



Reforming the Foster Care System in Australia

A New Model of Support, Education and Payment for Foster Parents
And a Call to Action for State and Federal Governments and Community
Sector Organisations

Executive Summary

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September 2013

EXECUTIVE SUMMARY

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Current Situation in Australia

A number of recent reports on Out-of-Home Care (OOHC) in Australia have stressed that the foster care system is in a state of crisis, and urgent reform is required. As is the case internationally too, in Australia, more foster parents leave the system each year than are recruited, thus diminishing the available pool of carers.

Meanwhile, demand for OOHC placements is growing as more children and young people are notified to child protection. Due to the intersection of alcohol, drugs, mental health and family violence issues, those entering foster care have increasingly challenging behaviours and complex needs, escalating the demands on their foster parents.

In July 2011, all States, Territories and the Commonwealth, after extensive community consultation, established the National Standards for OOHC. These note that: *“Evidence shows that the experiences and quality of care received in out-of-home care can be critical to determining whether a child or young person can recover from the effects of trauma and are more able to access opportunities in life.”*¹

Over the past decade, Australian jurisdictions have implemented a number of small and relatively costly specialist fostering programs, including some with a therapeutic and treatment focus. These programs recruit experienced and specially trained foster parents to provide a more ‘professional’ form of care, and reward them accordingly. But as commendable as these small initiatives are, the pace of reform in foster care lags far behind fast-escalating need. Urgent, coordinated and sustained action to transform foster care at a state and federal level is required to bring that about.

¹ *An Outline of National Standards for Out of Home Care*, a priority project under the National Framework for Protecting Australia’s Children 2009-2020. Department of Families, Housing, Community Services and Indigenous Affairs together with the National Framework Implementation Working Group. July 2011. See: http://www.fahcsia.gov.au/sites/default/files/documents/pac_national_standard.pdf

The Need for a Professionalised Foster Care System

A professionalised foster care system, as proposed by Berry Street, would make being a foster parent a viable option for the many people who have the passion and disposition to care for vulnerable children but will not take on that role within the existing system.

Child welfare and foster care literature highlight the challenges in helping children in care to heal and develop the confidence and skills they need to become independent. We also have strong evidence on the impact of trauma on children's development and their need for a trauma-informed and stable caring environment. But with fewer carers available and escalating demand for OOHC placements, a greater proportion of children in OOHC are being placed in relatively under-resourced kinship care placements or in residential care placements that often expose them to further risks. A scarcity of carers also makes placement matching more difficult and placement breakdown more common. The net outcome is diminished quality of care for those entering care.

The traditional, voluntary, model of foster care simply isn't enough. No longer can a system in which carers receive only modest training and support, no income for the time they invest, only partial reimbursement for the direct costs of caring, and limited supervision, be relied upon to create the caring environment that children need to recover and reach their full potential. Some level of sustained, additional investment is required to improve the quality of care and lifelong outcomes for foster children.

Public policy worldwide increasingly emphasises the professionalism of foster care. In the UK, the US and some European countries, competency-based models have been established. Successful completion of training by foster parents, and their enhanced capacity to provide a professional level of care, has been linked to eligibility for higher levels of fee payment. In New Zealand, certificate and diploma courses for foster parents have been developed, but as yet without a direct link to the fees then paid.

The role of foster care agencies is shifting too - from recruiting and supporting foster parents to also training and supervising their 'work'. Despite this trend, there is a lack of the specialised recruitment, training, supervision, support and remuneration that would be associated with a professional care service.

Major reform of the foster care system is required to arrest the decline in foster care as an effective alternative care option. A professionalised system within which all carers are equipped, resourced and supported to meet the needs of those in their care will create pathways for these children and young people to reach their full potential.

A New Model of Support, Education & Payments for Foster Parents

In this document, Berry Street, with support from the University of New South Wales, proposes a **new operational and funding model for a professional foster care system**. This model reflects the differing levels of need, and integrates four key components (see Figure 1 below):

1. Foster Parent Recruitment, Training & Assessment
2. Placement Support
3. Foster Parent Network Support
4. Financial Resources.

