



## Increase the Carer Allowance

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*Do you commit to increase the basic carer allowance by \$70 per week to cover foster carers' out of pocket expenses whilst they care for our state's most vulnerable children and young people? Will you remove the two lowest levels of carer allowance, to bring the basic rate in Victoria to parity with the lowest weekly allowance in other states?*

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In Victoria, foster carers are accredited **volunteers** who provide temporary care to children and young people who are unable to live with their birth families.

Children and young people in foster care are far more likely to have significant behavioural difficulties, emotional and mental health needs than most children<sup>1</sup>, and their carer provides day-to-day care which aims to meet these needs. **Being a foster carer is never simple.**

The Victorian **carer allowance falls short** of covering the true costs of providing foster care by an average of **\$70 per week per placement**<sup>2</sup> at the two lowest levels of care. This means that on top of their time, empathy, patience, care and sharing their home, a single carer looking after one child has to contribute **\$3,640 from their own pocket** each year. This does not include **loss of income**.

Last year saw a net decrease in the numbers of foster carers in the system with 223<sup>3</sup> less foster carers than the previous year. There was also a 6.2% increase in kids in care in Victoria overall. Where are these young people going to call home?

Research indicates 'adequate' financial support is a significant support all carers require and financial strain is one reason carers stop fostering. Financial concern is also a barrier to carers **entering** the system.

At the lowest rate Victorian carers are reimbursed between just \$195 and \$270 weekly to cover all costs such as housing, food, clothing/footwear, utilities, furniture, transport, leisure and personal care.

Currently, more than **one in three foster carers in Victoria identify as experiencing financial hardship**<sup>4</sup>. Ultimately, this means carers are faced with decisions about their financial capacity to provide the care they wish to provide.

*"Payments don't cover what it actually costs to look after a child, and you want to give them the best. We've had to borrow off family and get loans to pay for everything"*

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<sup>1</sup> Fergeus, J, Humphreys, C, Harvey C, and Herrman, H. (2017) Assisting carers to respond to the mental health needs of children. *Children Australia*. 42 (1). p. 30-37.

<sup>2</sup> McHugh, M. (2017). Victoria's declining foster care allowances: a comparative analysis (SPRC Report 2017). Sydney: Social Policy Research Centre, UNSW Australia.

<sup>3</sup> Child protection Australia AIHW Report 2016–17 <https://www.aihw.gov.au/getmedia/66c7c364-592a-458c-9ab0-f90022e25368/aihw-cws-63.pdf.aspx?inline=true> pp.60

<sup>4</sup> Fergeus, J, Humphreys C, Harvey C, and Herrman, H. (2018) "If it wasn't for me...": the needs of foster and kinship carers. Manuscript submitted for publication.





In order to ensure the ongoing **stability and sustainability** of the Victorian foster care system, it is imperative that carer allowances are raised to meet the true costs of providing foster care, and that increases in allowances keep pace with the Consumer Price Index (CPI).

*“Carers take vulnerable children into their homes and expect some expenses, but we must ensure they are given adequate funding to give these children the best of care without being left out of pocket.”* Foster Care Association of Victoria CEO, Katie Hooper.

‘Level 1’ and ‘Level 2’ allowances<sup>5</sup>, both fall short of the Foster Care Estimates<sup>6</sup> (FCE) recommendation for reimbursing carers for out-of-pocket expenses incurred by providing care. These lowest two levels must be eliminated, or else a significant increase to these levels (on average \$70 per week per placement) must occur.

Age	Vic Level 1 - weekly	FCE - weekly	Amount needed to be at parity - weekly	Vic level 2 review (weekly)	Vic level 3 review (weekly)
0-7	\$193.02	\$237	\$43.98	\$203	\$265.8
8-10	\$199.75*	\$298	\$91.57	\$221.43	\$287.3
11-12	\$221.23**		\$66.77	\$261.79	\$342.57
13+	\$278.88**	\$371	\$82.12	\$359.44	\$472.43
			Average \$70 increase		

Please note school attendance allowance \*5-11yrs – weekly \$6.68 and \*\*12- 18yrs – weekly \$10 is not included in this amount.

New placement loading (1<sup>st</sup> 6 months) not included in Vic level 1 – weekly \$30.67.

<https://dhhs.vic.gov.au/file/3726/download?token=TIRE-FLx>

### Case Study 1

A foster carer contacted FCAV to ask for advice about the carer allowance. The carer had been receiving level 1 payments but after two years discovered that, given the level of complexity of the placement, she was likely to be entitled to a higher level of allowance. In discussion with the Community Service Organisation, she was informed that this was an oversight and that they agreed that the placement required an increase in financial support. Her level was rectified and she now receives a level 5 allowance. The carer was seeking back payment however DHHS carer allowance policy clearly states that there is no provision for back payment unless there has been no allowance received.

### Case Study 2

Maryann Nairn has been meeting a shortfall in costs of care for the young man in her care for the past 6 years by digging into her house deposit savings she had accumulated prior to his arrival. She is now not able to afford the deposit on a home in Melbourne due to dipping into savings and loss of income opportunity, so she’s considering a move out of the metro area to buy a secure home for them both.

<sup>5</sup> Care allowance structure and payment rates 2017-2018, <https://services.dhhs.vic.gov.au/support-home-based-carers-victoria>

<sup>6</sup> [https://www.fcav.org.au/images/media/Marilyn-McHugh\\_FosterKinship-Conference-Melbourne-2017.pdf](https://www.fcav.org.au/images/media/Marilyn-McHugh_FosterKinship-Conference-Melbourne-2017.pdf)

