Anglicare Australia
in every Community

Submission to Foster, kinship and permanent carers payment review

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of $2.94 billion, a workforce of over 24,000 staff and 6,000 volunteers, the Network delivers 37 different service types in the Australian community. Our services are delivered to over 500,000 people.

As part of its mission the Anglicare Australia Network partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice. Our first strategic goal charges us with reaching this by influencing social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network.

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Introduction

Anglicare Australia welcomes the opportunity to provide input to the Australian Institute of Family Studies (AIFS) review of the foster, kinship and permanent carers payments (carer allowance). Our submission is based on the insight and expertise of Anglicare Australia's member organisations who deliver foster care and kinship care services, and the carers with whom they work.

Children and young people in Out-of-Home Care (OoHC) deserve to be loved, nurtured and provided with the same support as any other child. Research has shown that children in residential care often experience worse outcomes than their peers in foster and kinship care, meaning the best way to support children in care is by placing them in home-based care. However, over the past five years, there has been a 72 percent increase in children and young people entering residential care nationwide, while foster care placements have decreased by 16 percent.[i]

Residential care is often regarded as a last resort for children, typically used only when home-based care is not available or unsuccessful.[ii] Yet, the possibility for placement with a foster carer is diminishing due to a declining number of carers. This decline is linked to an ageing population, cost-of-living pressures and the growing need for dual-income households to meet financial demands.[iii]

While the ultimate responsibility to determine the amount and process for administration of foster, kinship and permanent carer payments sits with state and territory governments, the Federal Government has a vital role in ensuring these payments achieve what they are intended to – to support carers and improve outcomes for children and young people in care. This is responsibility is recognised in the National Framework for Protecting Australia's Children 2021-2031, which lists "attracting, supporting, and retaining frontline staff, carers, and kinship carers" as a priority action under focus area four.[iv]

In addition to the recommendations included in this submission Anglicare Australia supports the advocacy and recommendations put forward by the National Foster Care Sustainability Group and calls for their adoption by the Federal Government. These recommendations are:

1. Establish a healthcare card system, similar to the Veterans' Health Card, for children and young people in care to access medical and therapeutic support
2. Raise the Australian Taxation Office tax-free allowance thresholds for carers to $100,000 per annum to reduce financial pressure for carers
3. Amend the National Employment Standards to enable carers to access up to 16 weeks of paid leave when establishing a new placement, providing equitable leave entitlements for carers.

The information included in this submission outlines the experiences of Anglicare Australia Network members to support the adoption of these three recommendations, and explores how state and territory governments can better support their carers.

Ensuring an adequate carers allowance

Deciding to become a carer is not guided by financial or economic gain, and nor should it be. People are most often motivated by their values and choose to become a carer to help keep children and young people safe, expand their knowledge and understanding of parenting, or to support children and families having a difficult time. While it important to ensure current and future carers continue to be motivated by what is in the best interest of the children, they should not be disadvantaged for fulfilling such a critical role.

Caring for foster children and kin can be extremely rewarding, but it can also take a toll on a carer's wellbeing and financial security. For example, some carers may change their working arrangements to care for children and young people.[v] Others may not receive reimbursement from child protection departments for costs such as extra-curricular activities and healthcare appointments.[vi] In some cases, carers may even dip into their savings to buy larger vehicles or make home modifications to accommodate the children in their care.[vii] Carers are also more likely to experience financial stress compared to the general Australian population. They tend to have a lower household income, be less likely to own their home and be more likely to live in public housing compared to the general Australian population.[viii]

Yet, current support arrangements fail to adequately support carers. In most states and territories, the carer allowance is intended to contribute towards the day-to-day expenses of caring for a child, not cover the full cost of raising one. The inadequacy of financial support is reflected in the 2024 Carer Census Report by the Foster Care Association of Victoria, which found that inadequate carer allowances were the third most challenging aspect of fostering.[ix] Similarly, research from Queensland revealed that 53 percent of carers survey were not satisfied with the rate of carer allowance.[x] State and territory governments must urgently review and increase allowance levels to a liveable amount if they want to reverse current trends. Further, the formulae in determining allowance levels should also be made public so that governments can be held accountable.

