



Review of payments for foster, kinship and permanent carers

Summary report

What the research was about

The Australian Institute of Family Studies did a research project about the payments and financial help that foster, kinship and permanent or guardian carers receive in Australia.

This research was funded by the Australian Government Department of Social Services (DSS) as one of their actions to deliver *Safe and Supported: The National Framework for Protecting Australia's Children 2021-2031*. The framework is a 10-year plan that aims to make sure children grow up safe and supported in their families, communities and culture.

This research was to learn more about carer payments so that governments can improve supports for foster, kinship and permanent carers. This included learning about:

- whether carers receive enough financial help
- how payments for carers are different across Australia and for different groups of people
- how easy or difficult it is for carers to get payments and financial help.

Based on the findings of the research, we made recommendations to the Australian Government and state and territory governments on how carers can be better supported financially.



Thank you for sharing your experiences and ideas about carer payments. The information we got from carers, out-of-home care staff, government staff and experts on out-of-home care was very useful and helped us to understand the issues and recommend changes to the Australian and state and territory governments.

How the research was done

To learn about carer payments and carers' experiences, we:

- reviewed existing research about carer payments
- spoke to 83 foster, kinship and permanent carers. This included Aboriginal and Torres Strait Islander peoples and carers with experience of caring for:
 - Aboriginal or Torres Strait Islander children
 - children with disability
 - culturally and linguistically diverse children
- spoke to 69 staff members from out-of-home care services and carer organisations
- reviewed 41 written responses to our questions about carer payments from out-of-home care organisations, advocacy groups and government agencies
- got information from each state and territory government about carer payments
- spoke to a small number of experts who had detailed knowledge about carers and out-of-home care
- estimated the cost for families of caring for a child in out-of-home care.

The next few pages share what we learnt about carer payments and carers' experiences and outlines our recommendations on how carers can be better supported.

What we learnt about carer payments in Australia

Foster, kinship and permanent/guardian carers can access carer payments from their state or territory government and other financial supports from the Australian Government.

Carers need more financial help

Carer payments from state and territory governments are meant to help with some of the costs of caring for a child in out-of-home care, rather than cover all costs. However, there is general agreement from carers, researchers and other people we spoke to that:



Carer payments are too low and do not help carers enough with the cost of caring.



Carer payments should cover more of the costs to stop carers and families from experiencing financial difficulties.

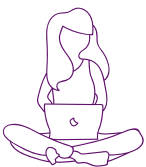
More help is especially important for carers of children with complex or additional needs because caring for these children takes more time and is often more expensive.

Kinship carers and Aboriginal and Torres Strait Islander carers (who are often kinship carers) often need more financial support because they are more likely to have lower incomes and experience more financial difficulties.

Aboriginal and Torres Strait Islander people's experiences of colonisation, racism and the removal of high numbers of Aboriginal and Torres Strait Islander children from families can create lasting trauma that affects families across generations. This trauma has lots of impacts, and these impacts can include families having low incomes and being stressed about money.

It costs more to care for a child in out-of-home care

The cost of caring for a child in out-of-home care is higher than the cost of caring for a child not in out-of-home care:



For a couple carer household, the cost of raising a child in out-of-home care is

**12% to 18%
higher**

than raising a child **not** in out-of-home care.



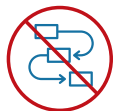
The amount paid to carers in the fortnightly care allowance is less than the cost of raising a child in out-of-home care across all states and territories.

Carers can find it challenging to get payments and financial help

There are many reasons why carers can find it difficult to get carer payments and financial help. The most common challenges include:



Carers and out-of-home care staff do not always have enough information about payments or how to apply for them.



The processes to apply for payments can be confusing or hard for carers to complete.



Carers are not always told why payments are approved or not approved.



Support from caseworkers can make it easier for carers to access payments. However, caseworkers can change or have high caseloads, and they do not always have time to help carers with payments.



Some carers said they were scared children would be removed if they asked for more financial support because the caseworkers would see them as 'unable to cope'. Kinship carers and informal (who are often kinship) carers talked about this the most.

Carers who have more information and support can find it easier to access financial help. These are not always the carers who are most in need.

