examination of the various products on the shelves of supermarkets and chemists indicated a wide range of commercial products that were guaranteed to be non-perfumed and/or non-irritant and these were chosen when selecting the items allocated to the budget. Products included liquid soap, body cream (sorbeline), alcohol free wipes, shampoo and powder. Also incorporated into the budget were tissues, sunscreen, cotton balls and tips, baby toothpaste and oral care, brush and comb, scissors, zinc and castor oil cream and a carry bag specifically designed for nappies, bottles, formula, etc.

Nappies

Most literature on babies' needs paid specific attention to the pros and cons of using cloth nappies compared to disposables. The writers pointed out that cloth nappies were cheaper in that they could be used time and time again but their use required more time and maintenance on the part of the carer. There was usually the necessity for soaking, rinsing, washing, drying, folding and storing. While cloth nappies did not have the environmental impact of disposables they did require the extensive use of water and energy (electricity/gas) for washing machines and depending on the weather tumble dryers. Nappy soaking solution, laundry detergent and buckets for soaking are also required. The use of cloth nappies also entailed the need for pilchers, liners and fasteners.

On the other hand disposable nappies were seen as more waterproof, absorbent and most of all convenient. They saved time and energy costs and for visiting, travel and illness (gastro-enteritis) they were a boon to parents. Not surprisingly perhaps carers of infants and toddlers also concurred on this point.⁹⁸ When this issue of disposables was raised in the focus groups with carers there was animated discussions around the various brand of disposables and which were the 'best ones' to use for older infants (ie 12 + months). The discussion around the use of cloth or disposable nappies was for many carers a forgone conclusion with disposables seen by most as the most practical though expensive solution. Carers also contributed information on their experiences with using a variety soaps, creams and other baby products and their costs.

Most writers suggested that infants require six disposable nappies per day on average. Disposables for different baby weights (for boys or girls) ranged from low priced budget nappies such as 'Home Brand' to more expensive brand names. Disposables come in packs of various sizes and as expected the bigger the pack the cheaper the individual nappy. Packs ranged from 12 to 88 nappies per pack in a number of brands. Many carers in the focus groups with carers commented that the cheaper brands were less reliable particularly as babies became more mobile, consumed extra liquids and slept longer periods through the night. For the baby's budget a popular brand of mid-priced disposables (Huggies) were chosen. The costs were based on packs of 36 as this size pack was considered to incorporate some cost savings and lessen the need for constant purchasing to meet needs. The costs were calculated on 6 nappies per day

98 In Oldfield's UK research disposable nappies were used by 88 per cent of carers providing for children aged 0-4 years (Oldfield 1997: 119).

with an addition of 6 extra nappies per week to cover contingencies relating to illness, travelling or outings where extra changes might be warranted. All items for this budget are contained in Appendix C.7.

Household Goods and Services (HGS) Budget for a Baby 12 Months

Guided by the experts' advice (as mentioned above) on the needs of young infants a selection of baby furniture and equipment was included in the household goods and services budget for the infant. There is unlimited choice for parent in the range, type, size, colour, quality and price for a proliferation of baby items. Many items while desirable were not seen as essential for the health and well-being of a infant child so were excluded from the budget. In addition numerous establishment items that would be essential for a new born - basinet, bath, bouncinette, capsule, pram, etc would no longer be required for a 12 month old so they were not included.

If the estimates for a budget for a newborn had been costed these establishment goods would have been costed. Such a budget would also have incorporated many of the items included for a growing infant such as a cot and other household items. On this basis it is reasonable to assume that the costs of a newborn (0-12 months) would have been in all likelihood more expensive than for a 12-month-old child.

Based on the readings on meeting the needs of young children there was a general trend from writers in the area to suggest that while prams were suitable for newborns and very young baby's strollers offered better value for the long term. Strollers were seen as quite suitable for both a new born and younger child as long as the seat back was fully adjustable and enclosed and came with a hood for weather protection. Writers of baby books recommended a stroller with larger wheel to absorb bumps and for ease of manoeuvring and one that was easy to fold and unfold. A stroller also needed to be of a weight and design that was easy to carry around and could be fitted into a car boot. Other safety features to look for in a stroller stated the 'experts' included:

- two separate locking devices for making sure the stroller doesn't fold up while using it;
- brakes that a child can't reach down and release;
- a harness a child can't undo;
- adjustable so baby can lay flat for sleeping
- easy to clean;
- good hood to protect baby from the sun; and
- a built in basket.

With this criterion in mind an appropriate stroller for a 12-month-old infant was selected among a range of modestly priced models from Target, ToysRus, Kmart and Big W stores. A stroller in the mid range of prices was allocated to this budget. Other essential items as suggested by baby experts to meet the needs for furniture, linen and towels, household items, cleaning products, feeding equipment and maintenance (ie regular cleaning of carpets and furnishings) were selected on the basis of their cost ie around the mid range of a number of prices. A small number of HGS items had previously been selected and costed in the original budgets for children of other ages (ie chest of drawers, towels, maintenance, etc). Where they were judged appropriate for an infant's use or would be utilised in caring for this child they were included in this budget and all prices updated to December 2000. Similar to the clothing and footwear budgets a list of all items for this budget including brand

names (where easily identifiable), brief description, store where priced, etc are listed in Appendix C.9.

