

## APPENDIX 6

### COMMONWEALTH FINANCIAL ASSISTANCE AVAILABLE TO ORGANISATIONS AND INDIVIDUALS PROVIDING INSTITUTIONAL AND OTHER FORMS OF SUBSTITUTE CARE

The Commonwealth Government makes available financial assistance to organisations and individuals providing substitute care for children through the Family Allowance, the Double Orphan's Pension, the Handicapped Children's Benefit, the Handicapped Persons Welfare Program, the Children in Residential Institutions Program, grants to nursing homes and hospitals, and grants provided by the Department of Aboriginal Affairs for Aboriginal child welfare purposes. Each program is described briefly below.

#### Family Allowance

A description of the basic features of the Family Allowance is given in Appendix 5. The following account concerns the Allowance's relevance to organisations and individuals caring for children outside the child's own home. As stated in Appendix 5, Family Allowances are usually paid to the mother (including the stepmother, foster mother or adoptive mother); however, approved charitable, religious or government institutions are also paid Family Allowances for children in their care. In these cases payment of the Family Allowance in respect of all the children in the institution is arranged by way of a single group cheque paid quarterly to the management of the institution. The present rate of the Allowance paid to institutions is equivalent to the rate available for a family's third and fourth children, that is \$39 a month.<sup>1</sup> By the end of the 1983-84 financial year, the Family Allowance was being paid for 10 644 children and students in institutions.<sup>2</sup>

#### Double Orphan's Pension

A Double Orphan's Pension is provided by the Commonwealth Government to a guardian or an approved charitable, religious or government institution for the care of a child under 16 years, or a dependent full-time student aged 16 to 24 years inclusive, both of whose parents are dead. The Pension is also payable if one parent is dead and the whereabouts of the other parent is not known to the claimant; the other parent has been convicted of an offence and sentenced to imprisonment for at least ten years and is serving that sentence; or the other parent is an inmate of a mental hospital and requires care and treatment in that or a similar hospital for an indefinite period. Since 1981 the eligibility conditions were widened to include refugee children where both parents are outside Australia or the whereabouts of the parents is unknown. A secondary objective of the Pension is to provide financial incentives for relatives or friends to care for orphans, rather than the more expensive alternative of institutional care.<sup>3</sup>

The Double Orphan's Pension was first introduced in September 1973.<sup>4</sup> It is paid direct from the Department of Social Security to the guardian or institution, in conjunction with the Family Allowance, at the rate of \$55.70 per child per month. Although there are no specific provisions for adjusting the rate of the Pension, it is reviewed annually in the Budget context. The Pension is not income tested, nor is it taxable. The number of double orphans for whom the Pension was payable continued to increase significantly during 1982-83, due mainly to the extension of the Pension to refugee children. The number of double orphans for whom the Pension was payable at June 1984 was 6448, an increase of 375, or 6.2 per cent over the number a year earlier. In 1983-84 Commonwealth outlays for the Program amounted to \$4.2 million.<sup>5</sup>

#### Handicapped Children's Benefit

Since 1974 the Commonwealth Government has paid a Handicapped Children's Benefit to non-profit organisations and local government bodies conducting approved homes providing residential accommodation and care for intellectually and physically disabled children. The rate of Benefit is \$5 a day for each resident child. The Benefit terminates at the age of 16 years as young people who are disabled are then eligible to apply for the Invalid Pension. Disabled children cared for in private

accommodation are also eligible for a Handicapped Child's Allowance. This Allowance is discussed in Appendix 5.

The Handicapped Children's Benefit is provided through the Handicapped Persons Welfare Program established in 1974 under the *Handicapped Persons Assistance Act* 1974. As at 30 June 1984 there were 2820 disabled children accommodated in 186 residential facilities approved under the Handicapped Persons Welfare Program for the purposes of the payment of the Handicapped Children's Benefit. The total amount of Benefit paid during 1983-84 was \$1.6 million.<sup>6</sup>

### **Handicapped Persons Welfare Program**

The Handicapped Persons Welfare Program has been developed from a number of earlier initiatives taken by the Commonwealth Government to provide disabled people, including children, with special accommodation to allow them to engage in normal outside training schemes and employment. Commonwealth subsidies for disabled people's services were first introduced in 1963 under the *Disabled Persons Accommodation Act* 1963. This Act gave financial help towards the provision of residential accommodation for certain disabled persons engaged in sheltered employment. In 1967 the *Disabled Persons Accommodation Act* was repealed by the *Sheltered Employment (Assistance) Act* 1967. However, the provisions of the former Act were contained in the new legislation as well as new elements which further developed the Commonwealth's role. The philosophy behind the new Act was that disabled persons who were willing and able to work should be provided with suitable employment in a sheltered environment and, where practicable, with opportunities to join or rejoin the general workforce.