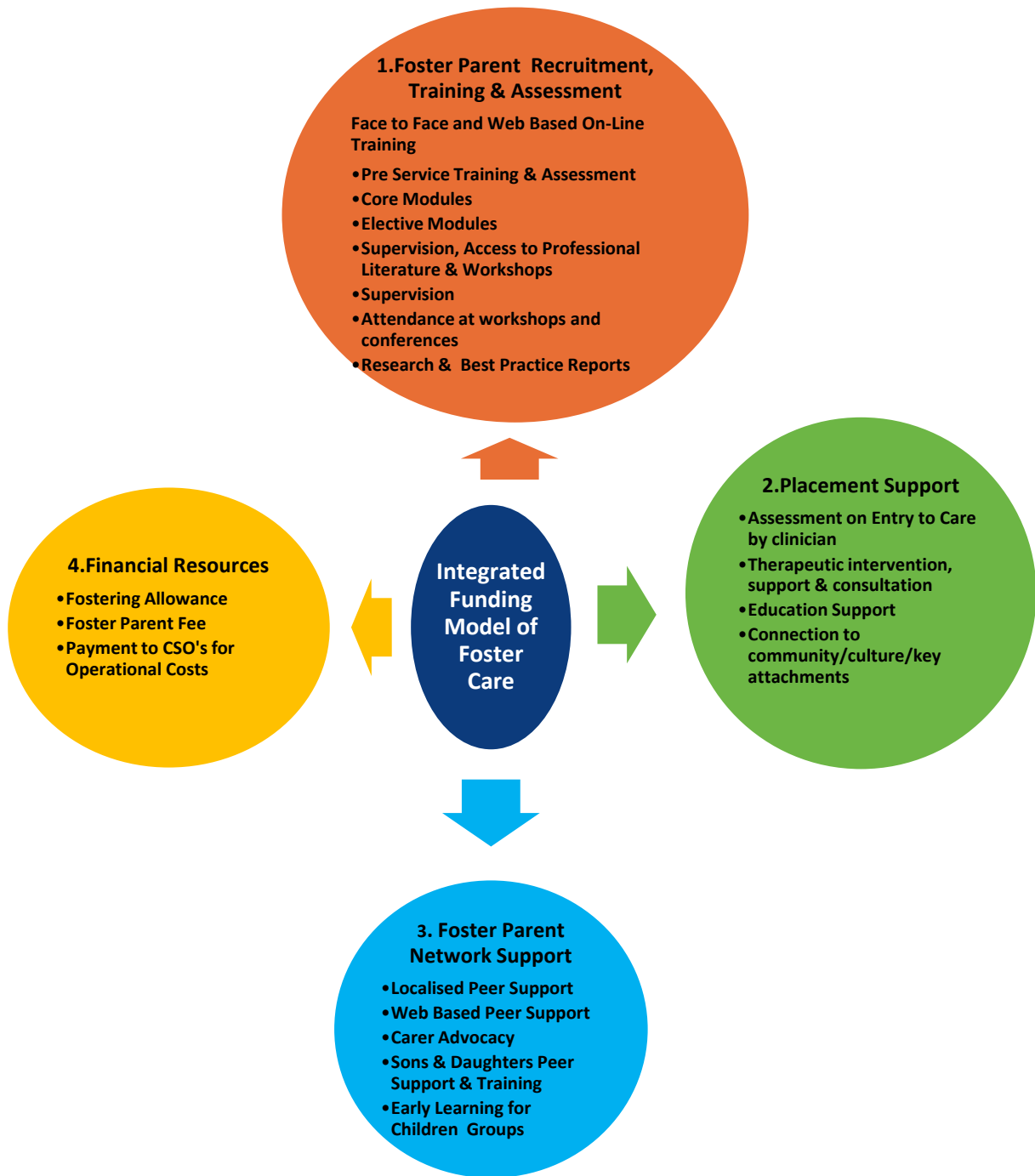


Figure 1: Foster Care Integrated Model

COMPONENT 1. Foster Parent Recruitment, Training and Assessment

The foster care literature highlights a general lack of specialised training for foster parents and suggests that of all the professionals (e.g. caseworkers, psychologists, teachers) involved with fostered children, *'foster parents are the least prepared for, and the less supported in their responsibilities.'*²

Many reports highlight the tension between what foster parents are expected (and want) to do for their fostered children, and the level of support (financial and non-financial) provided. Berry Street's model would align the foster care system with the contemporary realities of being a foster parent, which would improve the retention of existing carers, open up fostering to new cohorts and markedly improve recruitment.

Similar initiatives aimed at improving the quality of foster care have recently been introduced in the UK and elsewhere. One of these initiatives is the *'Payment for Skills'* scheme, which enables general foster parents to increase their skills through undertaking targeted training.

