

AUSTRALIAN GOVERNMENT FINANCIAL SUPPORT FOR FOSTER FAMILIES

PREPARED BY THE AUSTRALIAN FOSTER CARE ASSOCIATION
IN CONSULTATION WITH CENTRELINK AND THE
DEPARTMENT OF FAMILY AND COMMUNITY SERVICES – SEPTEMBER 2004¹

Introduction:

The Family Assistance Office through outlets in Centrelink, Medicare offices and ATO access sites, provide access to a range of payments and services. A range of helpful publications about payments, including current rates, is on their websites at www.familyassist.gov.au and www.centrelink.gov.au. The information in this brochure is intended as a guide only. Due to their complexity, any matters relating to assistance in respect of children entering or leaving care should be dealt with by appointment with the Family Assistance Office by phoning 136150, 8 am to 8 pm Monday-Friday.

Family Assistance Office Payments and Services

Family Tax Benefit (FTB):

FTB Part A helps families with the cost of raising children and FTB Part B gives extra assistance to families with one main income earner including sole parents. Families entitled to FTB Part A, may receive extra assistance through Large Family Supplement, Multiple Birth Allowance and Rent Assistance.

FTB part A may be paid to families who have a dependent child under 21 or a qualifying dependent student aged 21-24 years. FTB Part B may be paid in respect of a dependent child under 16 or qualifying dependent student up to the age of 18. There are a number of reasons why FTB cannot be paid in respect of a dependent child/student, such as the child/student receiving Youth Allowance or a prescribed education payment such as ABSTUDY, and foster parents should discuss this with the Family Assistance Office.

A foster carer's entitlement to FTB depends on their family circumstances including income. Foster Care Allowances paid by State/Territory Governments do not fall within the income test for FTB and CCB purposes, as the Australian Taxation Office does not consider remuneration received by people who are volunteer foster carers to be assessable income. Details on FTB and estimating income are available from the Family Assistance Office.

Foster carers with a child in their care who wish to claim FTB are encouraged to make early contact with the Family Assistance Office. It is important that the circumstances relating to each case should be taken into account when Family Assistance Office is making any decision for a payment of FTB in foster care situations. In cases where the care arrangements are in dispute, this enables a timely determination to be made about who is eligible for assistance and minimises the possibility of previous carers having to pay back large amounts of assistance.

The date that a foster carer is considered eligible for payment depends on the duration of the care and whether care arrangements are in dispute. In the following cases, payment of FTB can generally commence from the date a child is placed with the foster carer and, if an application is lodged within 2 years of the end of the financial year during which the child is placed in care, payment can be backdated to the date of placement:

- When care arrangements are longer term (longer than four weeks) and not disputed by the previous carer, for example when a child in long term foster care is moving to another carer; or
- When care is less than four weeks or the period of care is unknown, and the original carer does not want to be paid FTB.

As a guide, FTB is not generally payable if the placement is short term. Where the length of time is unknown or care is being disputed, payment may not be made until after a period of 4 weeks (in some cases up to 14 weeks). In these cases, payment cannot generally be backdated to the date the child was placed with the foster carer. Where care arrangements are in dispute, foster carers should discuss their eligibility for FTB with the Family Assistance Office.

If the foster carer shares the care of the child with another carer, such as when a child is gradually returning to the care of their parents, it is possible for each carer to claim a share of entitlement to FTB, as long as each family cares for the dependent child/student for at least 10 per cent of the time. The Family Assistance Office can assist you to work out whether this would be an appropriate arrangement and what percentage of time you care for the child.

Maternity Payment:

Maternity Payment recognises the legal relationship between a mother and her newborn baby, the role of the mother in the birth of the baby and the extra costs associated with the birth or adoption of a baby. Maternity Payment is intended to benefit the primary carer. A natural parent, or an adoptive parent, or a long term foster carer or in some cases more than one of these could qualify in respect of the one baby.