Recommendations

Anglicare Australia recommends:

- An urgent increase to the value of carer allowances. The payment amount should reflect the true costs of caring for a child and the payment should be indexed annually.
- A transparent and consistent methodology be developed for calculating carer allowance rates, and the resultant methodology be published on child protection department websites.

Administration of the carers allowance

There is also a lack of transparency regarding how each state and territory government determines allowance amounts or what specific costs will be subsidised on top of carer allowance. For example, in South Australia, the language used is vague - the Carer Reference One document outlines various items and services that **may** qualify for additional funding.[xi] Further, it notes that reimbursement for out-of-pocket expenses is not guaranteed unless prior approval was given by the child's case worker and supervisor.[xii]

While these payments are theoretically available in some situations, some members shared that

requests for support may be rejected or take a long time to be approved. Even if requests for support were approved, carers are frequently required to pay upfront costs and wait months for reimbursement, which can place a financial strain on carers, especially those on lower incomes with limited resources.

In Queensland, carers can submit receipts for approved incidental expenses under $150 for automatic payment through the Carer Connect portal. This approach could serve as a starting model for other states and territories to shorten reimbursement wait times.

Recommendations

Anglicare Australia recommends:

- Ensuring that carers are provided with clear information about the services and activities that child protection departments would pay for.
- Reforming discretionary claims systems to ensure that carers are reimbursed in a timely manner.

Building a system that values the contribution of carers

Beyond providing financial support, carers must be valued and trusted. Carers are expected to be seen as a safe, stable and responsible adult in the lives of the children they care for. Yet, they are not empowered to act that way by the system.

Anglicare Australia Network members have shared that under current reimbursement systems for discretionary allowances, carers can be subject to financial assessment or financial counselling appointment prior to receiving discretional funds. Carers are also generally expected to seek permission from caseworkers before being reimbursed for unexpected or non-routine expenses such as specialist medical treatment or driving lessons. Not only is this process disempowering and humiliating for carers as it undermines their autonomy and implies that they cannot be trusted to make reasonable decisions. Additionally, it adds unnecessary administrative burden, increasing the responsibilities placed on carers and delaying their ability to respond to the needs of children in their care.

Further, all carers should be valued equally for the care they provide, regardless of their relationship to the child. Despite caring for children with similar needs, foster carers often receive the lowest allowance tier.[xiii] In Victoria, 96.8 percent of kinship carers received a level one allowance compared to only 40 percent of foster carers.[xiv] This discrepancy is especially concerning given that kinship carers tend to be older and less financially secure than foster carers.[xv]

Lower allowance rates for kinship carers disproportionately impacts First Nations children. While First Nations children make up 6.9 percent of the general population aged 0-17, they represent 44.5 percent of children and young people in OoHC.[xvi] Kinship care is vital in ensuring First Nations children in care are support in an environment that is culturally safe and trauma informed. The relative lack of support for kinship carers is unjust, especially considering that the overrepresentation of First Nations children in care is the result intergenerational trauma from colonialisation, dispossession and discrimination. It also fails to act in the best interests of the children, as required by child protection legislation in all jurisdictions.[xvii]

Recommendations

Anglicare Australia recommends:

- Complex needs assessments for children and young people in kinship care, as well as a care allowance reflective of the identified needs.
- Engaging in deeper consultation and co-design with carers to ensure that the administration of carer allowances and associated payments does not disempower carers.

Extending carer allowance to cover post care support

All Australian states and territories have implemented policies or programs provide some form of support for care leavers from age 18 to 21. These changes have been implemented in recognition that children's needs, especially those in care, do not become obsolete once they turn 18. Yet, the nature of carer allowances and funding arrangements drastically change for extended post care supports.

The needs of young people do not suddenly change the moment they turn 18, yet in Queensland, the Australian Capital Territory, Tasmania, and New South Wales[1] and Western Australia the base allowance is reduced immediately or reduced sharply over a short period of time. In other states such as South Australia and Queensland, carers no longer receive care loadings. While the intent is that young people should be able to contribute to living costs, the reality is that many young people in care, especially those with higher support needs, will continue to need a similar level of care and support for a while as they find their footing. Supporting young people to gain independent skills is important, but a sudden reduction in support only creates additional financial stress for carers.