While all Australian applicants are required to undertake an initial training program before being approved as foster parents, there are no mandatory requirements attached to the frequency and type of ongoing or specialist training, unless the foster parent is involved in a 'specialist fostering program'.

The Berry Street model instead proposes introducing a 'building block' approach for all foster parents to develop their skills. Training would be based on the national *Community Services Training Package CHCO8: Foster Care Skill Set*, as developed by the *Community Services & Health Industry Skills Council (CS&HISC)*. There are three Units in the package and attainment of the Units may provide credit towards *Certificate IV in Child, Youth and Family Intervention*. Completing units in the skill set may also provide foster parents with credit towards Certificate III or Certificate IV in Children's Services. The main document includes two tables that illustrate the structure of the Foster parents Skill Set Development framework.

² Marcellus, 2006: 119

COMPONENT 2. Placement Support

The Placement Support component of the model includes the following key elements:

1. **Assessment by a clinician** - for all children and young people entering care;
2. **Therapeutic intervention, support and consultation** - the foster parent is viewed as central to the professional service, and is supported by:
 - Appropriate matching of foster parent/child;
 - Specialist foster parent training and development opportunities;
 - Involvement in case planning/management;
 - Treatment as an equal partner in the care team;
 - Provision of caseworker support and supervision;
 - Specialist therapeutic support;
 - After hours 'crisis' support;
 - Regular planned respite;
 - Annual foster parent review; and
 - Participation in support groups;
3. **Education and support** - An individual Educational Support Plan ensures each child receives the educational support they need and has access to the same resources, services, extracurricular and enrichment activities (e.g. school excursions) available to all school students;
4. **Connection to community/culture/key attachments** - Foster parents receive the support they need to ensure that every child maintains their connection to family, foster parents, school, friends, community and culture.

The operational model proposed by Berry Street would resource agencies to provide a 'wrap around' service model, similar to the Victorian Therapeutic Foster Care Program (*Circle Program*). The model allows early intervention in the placement by a multi-disciplinary team who will provide consultation and support as outlined above. Funding will cover the costs of:

- The implementation of a 1:8 case load ratio;
- The appointment of a team of professionals - team leader; clinician; education support consultant; community support consultant; intake/access workers; recruitment, assessment and training workers; caseworkers; and admin staff.

Berry Street is cognisant that each jurisdiction in Australia has a different mix of agencies for service delivery, including Community Service Organisations (CSOs) and State Government Departments. The intent of the new model is to ensure that children

and young people receive the care they need *regardless of which agency or agency type is responsible for delivery*. Berry Street's experience is, however, that CSOs are better placed than government agencies to develop and deliver the relationship-based work involved in high quality, trauma-informed foster care. The integrated funding model outlined in the full paper is based on current CSO costs, and the estimated cost of a sample program, delivered by a CSO, is provided.

COMPONENT 3. Foster Parent Network Support

The saying "*It takes a village to raise a child*" is never more relevant than for foster parents. A network of family, friends and community, including education and other professionals, is crucial for those foster parenting a child who has most likely experienced some form of trauma. Accordingly, the Foster Parent Network Support component of the new model includes:

- Area-based peer support;
- Web-based peer support;
- Independent foster parent advocacy;
- Services and support for foster parents' family members;
- Peer mentoring; and
- Facilitated topical groups.

COMPONENT 4: Financial Resources

All foster parents in Australia are currently entitled to receive an age-related allowance to cover the day-to-day costs of children in their care. This is paid to off-set (in part) the costs incurred by foster parents, *but does not compensate them for the time and work involved in caring for a foster child*. Jurisdictions vary widely in what is paid, and how this is determined. (Victoria for example, has five payment types comprising 16 levels of payment - all of which are lower than those offered by any other jurisdiction.)

The new model proposes that the role of fostering children on behalf of the State be supported through significantly improved financial support to foster parents, including both a **Fostering Allowance (FA)** to compensate them for the out-of-pocket expenses they incur and a **Foster Parent Fee (FPF)**, which is a payment for their service.

- **Fostering Allowance - for out-of-pocket expenses (housing, energy, food, etc.) incurred in caring for a foster child**

Berry Street proposes that the Victorian system should simplify its existing structure of fostering allowances by changing *from four bands* of foster parent payment (with a loading within each band) *to three bands*, based solely on the age of the children being cared for (0-6, 7-12 and 13+). It is recommended that the weekly allowances being paid to foster parents are also increased, resulting in an *additional allowance* of \$80 per week for children aged 0-6 years; \$115 per week for children aged 7-12 years; and \$110 per week for children 13+.