Maternity Payment is payable to:

- A parent of a baby if the parent meets all other eligibility criteria at any time within 13 weeks of the baby's birth; or

¹ This document is an agreed document between Centrelink, the Commonwealth Department of Family and Community Services and AFCA. It may not be edited or amended in any form without the authority of the authors.

- A parent of a stillborn baby if the parent would have met all the other criteria if the baby had not been stillborn; or
- A claimant who is entrusted with the care of a newborn baby if the claimant meets all other eligibility criteria within 13 weeks of the baby's birth and if the claimant is likely to continue to have care of the child for no less than 13 weeks; or
- A claimant who, before a baby is 26 weeks of age, has the baby entrusted to their care because the claimant will be adopting the baby, provided the claimant meets all other eligibility criteria within 13 weeks of the baby coming into the care of the claimant.

If the delegate deems it appropriate more than one person can be paid a percentage of the Maternity Payment.

- For further information regarding eligibility for Maternity Payment go to <http://www.familyassist.gov.au/> Note: There is no income or assets test for the Maternity Payment

Maternity Immunisation Allowance:

If the child is being cared for by a foster carer, they are eligible for this payment if:

- the child has turned 18 months and meets the immunisation requirements while in their care; and
- a claim for the fully immunised child is made before the child in their care turns 2.

Only one carer can qualify for Maternity Immunisation Allowance except in shared care situations where the payment can be split according to the percentage of care each person has.

Child Care Benefit (CCB):

CCB assists families with their child care costs. It helps families to balance work and family life and also provides opportunities for children's learning and development. Families may be eligible for CCB where they use approved child care or registered child care and meet the necessary immunisation, residency and FTB child qualification criteria. Further details on eligibility for CCB are available from the Family Assistance Office.

A family's entitlement to CCB will depend on their family income, the type and amount of care they use and whether they use the care for work or other specified reasons. Foster care allowances paid by State Governments are not counted as income for the purposes of CCB,

If a family needs access to child care, they can contact the Child Care Access Hotline on **1800 670 305** to obtain information to help them find a child care service that meets their needs. The Hotline provides families with information on:

- child care services in their area;
- the various types of child care available such as long day care, family day care, in-home care, outside school hours care and occasional care; and
- any quality of care issues.

The Hotline can also give families information about whether they may be eligible for financial assistance or they can obtain information from the FAO on **136 150**.

Centrelink Payments

Parenting Payment:

Parenting Payment (PP) is an income support payment designed specifically for people, either single or partnered, who have primary care of a child. PP can be paid in addition to FTB. In general terms, to qualify for PP, a claimant must:

- have the care of a dependent child aged under 16;
- have income and assets below certain limits; and
- meet the residence requirements.

PP (Partnered) is only paid to one member of a couple. Only one person can receive PP in respect of a child (for example a natural/adoptive parent and a foster carer cannot receive PP for the same child). Qualification for PP in cases where the care arrangements are in dispute should be discussed with Centrelink.

Carer Payment:

Carer Payment provides income support to people who, because of the demands of their caring role, are unable to support themselves through substantial workforce participation. It can be paid to a carer in respect of a child who is profoundly disabled or an adult who has a disability or severe medical condition or who is frail aged. This payment is income and asset tested. The foster carer may do paid or voluntary work, study or train for up to 20 hours a week without losing eligibility for Carer Payment. In addition the foster carer can take a break from caring for up to 63 days in a calendar year, and the child/adult that they are caring for can be hospitalised for up to 63 days in a calendar year without losing eligibility for Carer Payment. The foster carer can be in receipt of both Carer Payment and Carer Allowance if eligible but cannot receive Carer Payment and another Social Security or Veterans Affairs income support pension at the same time.

Carer Allowance:

This is a supplementary payment to people who provide daily care and attention at home for a person with a disability or chronic medical condition. To be eligible for this payment for a child under 16, the child must be a dependent child of the foster carer, they must live together in a private home and the child must have a disability that permanent or likely to last for at least 12 months. A foster carer can take a break from caring for up to 63 days in a calendar year, and the child that they are caring for can be hospitalised for up to 63 days in a calendar year, without losing eligibility for Carer Allowance. The allowance is not income or assets tested and can be paid in addition to a social security income support payment.