Financial support is not provided equally and can be harder for some carers to get

There are some differences in carer eligibility for payments that mean some carers receive more financial support than others. Even when carers are eligible for the same payments, they do not always receive equal amounts of support.

- **Carers in different states and territories** receive different payments. This means that carers who are doing similar caring roles in different locations get different levels of financial help.
- **Kinship carers** are eligible for the same payments as foster carers but we heard they often get less financial help and have fewer of their costs covered. This is because:
 - Kinship carers often don't know about payments or how to get them.
 - Kinship carers sometimes have to follow different processes when applying for payments and this can make payments harder to access.
 - Kinship carers often get less support from caseworkers.
- **Permanent carers** are not eligible for as many payments as foster and kinship carers. They also have different processes when applying for payments and often do not have a caseworker. Part of the reason for this is that the carer (not the government) has guardianship of the child. This generally means that many of the costs of caring for the child are the responsibility of the carer.

This can make financial help harder to get and processes are not always clear for permanent carers who need to apply for payments from state and territory governments. Permanent carers often don't know where to go for help.
- **Aboriginal and Torres Strait Islander carers** (who are often kinship carers) may not ask for help because they do not trust the government or out-of-home care services. This could be because of experiences of racism or discrimination from government and services or because of the Stolen Generations and the high numbers of Aboriginal and Torres Strait Islander children that are removed from their families today.
- **Carers of Aboriginal and Torres Strait Islander children** (both Aboriginal and Torres Strait Islander carers and non-Indigenous carers) can have extra costs that are not always covered by payments. For example, the costs to keep Aboriginal and Torres Strait Islander children connected to family, culture and Country.
- **Carers in regional, rural or remote areas** may have limited access to technology, the internet and in-person support, which can make it difficult to get support from caseworkers and to apply for payments. They may also have extra costs because they need to travel long distances to access services for children.
- **Culturally and linguistically diverse carers** may have limited access to culturally appropriate support (e.g. translation services) to help them understand and apply for carer payments.
- **Informal carers** are carers who have not gone through an assessment process with a child protection department. These carers are not eligible for most state and territory carer payments, even though they often do the same job as formal carers.

An informal carer is a carer who has not gone through a screening, approval or authorisation process and there is no case management from the child protection department. Informal carers are most often related to the child they care for and are usually grandparents. Many carers and Aboriginal and Torres Strait Islander communities do not like the term 'informal carer' and prefer other terms such as 'carer', 'kinship carer' or 'grandparent carer'. We use the term informal carer to clearly identify the differences in payments for carers with a formal care order and those without a formal care order.

The effects of these challenges on carers and children

When carers do not have the money or financial support they need to care for children, this can have a negative effect on carers and children. For example:

- Carers may find it hard to pay for things and be worried about money.
- Children may miss out on important services for their health, wellbeing or that help them stay connected to family.
- When carers are not included in discussions and decisions about how to fund supports for the children in their care, carers may not feel valued or trusted.
- If the cost of caring is too high, or carers do not feel valued, people may decide not to become a carer or to stop being a carer. Some organisations told us that when there are fewer carers, children are more likely to be assigned a placement that does not match their needs or be placed in expensive residential care.

How governments can improve carer payments and financial help

Based on the research findings, we made recommendations to the Australian and state and territory governments on how carers can be better supported financially.

We made **recommendations** around improving:

- the consistency of carer payments across Australia
- the value of carer payments and the amount of financial help for carers
- payments and payment processes for carers of children with complex and additional needs
- support for informal carers
- models of care, both professional and semi-professional
- support for permanent carers
- information about carer payments and financial help
- dedicated non-financial support for carers
- support for Aboriginal and Torres Strait Islander carers and carers of Aboriginal and Torres Strait Islander children
- access to health and therapeutic care.

What happens next?

We gave our report and recommendations to the Department of Social Services in November 2025.

- The department and Safe and Supported governance partners will consider the report and recommendations.
- It is up to the Australian Government and state and territory governments to decide whether they will accept these recommendations and make changes to carer payments.
- If you have questions about our review, please email OOHC-Carersreview@aifs.gov.au



The Australian Institute of Family Studies acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing connection to lands and waters. We pay our respects to Aboriginal and Torres Strait Islander cultures, and to Elders past and present.

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