Under the current Victorian system of foster parent subsidies, loadings are applied within each of the four bands for 'higher needs children'. However, in Berry Street's model, *there would not be a loading for higher needs*. Rather, a Foster Parent Fee would be payable as 'income' to the foster parent, set according to the level of need and care required for the individual child.

- **Foster Parent Fee - 'income' payment component**

The payment of a fee to foster parents for providing a professionalised level of care will shift foster parenting from being an unpaid voluntary activity to being a **paid voluntary activity** within a professionalised care system. In countries where a foster parent fee applies, the level of fee (or wage) is highly variable. This model proposes a three tiered FPF for the following placements:

- Level 1 (Respite & Voluntary Care);
- Level 11 (Intensive); and
- Level 111 (Complex).

Taxation Implications of an Integrated Model

Berry Street commissioned advice from independent tax and financial consultants in relation to the tax implications of the proposed model. That advice confirms that the proposed **Fostering Allowance** would not be assessable for income tax as this allowance is not paid to the foster parent for their personal services or their time.

The **Foster Parent Fee** presented in the full paper is assumed to be the net fee paid to foster parents after allowing for any tax liability. Under current tax arrangements, this fee *would be* assessable income, and would essentially make foster care a paid activity. The full paper details a number of options that would allow foster parents to retain the full benefit of the FPF, and to minimise the cost to State and Territory Governments of implementing a professionalised foster care system.

Table 1: Proposed Victorian Weekly Foster Parent Payment Structure.

Includes Fostering Allowance (FA)¹ and Foster Parent Fee (FPF)² for all levels of Community Based Care (all dollars rounded).

| New Age Groups | LEVEL 1 RESPITE & VOLUNTARY ³ | | | | | | LEVEL 11 ⁴ | | | | | | LEVEL 111 ⁵ | | | | |
|----------------|--|--------|---------------|--------------------------|-----------------------|--|-----------------------|--------|---------------|--------------------------|-----------------------|--|------------------------|--------|---------------|--------------------------|-----------------------|
| | FA | FPF | TOTAL LEVEL 1 | Annual Foster Parent Fee | Annual Placement Rate | | FA | FPF | TOTAL LEVEL 2 | Annual Foster Parent Fee | Annual Placement Rate | | FA | FPF | TOTAL LEVEL 3 | Annual Foster Parent Fee | Annual Placement Rate |
| 0-6 | \$ 215 | \$ 250 | \$ 465 | \$ 13,000 | \$ 24,180 | | \$ 215 | \$ 575 | \$ 790 | \$ 29,900 | \$ 41,080 | | \$ 215 | \$ 970 | \$ 1,185 | \$ 50,440 | \$ 61,620 |
| 7-12 | \$ 265 | \$ 250 | \$ 515 | \$ 13,000 | \$ 26,780 | | \$ 265 | \$ 575 | \$ 840 | \$ 29,900 | \$ 43,680 | | \$ 265 | \$ 970 | \$ 1,235 | \$ 50,440 | \$ 64,220 |
| 13+ | \$ 325 | \$ 250 | \$ 575 | \$ 13,000 | \$ 29,900 | | \$ 325 | \$ 575 | \$ 900 | \$ 29,900 | \$ 46,800 | | \$ 325 | \$ 970 | \$ 1,295 | \$ 50,440 | \$ 67,340 |

Table Notes:

1. Fostering Allowance (i.e. reimbursement to foster parents for child’s costs) covers daily cost of living for the child (inclusive of all costs).
2. Foster Parent Fee (i.e. fee paid as a form of income support to foster parents).
3. The level of Foster Parent Fee for Level 1 (respite & voluntary) placements if paid for full 52 weeks in a year would in total be lower than the income tax threshold for Australian workers and is the same as the average of current Intensive foster parent payments in Victoria.
4. Level II is equal to an average of Complex payments under the current Victorian system.
5. Level III loading is set at 69% above Level II, which is equal to the current difference between the existing Victorian Intensive and Complex foster parent subsidy levels.

A Partnership Approach To Implementation Of The New Model

Whilst any one agency could, in principle, provide all activities in each of the four components, in reality, these are more likely to be provided by range of agencies, working in close partnership. The visual below gives an example of the options available for service delivery.

Figure2: A collaborative and partnering approach to service delivery