If a carer of a child under 16 is not qualified for the payment they can qualify for a Health Care card if the child requires at least 14 hours per week of additional care and attention.

Health Care Cards:

A Health Care Card (HCC) is available to foster carers for any foster children in their care, provided the foster carer is an Australian resident living in Australia. Eligibility for the HCC is not dependent on the child's natural family's eligibility or the foster carer's income. Foster child HCCs must be claimed, rather than being issued automatically, and foster carers should discuss their entitlement with Centrelink or the FAO.

Youth Allowance:

Young people in foster care (and subject to a care and protection area) who are in full-time study (or are undertaking a combination of approved activities) may be classed as "independent", which is based on their status of being in state care, and eligible for Youth Allowance (YA) from their 15th birthday. Each case is treated on its own merits, so it is important to provide all relevant information at the time of claim.

If YA is paid to the young person, it is not subject to their foster carers income or assets. In addition, the foster carer is not eligible for FTB. Generally, YA may be paid to a young person under 18 if they have not completed Year 12 and:

- are in full-time study or training; or
- agree to enter into an activity agreement.

Some young people in foster care will be considered to be dependants of their foster carer(s) where they are not subject to a care or protection order. In these cases, Youth Allowance is payable, subject to a Parental Means Test, to dependent young people over the age of 16 years.

The maximum age for YA is 21 years for unemployed young people and 25 years for full-time students. YA must be paid into the independent young person's account unless there is a written advice from the young person requesting payment to go to a third party. However, if an independent young person is considered incapable of managing their financial affairs, YA may be paid to a third party (or nominee) on behalf of the young person. To decide whether a young person is incapable of managing their financial affairs, Centrelink would consider the available medical and other evidence, for example social worker reports.

Two payment rates exist for YA:

(a) If the foster carer is in receipt of a Fostering Allowance (from State Government) then YA is paid at the "at home" independent rate.

(b) If the foster carer does not receive a Fostering Allowance, then YA is paid at the "away from home" rate.

The rate under (a) usually provides the greater total payment.

Double Orphan Pension:

This payment provides assistance to people caring for children who are double orphans. To qualify for Double Orphan Pension, both of the child's parents must no longer be living or one of the child's parents must no longer be living and the other must be uncontactable or unable to assume caring responsibilities. This might be because of long-term imprisonment, residential or psychiatric care in an institution, or because the parent's whereabouts is unknown. Some refugee children may also be considered as double orphans. This payment is not income or assets tested.

Abstudy:

Abstudy is available to Aboriginal and Torres Strait Islander students who are aged 14 years or older at 1 January in the year of their study and are studying an approved secondary course or are at an approved primary or special school. Abstudy may also be available to Aboriginal and Torres Strait Islander students who go on to further study after leaving school. Students in state care may be eligible for the Abstudy Living Allowance either at the standard or away rate, if they have reached the minimum school leaving age.

Assistance for Isolated Children (AIC) Scheme:

This helps families with primary, secondary and tertiary students under 16 years of age who are unable to attend an appropriate government school on a daily basis primarily because of geographic location. An appropriate government school is one that offers the student's level of study or, if the student has special health-related or educational needs, one that provides access to the facilities, programs and/or environment required for those needs.

Foster Care Allowances and Tax:

Foster Care Allowances paid by State/Territory Governments do not fall within the income test for FTB and CCB purposes, as the Australian Taxation Office does not consider remuneration received by people who are volunteer foster carers to be assessable income. It should not be listed as income when making an application for a financial loan of any sort.

Further information:

Further information may be obtained by consulting the Family Assistance Office through outlets in Centrelink, Medicare offices and ATO access sites, visiting their websites at www.familyassist.gov.au and www.centrelink.gov.au or by phoning 136150, 8 am to 8 pm Monday-Friday.

AFCA may be contacted by email at AFCA@bigpond.com.