In 1970 the *Handicapped Children (Assistance) Act* 1970 was passed. This Act implemented a program of subsidies for eligible organisations towards the cost of facilities for the training and accommodation of disabled children under 21 years of age. The legislation was designed along similar lines to the *Sheltered Employment (Assistance) Act* and was introduced essentially because of the proven success of that legislation and the lack, at the time, of suitable training facilities for children with disabilities. The gradual expansion and change in the nature of the sheltered employment program resulted in the enactment in December 1974 of the *Handicapped Persons Assistance Act* and the introduction of the present Handicapped Persons Welfare Program. Through this program the Commonwealth provides both capital and recurrent subsidies to approved voluntary non-profit organisations and local government bodies for the purchase, construction, extension, alteration, rental and maintenance of premises that provide prescribed services for people with physical or intellectual disabilities.<sup>7</sup>

One intention of the Program is to encourage new or extended services which maximise the personal and social development of disabled persons and increase their capacity for independent living. These services aim to cater for individual needs and to provide care in a less restrictive physical, social and psychological environment. Many of the new projects approved for subsidy during the capital triennium 1980-83, for example, provided residential accommodation of a non-institutional nature. During 1983-84 a total of \$76.96 million was expended under the Handicapped Persons Welfare Program of which \$17.2 million was used for new projects and \$59.8 million was required for the ongoing support of existing services. As at 30 June 1984 voluntary organisations were receiving assistance under the Handicapped Persons Welfare Program in respect of 1227 services for some 31 000 disabled children and adults.<sup>8</sup>

### **Children in Residential Institutions Program**

Since 1977, the Commonwealth Government has paid a special grant through the Commonwealth Schools Commission to institutions to provide support for the education of children in their care. This program is described in Chapter 5, 'Institutional Care'.

### **Funding of hospitals and nursing homes**

Public hospitals do not receive direct Commonwealth grants but are funded through identified health grants to the States under existing tax sharing arrangements and through Medicare cost compensation arrangements. Private hospitals receive direct Commonwealth subsidies paid on a bed/patient basis. Payments are determined by the use of a classification system whereby private hospitals are divided into particular categories according to facilities and services offered.

Nursing homes receive direct Commonwealth funding for recurrent expenditure through the *Nursing Homes Assistance Act 1974* under which deficit financing is provided for some non-profit nursing homes; the *National Health Act 1953* under which the Commonwealth Nursing Home Benefit is paid; and the *Handicapped Persons Assistance Act* under which funding is made available for some non-profit organisations providing specialised services for persons with disabilities. Commonwealth funding of capital expenditure is also provided for some non-profit organisations under the *Handicapped Persons Assistance Act* and the *Aged or Disabled Persons Homes Act 1954*.

### Aboriginal child welfare grants

The Commonwealth Government funds a number of programs through the Department of Aboriginal Affairs which provides Aboriginal people with access to social welfare services conducted by Aboriginal organisations. These programs also aim to promote the participation of Aboriginal people in the planning, management and delivery of welfare services appropriate to their special needs. The types of programs funded for Aboriginal children include child welfare and family support services, residential care centres and general welfare and referral agencies.<sup>9</sup> Commonwealth funding for these programs is made available through Grants for the Aboriginal Advancement Program (usually provided direct to Aboriginal organisations) and through State grants provided to State welfare agencies. In 1983-84, \$6.53 million was directed through grants for Aboriginal Advancement and \$1.72 million was granted to the States for Aboriginal child welfare purposes.<sup>10</sup>

---

#### ENDNOTES

1. These rates are current for May 1985.
2. Department of Social Security, *Annual Report 1983-84*, AGPS, Canberra, 1984, p. 135.
3. Joint Committee of Public Accounts (Senator G. Georges, Chairman), *Income Maintenance Programs — Volume 2 Program Descriptions*, Report No. 213, AGPS, Canberra, 1983, p. 48.
4. *Social Services Act (No 4) 1973*.
5. Department of Social Security, op. cit., pp. 52-3.
6. *ibid.*, p. 165.
7. Grants are made for the following prescribed services: training, activity therapy, sheltered employment and residential accommodation for those disabled people who use these services. Organisations providing residential accommodation for people who, because of a disability, require special accommodation to allow them to engage in normal outside employment, also qualify for a government subsidy. In July 1983 new guidelines were introduced for the capital funding program to facilitate the consideration of all projects submitted for funding.
8. Department of Social Security, op. cit., pp. 80 and 163.
9. Other services supported include homemaker services; assistance for prisoners, offenders and their families; relocation assistance; employment of community and welfare workers; hostels for prior-offenders; and other accommodation services.
10. Department of Aboriginal Affairs, *Annual Report 1983-84*, AGPS, Canberra, 1984, p. 60.