

## ADDENDUM

Following the finalisation of the *Cost of Caring* draft report the Child and Family Welfare Association of Australia (CAFWAA) in conjunction with the Australian Foster Care Association (AFCA) and the Association of Childrens Welfare Agencies (ACWA) issued the following statement.

### **Towards a fair Foster care reimbursement system for Australia**

Foster care is the backbone of child welfare services and is undergoing a crisis in recruitment and retention partly due to poor reimbursement. In 2001 Australia-wide bodies representing child and family welfare agencies and foster carers commissioned the Social Policy Research Centre (SPRC) University of NSW, to undertake research to establish the real cost of caring for foster children.<sup>1</sup>

This study used techniques first employed to establish the cost of children generally in the community. By adding information on the special costs of fostering as determined through surveys and focus groups held in every State and Territory, the SPRC was able to calculate the real costs incurred by looking at four different age groups of children (costs vary with age of the child) in foster care. These are the Foster Care Estimates (FCE).

The research finds that **the estimates of the costs of children in foster care are on average 52% higher than the costs of children not in care.** Foster children require more expenditure than “ordinary” children in the areas of housing, wear and tear, household and contents insurance, water usage, energy, food, clothing and footwear, health, specialist assistance, transport (particularly access visits to birth families), leisure and personal care.

The study shows that **NO state or territory is, overall, paying an adequate reimbursement to foster carers at the standard subsidy level, compared to the estimated costs of foster children.** (See Table 1 over)

The research also confirms that **there is a high level of discontent amongst carers about reimbursement of costs in all states and territories.**

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<sup>1</sup> There are 7,870 children in foster care, and 6,051 known to be in kinship care in Australia, with indigenous children significantly over represented.

**TABLE 1: The Foster Care Estimates (FCE) compared to the Standard Subsidy Levels for all States by age of the child (2000) (\$ per week)**

Note: These figures are indicative only and must be read with regard to the impact of contingency payments

Age	TAS	WA	NT	SA	VIC	ACT	QLD	NSW	FCE
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 <sup>1</sup>
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:** All dollar amounts rounded. (1) Amount of \$242 applies to a boy aged 14. Amount of \$248 applies to a girl aged 14.

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

For this standard subsidy States expects carers to pay for:

- housing (FCE costed this at between \$34.87 and \$45.16 according to child's age);
- food (FCE costed this between \$29.55 and \$68.56 according to the child's age);
- energy (FCE costed this at \$3.87); and the
- bulk of ongoing clothing (FCE costed this between \$12.79 and \$22.84 depending on child's age).

Some States expect other items to be paid for out of the Standard Subsidy. In some circumstances States may make additional payments when a cost is incurred (contingency payments). However it should be noted that most of these are discretionary payments, and the report found payment both arbitrary and slow. (See Table 2 below.)

**Table 2: BASIS OF DECISION MAKING ON PAYMENT ABOVE THE STANDARD SUBSIDY**

D=DISCRETIONARY M=MANDATORY,	TAS at 2002	WA at 2000	NT at 2000	SA at 2002	VIC at 2002	ACT at2002	QLD at 2002	NSW at 2002
<b>Costs which may attract extra reimbursement for item included in FCE:</b>								
<b>Clothing</b> (FCE \$12.79-\$22.84)	1D	D, M	1D	M			1D+A M	
SCHOOL UNIFORMS (in FCE)	AD1D	1M,1D				1D	M,1D	
<b>Household</b> (FCE \$19.45-\$41.38)								
<b>Health</b> (FCE \$1.39-\$3.23)	AM				AD	D	1D	*
DENTAL (included in FCE)	AM	1M,1D		1D	1 (D)	D	1D	
<b>Transport</b> (\$4.38-\$12.84)				D25% loading		D	1D	
<b>Leisure</b> (FCE \$5.15-\$43.33)	AD	1D	1D	1D			1D	
<b>Personal Care</b> (FCE \$2.81-\$36.57)	AM	D,M,1 M						
<b>Costs attracting extra reimbursement for item excluded in FCE:</b>								
PRESENTS	D			M			1D	
CHILDCARE	AD	D,1	1		AD	D	1D	
CASUAL CHILDCARE	AD	AD			AD	D	1D	
ESTABLISHMENT	1D	LD,1D		1M (1/T)	1D	1D	1M	M
Education-BOOKS	AD		1D	1D				
Education- EXCURSIONS	AD	1D	1D	1D		D	1D	
FAMILY CONTACT		LD,1D	1D	M- reunif		D	1D	1M
SPECIAL NEED	LD.1D	LD,1D	LD	laundry		LD	LD	LD
RESPIRE	1D	LD,1D	1D	M(25 dayspa)	1D	1D,D	1D	1M
L>Loading, A=Allowance, 1= One off payment			*= mandatory over \$250 per quarter					
Multiple entries mean different conditions according to legal status of child Note Some States assist with ambulance, private hospital, specialist medical. In Victoria regional discretion may be used								

**CAFWAA endorses the recommendations in the Report and calls for:**

1. All States and Territories should accept the FCE (Foster Care Estimates) as the basis of payment to reimburse for food, housing, energy, ongoing clothing, insurance, basic health, dental, daily transport, leisure and personal care. This amount should be adjusted annually to reflect the cost of living.
2. FCE payments should be age related, irrespective of legal order, and special needs categories should apply. A loading for rural and remote carers should be added. Payments should be applicable to kin carers on request.
3. Mandatory additional payments should be made for: placement establishment expenses (including clothing), presents, specialist services including counselling and tutoring, childcare, private health cover, over the counter medication, education (books, excursions), mileage and expenses for all "official" work such as family contact, appointments and care planning meetings, and respite care.
4. Immediate assistance by Government should be provided to address the insurance needs of carers.
5. Assistance with larger vehicles should be common.