This concludes the discussion on the ‘new’ estimates of the costs of children developed for this study. Appendix C.10 provides the total estimates of costs for all commodity areas for both the girl aged 14 years and the infant aged 12 months.

Appendix C.2: Clothing and Footwear Budget for a Girl, Age 14 (Prices for December 2000)

| Items | Descriptions | Fibre content | Retail outlet | Price (\$) | Quantity | Life times (Years) |
|----------------------------------|-------------------------------|------------------|---------------|------------|----------|--------------------|
| Items (winter) | | | | | | |
| Jacket | Hot Options | suede look | Target | 44.95 | 1 | 2 |
| Vest | Sleeveless, zip front | fleece/acrylic | Target | 19.99 | 1 | 2 |
| Cords | 5 pocket boot leg jeans | corduroy | Target | 29.95 | 1 | 1 |
| Skirt | Knee length, split | stretch denim | Target | 27.95 | 1 | 1 |
| Jumper, | Long sleeve roll neck | acrylic | Target | 29.95 | 1 | 2 |
| Jumper, | Long sleeve, v-neck rib top | cotton | Target | 13.95 | 2 | 2 |
| Casual jacket | Hooded zip front jacket | cotton fleece | Kmart | 31.99 | 1 | 2 |
| Tracksuit tops | Sweatshirt, long sleeve | poly/cotton | Target | 14.00 | 1 | 2 |
| Track pants | Elasticised waist, | cotton fleece | Target | 14.00 | 1 | 2 |
| Items (summer) | | | | | | |
| Pants | 3/4 length stretch pants | cotton/polyester | Target | 29.95 | 1 | 2 |
| Jeans | Fitted waist, flare leg | denim | Target | 29.95 | 1 | 1 |
| Sun dress | Slv/less, straps, knee length | viscose rayon | Target | 24.95 | 1 | 1 |
| Summer skirt | Drawstring, 3/4length | viscose rayon | Target | 29.95 | 1 | 2 |
| Shirt | 3/4 sleeves, collar, stretch | cotton | Target | 29.95 | 1 | 2 |
| Top | ‘Basic Hot Options’ | Ribbed cotton | Target | 12.00 | 2 | 1 |
| T-shirt | Crew neck | cotton/lycra | Kmart | 18.39 | 2 | 1 |
| T-shirt | Crew neck short sleeves | cotton | Big W | 4.93 | 2 | 1 |
| Tank top | Sleeveless, ribbed | poly/cotton | Big W | 4.93 | 2 | 1 |
| Shorts | Loose, short leg | microfibre | Target | 11.94 | 2 | 1 |
| Shorts | Cut-off pants, trim/ pockets | cotton/nylon | Target | 27.95 | 1 | 1 |
| Shorts | Printed surf shorts | nylon | Big W | 14.95 | 1 | 1 |
| Underwear & Nightwear | | | | | | |
| Briefs | Hi cut brief | cotton/elastin | Kmart | 11.95 | 2 | 1 |
| Briefs | ‘Jockey for Her’ G-string | cotton | Kmart | 6.99 | 2 | 1 |
| Briefs | ‘Basics’ bikini (5 pack) | cotton | Target | 7.00 | 1 | 1 |
| Vest | ‘Jockey for Her’ | cotton/lycra | Kmart | 9.82 | 4 | 1 |
| Bra | ‘Body Soft’ bralette | cotton/elastin | Kmart | 17.95 | 2 | 1 |
| Bra | Underwire, sports style | poly cotton | Kmart | 15.99 | 1 | 1 |
| Winter nightie | ‘Off Limits’ Happy Chick | interlock | Grace Bros | 17.95 | 1 | 2 |
| Winter pyjamas | Long sleeve, long leg | satin | Big W | 32.00 | 2 | 2 |
| Summer nightie | Sleeveless, , 3/4 length | satin | Target | 19.95 | 1 | 2 |
| Summer/pyjama | T-shirt, short le.g. boxer | polyester satin | Big W | 29.93 | 2 | 2 |
| Dressing gown | 3/4 length, wrap with tie | polar fleece | Grace Bros | 32.95 | 1 | 3 |

Appendix C.2 (Continued)

