Supporting Foster & Kinship Carers: Levels of Remuneration for Carers”

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Introduction - Presentation discusses:

• OOHC Background in 2017 (AIHW, 2017)
• Carer Subsidy/Allowance
• Research on Costs of Children
• Foster Care Estimates (FCE)
• How Carer Allowances are Calculated
• Comparison of Foster Care Estimates (FCE) and Carer Subsidy Levels 2017
• Analysis of the FCE Findings 2017
• What is known about Higher Carer Payments?
• Does Money Matter? Does it Affect Children’s Outcomes?
• Conclusion
OOHC Background in 2017 (AIHW, 2017)

- Currently- 46,448 children & young people in OOHC
- Majority of children (94%) in OOHC in home-based care
- Half (49%) of all children are in relative/kinship care
- Over one-third (39%) are in foster care (5% third-party parental care & 1% ‘other’ home-based care)
- Victoria has highest percentage (56%) of children placed with relative/kinship carers
- Victoria has just over one third (36%) of children in foster care, 16% in foster care and 20% in permanent foster care placements (third-party parental care). Victoria has the highest percentage of children in permanent foster care placements
Carer Subsidy/Allowance

- Home-based care placements increasingly managed by NGO sector, though many placements still with Child Welfare Departments
- Regardless of whether carers are foster or relative/kin carers all approved carers are provided with a subsidy/allowance to cover day-to-day costs of children
- Typical costs met by subsidy/allowance: shelter, food, clothing/footwear, utilities, furniture, transport, leisure & personal care
- Depending on special needs of a child some carers are provided with higher levels of subsidy/allowance
Research on Costs of Children

- Researchers use different approaches to estimate costs of children
- One approach taken by SPRC at UNSW used a budget standards method to estimate costs of children
- Budgets were determined for families (couples with & without children) at two standards of living - modest-but-adequate and low cost.
- The ages of children in the budget standards research were 3, 6 10 and 14 years
Foster Care Estimates

- In 2002 the modest but adequate standard was used to estimate costs of children (3, 6, 10 and 14 years) in care.
- A new budget was completed to estimate the costs of a one-year old child.
- Similar UK research Foster Care Estimates (FCE) were found to be around 50% more than for children not in care.
- Research found subsidy/allowances in 2002 in all jurisdictions did not cover children’s costs.
- For 15 years the FCE have been updated (using the CPI) to provide sector with information on current FCE levels.
- Over the 15 years many jurisdictions have improved the levels of carer subsidy/allowance.
How Carer Allowances are Calculated

• All fortnightly allowances are converted to weekly amounts
• Figures are for July 2017
• CPI used to update the FCE in 2017 is June CPI for Sydney where original costs were estimated
• For Tasmania: Amount includes the annual payment to carers for a child’s birthday ($75) & Xmas ($75) per child
• For Western Australia: Amount includes additional payments for clothing + pocket money (based on age of child)
• For South Australia: Amount includes additional payments for education for school-aged children. All children in care are also eligible for an annual ($92) Activity Grant
• For Victoria: The current allowance levels includes additional allowance for medical & educational for children in all age groups. In addition carers are eligible to receive the Educational Assistance Initiative for primary and secondary school children
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Analysis of the FCE Findings 2017

• Commendable that four of the eight jurisdictions provide similar or higher levels of Carer Subsidy than that of the FCE

• Concern that four jurisdictions (WA, TAS VIC & SA) are still some way below the current levels of the FCE

• Of particular concern is VIC which, after NSW (17,800), has the highest number of children in OOHC (9,705) - but provides some of the lowest levels of carer subsidy

• In addition VIC had the highest number of foster carers (568) leave the foster care system in 2015-16 (total left 1,564)

• Foster carers leave fostering for a number of reasons - satisfaction with fostering, own family circumstances, issues around formal & informal support including training, respite & placement breakdown

• Research indicates ‘adequate’ financial support is a significant part of the support all carers require & financial strain is one reason that causes foster carers to leave fostering (Thomson, MacArthur, Watts, 2016)
Analysis (cont’d)

• A 2017 VFCA survey with foster carers (n=417) indicates that just over half (54%) of all carer were satisfied with the level of allowances received. Less than half (47%) of carers were satisfied with the level of ‘other funding’ to meet children’s needs. Carers caring for 5 years+ were less satisfied than carers caring for shorter periods of time.

• Numerous studies here and elsewhere on kinship carers indicate their usually poorer circumstances compared to foster carers.

• Kinship care research by Kinship Carers Victoria (2014) found carers (N=113) in the survey had financial pressures impacting on their caring role.

• Surveyed kinship carers, many retired, had problems making ends meet, and raised concerns about crowded housing, rising costs of education and feeding and clothing children in their care.
What is known about Higher Carer Payments?

• All jurisdictions provided carers of children with special needs higher levels of carer allowance

• It is difficult to say anything definitive about the adequacy of higher allowances due to a lack of research in the area; a lack of departmental information on what higher allowances are meant to cover; and data on numbers of children in receipt of higher allowances

• Every jurisdiction takes a different approach to both age groups covered in higher allowances and level of payment they provide so no easy comparisons can be made

• What the data on higher allowances for children 1, 3, 6, 10 and 14 years does indicate is that at the lowest level of higher allowances Victoria again provides some of the lowest amounts

• In contrast at the highest level of higher allowances Victoria provides some of the highest levels except for a 14 year old where amounts are higher than in 3 other jurisdictions
Does Money Matter? Does it Affect Children’s Outcomes?

- UK research (2017) examined a number of studies ($n=34$) looking at the relationship between household financial resources and children’s outcomes (e.g. children’s health, cognitive development and social, emotional and behavioural development).

- The research found strong evidence that income has causal effects on a wide range of children’s outcomes, especially in households on low incomes to begin with, often the case with kinship carer families. Study concluded that reducing income poverty can be expected to have a significant impact on children’s environment and their development.

- The weight of the evidence suggested that money *in itself* does matter - poorer children have worse outcomes, particularly in relation to cognitive development & school attainment. Poorer outcomes for social, emotional and behavioural development were also evident from the studies.
Conclusion

- Recent foster and kinship studies and data in this presentation indicate a need for increased funding for carer allowances and additional funding to meet children’s needs, particularly in Victoria.

- Achieving better outcomes for children in care and easing the financial pressures on both foster and kinship carers should be what really matters to us all.

THANK YOU