

FOSTER CARE ASSOCIATION OF VICTORIA POSITION:

Children and young people residing in foster care have a range of needs. Foster carers are provided with allowances to contribute to the costs of caring for children and young people. There is no concrete tool for “classifying” children according to the levels of care allowance; rather there is a process of assessment and negotiation which occurs between the Community Service Organisation (CSO), DHHS Child Protection and the DHHS Placement and Coordination Unit (PCU).

BACKGROUND

The provision of a particular reimbursement rate is based on:

- an assessment of the level of complexity of the child or young person’s care needs and associated costs incurred by carers, and;
- the child or young person’s age.

Each of the allowance levels are graduated according to the age of the child or young person. Higher levels of reimbursement are provided for each (progressively older) age category (0-7 years, 8-10 years, 11-12 years and 13 years plus). Prior to placement of a child or young person with a carer, agreement should be reached between the Community Service Organisation (CSO) and Department of Human Services Placement Coordination Unit (PCU) as to the most appropriate category of care for the child or young person, and in turn the care allowance level.

From 1 January 2016, the annual Education and Medical Expense allowance has been included in eligible fortnightly care allowance payments. The Education Assistance Initiative allowance is paid to foster and statutory kinship carers to contribute to education expenses for children and young people. The education assistance initiative allowance is \$340.33 per year for 5-11 year olds and \$510.50 for 12-18 year olds paid quarterly in arrears.

Whilst foster carers are not required to formally account for the expenditure of these two allowances, there is an expectation these will be fully allocated to the child or young person’s medical or educational expenses prior to any requests for additional funds being made in this regard.

CAREGIVER REIMBURSEMENT RATE REVIEW PROCESS

If foster carers believe consideration should be given to re-classifying the category of care for which they are being reimbursed, they should raise the issue with their CSO to ensure the most appropriate process is followed to better meet the child or young person’s needs.

Care allowances are not necessarily the only means through which additional care needs can be met. Each Department of Human Services (DHHS) division has a set amount of supplementary (additional) funds and resources to support children and young people in out of home care. It is important foster carers liaise with their CSO to follow proper processes for seeking additional/supplementary funds. If foster carers wish to be reimbursed for something in particular, it is important to seek information as to sources and availability of funding prior to the expense being incurred to avoid difficulties arising from financial requests being denied.

OTHER RESOURCES

FCAV has two helpful information sheets, the *Centrelink Entitlements Supplement* and the *Education Supplement*, which provide advice on financial and other support available for the care of children and young people.

<http://www.fcav.org.au/carers-resources/information-sheets>

The DHHS website provides further information and advice with a link to the *Financial support guide for home-based carers* at

<https://services.dhhs.vic.gov.au/support-home-based-carers-victoria>

TAX

The care allowance is not classified as income, and does not have to be declared as earnings for the purposes of Income Tax, Family Tax Benefit or Child Support through the Commonwealth Government, or housing/personal loan assessments through financial institutions.

THE DHHS CARE ALLOWANCES HELPDESK (PH) 1300 552 319

Whilst foster carers would usually have their reimbursement queries answered via their CSO, sometimes carers and professionals need to find out quick or specific financial information about the nature of caregiver reimbursements.

The Helpdesk is designed specifically for this purpose. Helpdesk staff can answer your questions about when your payments are starting, when they will cease, any money owed to you or by you, information about indexation and any additional allowances, such as the New Placement Loading (General Care category only), or Education and Medical allowance.

The Helpdesk is staffed by DHHS staff. Helpdesk staff are not part of the child protection program and will therefore not be able to discuss child protection related issues, nor are they able to conduct reviews of reimbursement levels.