| Items | Descriptions | Fibre content | Retail outlet | Price (\$) | Quantity | Life times (Years) |
|---------------------|------------------------------|------------------|---------------|------------|----------|--------------------|
| Tights | Opaque | nylon/lycra | Target | 5.86 | 1 | 2 |
| Sport socks | 'Trizone' ankle sports socks | cotton blend | Kmart | 6.75 | 4 | 1 |
| Rash vest | Floral front rash vest | lycra | Target | 17.95 | 1 | 2 |
| Swim suit | Short leg pants, midriff top | lycra | Target | 25.00 | 1 | 1 |
| Accessories | | | | | | |
| Sun hat | Jockey style | cotton/poly | Target | 9.95 | 1 | 2 |
| Sun hat | Bucket style | cotton/poly | Target | 18.95 | 1 | 2 |
| Beanie | Plain | polar fleece | Target | 9.95 | 1 | 2 |
| Scarf | Plain | polar fleece | Target | 10.95 | 1 | 2 |
| Belt | Leather look, buckle | synthetic | Target | 14.95 | 1 | 3 |
| Swim cap | Pull-on | rubber | Target | 5.27 | 1 | 2 |
| Goggles | Swimming goggles | rubber/plastic | Target | 8.43 | 1 | 2 |
| Bag | Casual, shoulder, sling | paper/straw | Target | 19.95 | 1 | 2 |
| Wallet | 'Piping Hot' | synthetic | Target | 10.48 | 1 | 2 |
| Umbrella | Fold up system | nylon | Target | 12.95 | 1 | 2 |
| Shoes | | | | | | |
| Boots | 'Brink' ankle boot | synthetic | Target | 24.95 | 1 | 1 |
| Shoes, casual | 'Sandler' Ballet | leather uppers | Grace Bros | 79.95 | 1 | 1 |
| Sandals | Slides | synthetic | Big W | 7.96 | 1 | 1 |
| Joggers/trainers | 'Adidas' Sapphire shoes | synthetic | Grace Bros | 99.95 | 1 | 1 |
| Slippers | Sheepskin boots | suede | Big W | 18.95 | 1 | 1 |
| School Items | | | | | | |
| Shoes | 'Rollers' | leather uppers | Target | 36.90 | 2 | 1 |
| Tunic/frock | Summer style | cotton/polyester | school | 39.00 | 2 | 2 |
| Slacks | Waisted, pockets | cotton/polyester | school | 52.70 | 2 | 2 |
| Track top | Sweatshirt, long sleeve | poly/cotton | Target | 14.00 | 1 | 2 |
| Track pants | Elasticised waist | cotton fleece | Target | 14.00 | 1 | 2 |
| Blouses | School style | poly/cotton | Target | 12.00 | 5 | 2 |
| Sports | Knit, polo shirt | poly/cotton | Target | 12.95 | 2 | 2 |
| Sports | Adjustable waisted skirt, | poly/cotton | Target | 16.00 | 1 | 2 |
| Sports | Knit, drawstring waist | poly/cotton | Target | 18.65 | 1 | 2 |
| Tights | Winter weight, soft | nylon/lycra | Target | 12.65 | 2 | 3 |
| Socks | 'Bonds', (6 pair pack) | Cotton/elastine | Big W | 15.00 | 1 | 1 |
| School bag | Back pack | polyester | Target | 21.10 | 1 | 2 |

Appendix C.3: Clothing and Footwear Budget for a child, Age 1 (Prices for December 2000)

| Items | Descriptions | Fibre content | Retail outlet | Price (\$) | Quantity | Life times (1=6mths) |
|----------------------|--|----------------|---------------|------------|----------|----------------------|
| Singlets (summer) | Bonds, sleeveless | Cotton | Target | 2.70 | 6 | 1 |
| Pyjamas (summer) | 2-piece set, sleep wear | Cotton | Big W | 7.87 | 4 | 1 |
| Going-Out (summer) | Outfit - 2-piece set, short sleeves, short leg | Cotton | Target | 18.95 | 3 | 1 |
| Shorts (summer) | Short leg, elastic waist | Cotton | Big W | 5.93 | 6 | 1 |
| T-shirts (summer) | crew neck, shoulder buttoned, short sleeve | Cotton | Big W | 4.00 | 6 | 1 |
| Long pants (summer) | straight leg, elastic waist | Denim | Target | 11.00 | 2 | 1 |
| Top (summer) | long sleeve/light weight | Cotton | Target | 12.95 | 2 | 1 |
| Sun hat | Legionnaire style | Cotton | Target | 6.95 | 2 | 1 |
| Bathers | 'Little Eennies' swimmers | Lycra | Target | 16.41 | 1 | 1 |
| Lycra top | 'Rash vest', short sleeves | Lycra | Big W | 9.99 | 1 | 1 |
| Jacket top (winter) | Short zip, front opening | Polar Fleece | Grace Bros | 16.95 | 1 | 1 |
| Overalls | Going-out outfit | Cord | Grace Bros | 29.95 | 1 | 1 |
| Overalls (winter) | Bib & Brace | Denim | Big W | 24.97 | 1 | 1 |
| Tracksuit | Going-out outfit | Fleece | Big W | 21.97 | 1 | 1 |
| Vest | Sleeveless/full zipper | Fleece | Target | 11.00 | 1 | 1 |
| Skivvy (winter) | Long sleeves | Cotton | Big W | 4.00 | 4 | 1 |
| Long pants (winter) | Straight leg/ elastic waist | Cords | Grace Bros | 19.95 | 1 | 1 |
| Track pants (winter) | Elasticised waist/ankles | Fleece | Big W | 6.97 | 3 | 1 |
| Track tops (winter) | Sweat, crew neck | Fleece | Big W | 6.97 | 3 | 1 |
| Pyjamas (winter) | Jumpsuit | Flanette | Big W | 9.93 | 4 | 1 |
| Rain coat | Hooded, button through | Plastic | Target | 13.98 | 1 | 1 |
| Hat/sock set | Beanie + thick socks | Fleece | Target | 5.95 | 2 | 1 |
| Singlets (winter) | Bonds, sleeveless | Cotton | Target | 2.70 | 6 | 1 |
| Socks | Bonds, ankle length | Cotton | Big W | 2.95 | 4 | 1 |
| Socks | Triple roll/non-skid | Cotton | Target | 3.50 | 4 | 1 |
| Bibs | Small size (pack of 3) | Terry | Big W | 6.98 | 2 | 1 |
| Bibs | Medium size (1-2 yr old) | Terry | Target | 4.95 | 3 | 2 |
| Shoes (winter) | 'Crosby' boots | Leather uppers | Target | 21.95 | 1 | 1 |
| Slippers (winter) | Ankle cuffed booties, non-skid soles | Polar fleece | Big W | 5.83 | 1 | 1 |