Recommendations

Anglicare Australia recommends that governments commit to funding carers to provide post-care support, ensuring that the financial allowance remains equivalent to what they received when the child was 17.

Enabling early intervention for children in care

Children and young people in care often live with complex needs, ranging from trauma related mental health and behavioural issues, to disabilities stemming from the circumstances in which they were born. As a result, carers are forced to navigate providing care that address the evolving needs of the children in their care. In these instances, enabling these children to recover and thrive can require access to specialist services, additional training and education, or increased support to navigate complex behaviours.

Despite this being a common reality, Anglicare Australia members shared that accessing specialist services can be challenging for carers. This is especially the case in thin markets such as regional and rural areas due to a lack of available services and long wait times for appointments. The situation is further complicated by inadequate funding for foster carer and kinship carer agencies. A member operating in regional and rural areas shared concerns that their staff often travel long distances—

[1] Does not reduce if a young person is in the Post Care Education Support and Guardianship Post Care Education Support Stream.

sometimes up to seven hours—to conduct home visits, but they do not receive regional or remote loadings to help cover these costs. Forcing organisations to bear the costs associated with travel, or reprioritise funding from other areas within their programs, such as carer supports. The provision of support to carers in regional and remote areas is further hindered by challenges in recruiting staff.

Funding agreements must enable organisations to ensure OoHC services meet the holistic needs of children in care and their carers. Where a child requires therapeutic assessments and support but lives in a regional or rural area, the funding should include provisions for ancillary costs. This includes expenses such as flights to a capital city, accommodation, and alternative arrangements for other family members, such as hiring babysitters for the carer's other children.

Recommendations

Anglicare Australia recommends:

- Contracts for OoHC providers include provisions for the higher cost of service delivery in thin markets.
- Investing in job creation in the care and child protection industries to avert workforce shortages.
- The Federal Government develops a strategy and introduce incentives to attract and retain therapeutic staff and other care staff in thin markets.
- Ensuring that the allowance provided to carers cover the ancillary costs associated with receiving therapeutic assessments and supports.

Conclusion

Anglicare Australia appreciates the opportunity to provide input to this review. There is no doubt that foster, kinship and permanent carers play a critical role in providing safe and nurturing relationships to support children and young people who cannot safely live at home. However, the number of children placed in residential care will continue to rise unless governments take action to make fostering more affordable and manageable, both to attract new foster carers and retain current ones.

The review of the foster, kinship and permanent carers allowances, alongside other reviews currently being undertaken on the OoHC system, provides an opportunity to enforce meaningful change for children in care and their carers. This includes addressing issues with funding inadequacy funding for children and young people in foster care, streamlining bureaucratic processes, and improving the functioning of child protection departments. At the same time, greater investment is needed in prevention and early intervention services to help families provide safe, stable homes for their children, ultimately reducing the need for OoHC.

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[i] Lumenia (2024) A Fair Go: Improving Outcomes for Children in Care.
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[iii] The Demographics Group (2024) Demographic Outlook: How it impacts the availability of foster parents
[iv] Department of Social Services (2021) Safe & Supported: The National Framework for Protecting Australia's Children 2021-2031.
[v] Feagan, M. (2021) The true cost of foster and kinship caring in South Australia. The University of Adelaide.
[vi] Ibid.
[vii] Ibid.
[viii] Australian Institute of Family Studies (2022) Identifying strategies to better support foster, kinship and permanent carers.
[ix] Foster Care Association of Victoria (2024) Carer Survey 2024 Report.
[x] Queensland Family & Child Commission (2024) Carer allowances.
[xi] Government of South Australia Department for Child Protection (2024) Carer Reference One: Carer Support Allowance: Who pays for what?
[xii] Ibid.
[xiii] ACWA (2020) Kinship care in Australia.
[xiv] Victorian Ombudsman (2017) Investigation into the financial support provided to kinship carers.
[xv] Australian Institute of Family Studies (2018) Foster and relative/kinship carers and their experiences.
[xvi] Productivity Commission (2025) Socio-economic outcome area 12.
[xvii] Australian Institute of Family Studies (2022) Australian child protection legislation.