Appendix C.4: Leisure Budget for a Girl, Age 14 (Prices for December 2000)

| Items | Descriptions | Retail Outlet | Price (\$) ⁽¹⁾ | Quantity | Life times (Years) |
|-----------------------|--|-------------------|---------------------------|----------|--------------------|
| Books | Teenage paperbacks – popular fiction (various) | Angus & Robertson | 5.50 | 6 | 1 |
| Magazine | ‘Dolly’ | Paper shop | 4.60 | 6 | 1 |
| Radio | ‘Sharp’, Radio/cassette/CD Player | Chandlers | 249.00 | 1 | 10 |
| Tapes | ‘BASF’ tapes, C90, (pack of 10) | Music shop | 15.00 | 1 | 1 |
| CDs | Recorded music CDs | Music shop | 91.50 | 3 | 1 |
| Personal computer | ‘Packard Bell’, 212 CD Pentium 120, 14” colour, Windows 95 | Toys’R’Us | 2,995.00 | 1 | 6 |
| Colour printer | ‘Canon’, auto paper feed | Grace Bros | 349.00 | 1 | 6 |
| Film | Kodak (roll of 24) | Kmart | 2.95 | 3 | 1 |
| Film processing | Processing | Kmart | 6.95 | 3 | 1 |
| Photo Album | Large size | Kmart | 7.95 | 1 | 1 |
| Basketball | ‘Spaldings’ Official NBA size 7 | Target | 24.95 | 1 | 6 |
| Basket ball backboard | 110cm PVC, rim and net | Target | 68.00 | 1 | 10 |
| Netball | ‘Mitre’ Intercept | Target | 27.99 | 1 | 6 |
| Board game | | Kmart | 29.42 | 1 | 5 |
| Computer game | ‘Ninetendo’ | Toys’R’Us | 87.00 | 1 | 4 |
| Bicycle | ‘Roadstar’ 66cm 15 speed, | Kmart | 195.00 | 1 | 5 |
| Bicycle helmet | ‘Rosebank’ | Kmart | 43.58 | 1 | 4 |
| Paint/colour kit | ‘Derwent’ | Paper Shop | 29.99 | 1 | 4 |
| Inner tube | Suitable for ‘Roadstar’ | Kmart | 9.80 | 1 | 1 |
| Pump | Bike pump | Kmart | 3.80 | 1 | 5 |
| Repair kit | Puncture repair kit | Kmart | 1.63 | 1 | 1 |
| Tennis racquet | Dunlop Max (full size) | Target | 34.99 | 1 | 5 |
| Balls (Tennis) | Dunlop (can of 3) | Target | 6.99 | 1 | 1 |
| Tennis bag | Vinyl, side pocket | Target | 34.99 | 1 | 5 |
| Sport | Netball/Basketball fees | Association | 77.35 | 1 | 1 |
| Cinema | Various | Various | 78.80 | 10.5 | 1 |
| Outing | Marine Park, (Family Entry) | - | 38.00 | 1 | 1 |
| Outing (food only) | Blue Mountains | - | 21.80 | 1 | 1 |
| Holidays | Family (2 adults + one child) (2 bed-unit) | Forster, NSW | 555.00 | 1 week | 1 |

Notes: Most items are taken from the leisure budget for 14-year-old boy. Minor substitutions were made. For example, a netball replaces the football; tennis items replace the boy’s skateboard and netball/basketball fees replaces soccer fees.

Appendix C.5: Leisure (Toys) for a Child, Age 1 (Prices for December 2000)

| Items | Descriptions | Fibre content | Retail outlet | Price (\$) | Quantity | Life times (Years) |
|--------------------|--|--------------------------------|---------------|------------|----------|--------------------|
| Toy animals (soft) | Expandable for cot/pram | Velour | Target | 19.95 | 1 | 2 |
| Toys (soft) | 'Tweenies' bean toy | VTECH | Target | 4.95 | 2 | 2 |
| Doll | 'Gloworm' (Playskool) | Velour | Target | 14.95 | 1 | 3 |
| Teddy | Friends Forever (Winnie the Pooh Range) | Synthetic | Target | 14.95 | 1 | 3 |
| Push-Pull Toys | Train Set (with blocks) | Wooden | Target | 12.95 | 1 | 2 |
| Stacking toys | Stackable Animals | Soft plastic | Target | 22.95 | 1 | 2 |
| Push/pull Toys | 'Thomas or Friends'/'push n' go' | Plastic | Target | 14.95 | 1 | 2 |
| Pull toy | Musical pull toy – 'Winnie the Pooh Range' | Plastic | Target | 14.95 | 1 | 2 |
| Push/pull toy | Cart with handle (blocks in tray) | Wooden/Plastic | Target | 19.95 | 1 | 2 |
| Balls (soft) | 1 big/1 small (pack) | Plastic & Rubber | Target | 4.77 | 2 | 2 |
| Table | Table/assorted activities | Plastic | Target | 19.95 | 1 | 3 |
| Rocking horse | Low/sit-on | Plastic | Target | 24.95 | 1 | 3 |
| Toy box | Reko 28 lt/nestable cubes, stack & lock | Plastic | Big W | 15.44 | 2 | 10 |
| Books | Read-Along book & tape | Disney | Target | 4.95 | 2 | 3 |
| Books | 'Dr Seuss' Beginner Books | Paper/Cardboard | Target | 4.95 | 3 | 3 |
| Bath toys | Pack of 6 assorted animals | Rubber/Plastic | Target | 14.95 | 1 | 2 |
| Music Box | Musical instrument 'Little Tikes' | Plastic/metal | Target | 19.95 | 1 | 2 |
| Pool | Wading Pool, (5'x4'x10") | Metal frame/polyethylene liner | Target | 21.73 | 1 | 5 |
| Bucket/Spade | Set | Plastic | Target | 2.80 | 1 | 2 |

Appendix C.6: Personal Care Budget for a Girl, Age 14 (December 2000 prices)

| Items | Descriptions | Retail Outlet | Price (\$) ⁽¹⁾ | Quantity | Life times (Years) |
|---------------------------|--|----------------|---------------------------|--------------|--------------------|
| Items (shared) | | | | | |
| Soap | 'Savings', Pack of 5 @ 100g | Coles | 2.54 | 4.33 bottles | 1 |
| Nail brush | 'Oats Merryware', autoclave, plastic | Coles | 2.75 | 1 | 5 |
| Toothpaste | 'Colgate', Baking Soda & Peroxide, 120g | Coles | 3.70 | 6 tubes | 1 |
| Shampoo | 'Pantene' Pro-V Treatment 200 ml | Coles | 5.07 | 0.8 bottles | 1 |
| Conditioner | 'Pantene' Pro-V Treatment 200 ml | Coles | | 1.04 bottles | 1 |
| Sun screen | Titanium Dioxide Formula | Cancer Council | 18.54 | 1 bottle | 1 |
| Nail scissors | 'Starlet' | Coles | 5.08 | 1 | 5 |
| Cotton wool balls | 'Dove' 180 pack | Coles | 3.71 | 2 | 1 |
| Tissues | 'Kleenex' Family 224s | Coles | 2.47 | 1.6 packs | 1 |
| Talcum powder | 'Imperial Leather' | Coles | 3.32 | 1 | 1 |
| Items (individual) | | | | | |
| Deodorant | 'Rexona' Sport, spray 150g | Coles | \$6.08 | 1.5 cans | 1 |
| Toothbrush | 'Colgate' Diamond Head Flex Twin pk-adults, Med/Doft | Coles | \$6.46 | 2 packs | 1 |
| Dental floss | 'Johnson & Johnson', Reach | Coles | \$3.10 | 2 | 1 |
| Razors | 'Gillette' Disposable, Blue II Sensitive 8 pack | Coles | \$6.55 | 3.3 packs | 1 |
| Hair cut | Woman's cut | Salon | \$33.48 | 8 | 1 |
| Nail file | Manicare Medium Fine Nail Shapers | Kmart | 3.72 | 2 | 1 |
| Tampons | 'Carefree/Libra' Fleur Tampons reg 16s | Coles | 3.66 | 20.31 packs | 1 |
| Sanitary napkins | 'Stayfree' Silk Winged, regular 16s | Coles | \$4.95 | 3.25 packs | 1 |
| Medicated cleanser | 'PhisoHex' 200ml | Coles | 8.67 | 4.38 bottles | 1 |
| Pimple cream | 'Clearasil' 18.5 gm | Coles | 8.67 | 2.64 tubes | 1 |
| Body Spray | 'Innoxa' Moisture Mist | KMART | 9.99 | 2 bottles | 1 |
| Hair bands | Scrunchie 2 pack | Coles | \$2.10 | 2 | 1 |
| Hair band | Cameo 6 pk | Coles | \$3.10 | 1 | 1 |
| Hair bands, fashion | 'Addis' fashion wrap (scrunchie) | Coles | \$6.14 | 2 | 1 |
| Hair comb | 'Cameo' comb shell, 1 pack | Coles | 2.67 | 1 | 2 |
| Hair Brush | 'Cameo' brush | Coles | 6.20 | 1 | 2 |
| Cosmetic purse | 'Cardinal'i | Kmart | 4.95 | 1 | 10 |
| Watch | 'Lorus' Digital | Angus & Coote | 35.96 | 1 | 10 |
| Watch battery + | Battery replacement (includes installation) | Angus & Coote | 12.40 | 1 | 2 |

Appendix C.6 (continued)

| Items (individual) | Descriptions | Retail Outlet | Price (\$) ⁽¹⁾ | Quantity | Life times (Years) |
|--------------------|-----------------------------|----------------|---------------------------|----------|--------------------|
| Earrings | 'Marcy' | Kmart | 9.99 | 1 | 2 |
| Bracelet | 'Marcy' | Kmart | 9.99 | 1 | 2 |
| Necklace | 'Girlfriend' | Kmart | 9.99 | 1 | 2 |
| Sunglasses | Cancer Council (Model 9616) | Cancer Council | 37.14 | 1 | 2 |

Source: Most items, quantities and brand names of products are from Chapter 11 *Personal Care Budget* and Appendix 11.A (Saunders et al., 1998).

Notes: A number of items in the Table are from the budgets for a 14-year-old boy (all shared items/some individual) and a 35-year-old woman (individual items). Some minor modifications from the 35-year-old woman's budget were made to suit a 14-year-old girl, i.e. body spray replaced perfume. Jewellery items were costed at Kmart instead Angus and Cootes and their lifetimes reduced to reflect the less expensive quality.

(1). All prices are from March 1997 updated to December 2000 using CPI for Personal Care except for 'new' jewellery items – earrings, bracelet and necklace costed for December 2000

Appendix C.7: Personal Care Budget for a Child, Age 1 (December 2000)

| Items | Descriptions | Retail outlet | Size | Price (\$) | Quantity (years) | Life times (years) |
|---------------------------|---|------------------------|----------|------------|------------------|--------------------|
| Disposables | 'Huggies', Nappies | Woolworths | 36 pack | 21.99 | 48 weekly | Na |
| Soother | 'Cherry Shape, Night' | Woolworths | Medium | 2.43 | 6 | 1 |
| Baby Bath | 'Johnsons', Liquid Soap | Woolworths | 200 mls | 4.07 | 12 | 1 |
| Body Cream | 'Sorblene' | Woolworths | 500 mls | 3.94 | 12 | 1 |
| Teething Gel | 'Bonjela', Gel for gums | Woolworths | 500 mls | 6.15 | 1 | 1 |
| Baby Wipes | 'Johnsons', (Alcohol free) | Woolworths | 120 pack | 6.55 | 12 | 1 |
| Baby Wipes (for travel) | 'Home Brand', Antiseptic (alcohol free) | Coles | 20 pack | 1.59 | 3 | 1 |
| Baby Shampoo | 'Home Brand', hair shampoo | Coles | 200 mls | 2.97 | 6 | 1 |
| Baby Powder | 'Home Brand', body powder | Coles | 600 gms | 1.25 | 2 | 1 |
| Tissues | 'Kleenex' Family size | Coles | 224 pack | 1.99 | 12 | 1 |
| Cotton Balls | 'Dove', Cotton wool balls | Coles | 180 bag | 2.99 | 6 | 1 |
| Cotton Tips | 'Wipeeze', Cotton tips | Woolworths | 200 pack | 2.10 | 2 | 1 |
| Toothpaste | 'Oral B', Baby toothpaste, | Woolworths | 120gms | 3.03 | 2 | 1 |
| Sunscreen | 'Auscreen', Child lotion 30+ | Woolworths | 250mls | 6.06 | 2 | 1 |
| Zinc and Castor Oil Cream | 'Herron' | Coles | 100 gms | 3.30 | 4 | 1 |
| Brush/Comb | 'Tommy tippee' | Target | set | 5.25 | 1 | 3 |
| Baby Scissors | 'Tommy tippee' | Target | 1 pair | 4.90 | 1 | 4 |
| Carry Bag | 'Baby Mate Company', Nursery in-a-bag | Target | - | 39.95 | 1 | 4 |
| Hair Cut | | Shopping Centre Saloon | - | 8.00 | 2 | 1 |

Appendix C.8: Household Goods and Services Budget for a Child, Age 1 (December 2000)

| Items | Descriptions | Retail outlet | Price (\$) | Quantity | Life time (Years) |
|------------------------------|---|---------------|------------|----------|-------------------|
| Cot | 'Cambridge' (white PVC or Baltic pine/ slat style) | Target | 279 | 1 | 10 |
| Mattress | Inner spring | Target | 82.00 | 1 | 5 |
| Mattress Protector | Laminated PVC, waterproof, soft towelling | David Jones | 17.95 | 2 | 5 |
| Under blanket | 'Fluffies', fleecy under blanket | Target | 10.92 | 2 | 3 |
| Mosquito Net | Single bed size, ceiling/stand hanging | Big W | 27.00 | 1 | 6 |
| Chest of Drawers | 'Bialitt' wood -w90xd53cmxh84-3 drawer | Ikea | 249.00 | 1 | 15 |
| High Chair | 'Steelcraft'- hi/low, padded seat back, harness, adjustable, tray | Big W | 168.00 | 1 | 10 |
| Floor Protector | Plastic Splash Mat for high chair | Target | 11.85 | 1 | 2 |
| Stroller | 'Winnie the Pooh', layback, basket, hood, reversible handle | Target | 189.00 | 1 | 5 |
| Sheepskin | 'Lambkin', sanitised, washable, pram/stroller liner | Big W | 49.98 | 1 | 6 |
| Stroller Blanket | 'Fluffies' satin bound, aircell | Big W | 16.32 | 1 | 3 |
| Portacot | 'Sunny Hunny', folds, double lock, carry bag, removable/washable cover, toy bag, mesh sides, mattress | Target | 129.00 | 1 | 8 |
| Linen & Towels | | | | | |
| Face Washer | 'Dickies Gold' | KMart | 3.95 | 3 | 1 |
| Bath towels | 'Dickies Gold' | KMart | 15.95 | 2 | 3 |
| Beach Towel | 'Waves' | KMart | 19.95 | 1 | 4 |
| Sheet Set | Cotton, fitted/flat sheets, pillow case | Target | 29.36 | 3 | 3 |
| Cotton Blanket | Cellular open weave | Target | 16.32 | 1 | 3 |
| Wool Blanket | Satin bound wool | Big W | 43.78 | 1 | 5 |
| Other Household Items | | | | | |
| Nappy bucket | Bucket with fitted lid (30 litre) | Target | 14.95 | 1 | 4 |
| Change Mat | Soft Padded Plastic/Foam/Sides | Target | 14.95 | 1 | 4 |
| Baby Monitor | 'Tommy Tippee', Monitor/Night Light, 100M. Range, 2 adaptors | Big W | 71.17 | 1 | 5 |
| Waste basket | 10 litre, Plastic with Lid | Target | 12.95 | 1 | 3 |
| Clothes Airer | PVC Coated, 15 Metres Airing Space + Top Rail, Folds | Big W | 18.44 | 1 | 10 |
| Bath Mat | Rubber with Safety Suction Caps | Big W | 6.00 | 1 | 3 |

Appendix C.8 (continued)

| Items | Descriptions | Retail outlet | Price (\$) | Quantity | Life times |
|--------------------------|--|---------------------|------------|----------|------------|
| Cleaning Products | | | | | |
| Soaking Solution | 'Nappisan'-2 kg | Big W | 9.98 | 3 | 1 |
| Disinfectant | 'Pine O'Clean'-500ml | Coles | 1.99 | 2 | 1 |
| Feeding Equipment | | | | | |
| Water jug | Glass (for Mixing Formula) | Kmart | 4.95 | 1 | 4 |
| Brushes (2) | 'Tommy Tippee' (Cleans Bottles/Teats) | Target | 5.95 | 1 | 1 |
| Bottles | 'Tommy Tippee' 6x250ml+Carry Case, Teats, & Lids | Big W | 9.98 | 2 | 1 |
| Cup with drinking spout | 'Tommy Tippee' No Spill, Plastic | Target | 6.95 | 1 | 2 |
| Feeding Bowl | 'Tommy Tippee', Plastic, Slip Resistant | Target | 9.82 | 1 | 3 |
| Plate | 'Tommy Tippee', Plastic, Slip Resistant | Target | 5.95 | 1 | 3 |
| Spoons | 'Tommy Tippee', (Plastic/Pack of 4 soft bite) | Target | 5.50 | 2 | 2 |
| Spoon/fork | 'Tommy Tippee', (Plastic/set) | Target | 7.62 | 1 | 3 |
| Maintenance | | | | | |
| Carpet Cleaning | 3-Bed-House or 3-Bed-Unit | Commercial Cleaners | 100.00 | 1 | 1 |
| Cleaning of Furnishings | 3-Bed-House or 3-Bed-Unit | Commercial Cleaners | 50.00 | 1 | 1 |

Appendix C.9: Comparison of Costs for a Boy and Girl, Age 14 (Decembers 2000)

| Commodity Areas | Girl, Age 14 | Boy, Age 14 | Difference |
|----------------------------|----------------------|--------------------|-------------------|
| | (\$ per week) | | |
| Housing | 33.06 | 33.06 | 0.00 |
| Energy | 2.58 | 2.58 | 0.00 |
| Food | 51.87 | 59.62 | -7.74 |
| Clothing & Footwear | 22.84 | 16.76 | 6.09 |
| Household Goods & Services | 27.40 | 27.13 | 0.27 |
| Health | 2.43 | 2.42 | 0.00 |
| Transport | 2.46 | 2.46 | 0.00 |
| Leisure | 28.85 | 26.72 | 2.13 |
| Personal Care | 13.59 | 5.97 | 7.62 |
| TOTAL | 185.09 | 176.73 | 8.36 |

Appendix C.10: Costs of a Girl, Age 14 and Child, Age 1 (Decembers 2000)

| Commodity Areas | Girl, Age 14 | Child, Age 1 |
|----------------------------|----------------------|---------------------|
| | (\$ per week) | |
| Housing | 33.06 | 33.06 |
| Energy | 2.58 | 2.58 |
| Food | 51.87 | 25.70 |
| Clothing & Footwear | 22.84 | 21.51 |
| Household Goods & Services | 27.40 | 15.49 |
| Health | 2.43 | 2.03 |
| Transport | 2.46 | 4.38 |
| Leisure | 28.85 | 2.15 |
| Personal Care | 13.59 | 36.57 |
| TOTAL | 185.09 | 143.47 |

APPENDIX D

8 January 2001
Dear Director

A Study of Appropriate Foster Care Payments for Stable and Adequate Substitute Care in Australia

I am writing to request your participation in a study of payments for foster care in all States and Territories in Australia. The Social Policy Research Centre (SPRC) at the University of New South Wales has been commissioned by the Child & Family Welfare Association of Australia (CAFWAA) and the Association of Children's Welfare Agencies (ACWA) to conduct the project.

The aim of the study is to contribute to an assessment of the adequacy of the current subsidy payments to foster carers in meeting the needs of children in care. The research project will develop an appropriate level of reimbursement for carers based on the estimates of the costs of children developed by the Budget Standard Unit (BSU) at the SPRC and will incorporate costs and expenses specific to the provision of foster care.

The study has three components. The first is a survey with the major stakeholders - Directors of foster care agencies and foster care associations. The second component of the study will involve determining the estimated costs of children in foster care. Focus groups with carers will comprise the third component. Summaries of the draft budgets containing estimated costs will be discussed with carers around Australia.

Both government and non-government agencies around Australia, who provide one or more foster care programs, will be requested to participate in the study to provide information on various aspects of the costs of care to carers. I enclose a questionnaire that I very much hope you will complete. Please complete a **separate** questionnaire for each program provided by your agency. A glossary containing definitions of terms used in the questionnaire is included with the form.

If you have any difficulties or concerns with any questions in the survey or you require extra copies of the survey form please call Marilyn McHugh at the SPRC on the toll free number 1800 065 576 or you can email Marilyn at m.mchugh@unsw.edu.au. We would like to have the completed survey forms returned to us in the self-reply envelope by **Wednesday 20 December**.

All information obtained from the survey will be treated as confidential. None of the published material from the research will identify individual agencies or carers. Your contribution to this project is very important. Thank you for taking the time to participate in the study.

- Yours sincerely



Professor Peter Saunders
Director

30 November 2000

Dear President/Secretary

A Study of Appropriate Foster Care Payments for Stable and Adequate Substitute Care in Australia

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All information obtained from the survey will be treated as confidential. None of the published material from the research will identify individual agencies, associations or carers. Your contribution to this project is very important. Thank you for taking the time to participate in the study.

• Yours sincerely



Professor Peter Saunders
Director

- **Study into Appropriate Foster Care Payments for Stable and Adequate Substitute Care in Australia**

Glossary of terms used in the survey form

To assist in the completion of the survey a number of definitions of terms used in foster care services and reimbursements to carers are provided to enable a consistent response from all states and territories in Australia.

Foster care refers to the type of care given by authorised, trained and supported members of the community provided to a child or young person in the foster carer's own home in some form of contracted or agreed upon way. It may also be called 'substitute' or 'shared family' care. It does not involve the type of care where there is payment of a wage to the foster parent/foster carer (eg in family group home care) or for after-care.

Foster Carer (or foster parent) refers to the carer of a child or young person for whom foster allowance is received.

Kinship care refers to the care of a child or young person by a person who is related to the child but is not a parent of the child or young person

Standard subsidy is defined as the regular weekly or fortnightly payment of foster care allowance to cover basic costs. In some states and territories the *standard subsidy* is age-related.

Add-on loadings to the standard subsidy are defined as increases to the standard subsidy, either in the form of percentage loadings or as a flat rate, eg special needs loadings

Add-on Allowances are defined as a regular payment for a special purpose eg outfitting or incidentals, etc.

One-off grants or **contingency payments** are defined as payments, which are, paid under special circumstances in a non-current way eg medical expenses.

Program or Service refers to the program/service name under which foster care is provided by agencies. Some agencies may provide more than one type of program for a child or young person in care. Some examples (ie. in NSW) of programs linked to the **'length of time in care'** are:

- temporary foster care or temporary family care or short term care (usually under 3 months; but can be longer, for example, due to court delays)
- respite foster care (can be planned or weekend care for carer or parent)
- emergency care or crisis care (voluntary/involuntary) usually under 3 months
- medium term care (from 3 months up to two years)
- long term foster care, permanent family placement or permanent planned care (over two years)
- pre-adoptive foster care
- shared care (between foster carer and family; or two foster families)

Programs/services can also refer to the **'category of child or young person'** for whom care is provided. Some examples in NSW of programs linked to the 'category of child or young person' are:

- Children under 12
- Adolescents ('teenagers')
- Aboriginal
- Torres Strait Islander
- Culturally specific

Programs/services can also refer to the **'level of need'** of child or young person for whom care is provided. Some examples in NSW of programs linked to 'needs of child or young person' are:

- high intensity fostering or intensive support service
- children with disabilities
- children with challenging behaviours

Programs/services can also combine the 'length of time in care' and 'needs of children'. Two examples in NSW of programs linked to 'length of time in care' and 'needs of children' are:

- respite care for children with a disability
- respite for young people with a disability

'Out of pocket' expenses refers to expenses that are met by the foster carer and fall outside the list of items covered by the foster care subsidy and are not claimed for by the carer by other means such as **Add-on Allowances or Contingency Payments**.

