



AUSTRALIAN FOSTER CARE ASSOCIATION

Representing foster, relative and kinship carers and the children they care for throughout Australia

SUBMISSION to the AUSTRALIAN SENATE COMMUNITY AFFAIRS LEGISLATION COMMITTEE

17 November 2005

Albury, NSW

My name is Helen Falconer.

I am here on behalf of the Australian Foster Care Association. AFCA is the peak body of all state and territory Foster Care Associations. We represent foster, relative and kinship carers and the children they care for throughout Australia. Everyone associated with AFCA is a registered volunteer foster carer.

I am the honorary Policy Officer for AFCA and my primary area of work in the last 3 months has been associated with the Welfare to Work measure and its impact on the formal out of home care system.

On behalf of AFCA, I wish to thank the Committee for extending the opportunity to attend this hearing to provide our evidence, and to convey the apologies of the AFCA executive who are unable to attend today.

This submission comprises three parts:

- an overview of the issues relating to foster care in Australia;
- specific concerns about the measures contained in the bill; and
- recommendations as to how these issues may be addressed.

Foster care utilises members of the community who volunteer to provide full time care for children and young people unable to live at home because of some statutory child protection intervention. In agreeing to become a foster carer in the formal care system, these community

members have to undergo thorough screening and training and be constantly monitored by child protection agencies to ensure the ongoing safety of the children and young people placed with them. They agree in effect, to live their lives in a fish bowl for the benefit of the community's abused and neglected children and young people.

The children and young people who enter the care system do not know their carers – they are strangers, so this type of situation is very different from that of a child or young person going to stay for a few days time out with an aunt, uncle or grandparent/s with whom they have an established relationship.

These children and young people enter the care and protection system after being removed from environments with multiple issues including: poverty, substance abuse, mental illness, domestic violence, intellectual disability, homelessness or insecure housing, and regular interactions with the justice systems. This has been highlighted in the many state department inquiry reports published in the last three years. In short, these children and young people come from dysfunctional families and have experienced dysfunctional relationships.

These children and young people are usually greatly traumatised as a result of their experiences prior to entering care and as a consequence of the removal process. For them to have been removed in the first place they will have been abused or neglected or both. They often are not attending school, even when they are of school age; have major behavioural management issues; and additional medical and counselling needs.

The foster carers are required to care for and protect these children and young people 24 hours a day, 7 days a week. In addition to meeting the needs of these abused and neglected children and young people, the carers also have to fulfil other duties and roles associated with the statutory child protection system. This is a full time role for a foster carer irrespective of the age of the child or young person, and at times can be very stressful. It is also very unpredictable, as there is little or no warning about when a child or young person will arrive, what they will come with or what their immediate needs will be.

Foster carers receive a modest subsidy from the State/Territory welfare departments to partially offset the costs of providing care, but this can be less than \$100 per week and has to cover the cost of all the requirements that the child or young person may need, including food, clothing and medications. This amount is less than what it costs to board a dog in kennels for a week. Many carers also receive some form of parenting payment so there is not an abundance of money to provide this community service. The shortfall in funding the child or young person's placement has to be made up out of the carer's OWN pocket. This is often

done at the expense of buying things that the foster carer needs for themselves or their home, or for their own child or children.

Foster carers in rural and remote areas have additional issues to contend with. Food, clothing, consumables and access to services the child / young person requires all cost more. The foster carers are more removed from their main stream supports – workers, the department and support agencies, and their peers. Provision of respite, if available, is almost impossible to obtain on a needs basis. Telecommunications costs are greater than those of the average family as there are many and long phone calls (many STD), associated with the management of the case, providing and obtaining information and reports, and making arrangements for visits to doctors, social workers, therapists, court and contact with family (if appropriate). There are also additional travel times and fuel costs. In short, every thing to do with a rural or remote placement when compared to the situation of the metropolitan based foster carer costs more.

Foster carers in rural and remote communities can also suffer the added burden of exclusion or isolation from their community when the child / young person is from that community and has to be kept safe and secure away from the community for their own protection; or as a consequence of the large amounts of time that the foster carer has to devote to the child / young person at the expense of their remaining connected with the local community.

These factors make it virtually impossible for a foster carer to consider any employment options, even if they are available at appropriate times and within a reasonable distance from the home.

AFCA was very pleased to receive advice from the government that, in recognition of the special contribution foster carers are making in their community, an automatic exemption to the work requirement would be made for 'registered and active foster carers' on a case by case basis. AFCA is concerned, however, to ensure that the proposed system works properly and that the limited number of current 'registered and active foster carers' is not reduced. To achieve this, AFCA submits that further refinement of the proposed measures is required if it is to avoid having a serious negative impact on the statutory child protection system Australia wide.

Currently:

- the number of accredited and active foster carers in Australia is dropping;
- the remaining foster carer cohort is ageing rapidly;

- the number of child protection notifications is continuing to increase;
- the number of children and young people entering the care system is continuing to increase;
- the gap between the number of available carers and the demand for carers is increasing;
- the use of relative and kinship carers to make up the shortfall is not working, and
- the potential foster carer pool is reducing as a consequence of changing population demographics, suitable family types to provide care, workforce participation, and volunteering patterns.

A recent Victorian report projected that in 2016 Victoria will have 1/3 less carers than it has now. AFCA is aware of similar trends and projections in the other states and territories.

The net result of this means that the number of children coming into care will continue to rise, the number of available carers will continue to drop, and other less desirable residential options that are not child-focussed and cost far more than the foster care option will be required. (For example a foster placement can cost as little as \$14,000 per annum, where as the starting point for current residential care is around \$100,000 per annum and continues to rise up to around \$500,000 for very high needs children and young people.)

Research suggests that the long term outcomes for these children and young people will also be severely compromised under a return to residential care options as issues such as poor education, homelessness, unresolved emotional and substance abuse issues, and interactions with the justice system are much harder to address in such environments. All these factors limit future employment options and can create long term dependency on the social welfare system.

AFCA welcomes the government's announcements that:

- single parents claiming income support from 1 July 2006 can stay on Parenting Payment for an extra two years before they switch to Newstart Allowance or other appropriate payment;
- recipients on Parenting Payment Single immediately before 1 July 2006 can remain on that payment until their youngest child turns 16, so long as they remain eligible for that payment;

- **principal carers who are registered and active foster carers will have automatic participation exemptions for up to 52 weeks at a time in recognition of their current contribution to the community;** and that
- where carers wish to voluntarily seek work while exempt, they will be able to access the same assistance and employment services as other parents.

The measures contained in the bill propose that sole parents who are 'registered and active foster carers' will also receive a higher rate of Newstart Allowance/Youth Allowance payment, which tops up their income support payment to the equivalent of the Parenting Payment Single rate. The government has provided this supplement in recognition that these foster carers are not in a position to undertake paid work.

On the surface, this appears to be a generous commitment by the government. However, AFCA is most concerned that the failure to allow these 'registered and active foster carers' to remain on parenting payment will in fact financially disadvantage these foster carers.

It is our understanding that these foster carers will:

- move from a tax-free pension base to a taxable payment base;
- lose access to concession cards (the Commonwealth Health Care Card being the most significant of all) and the multitude of benefits they can currently access at Commonwealth, State and local government levels that flow from these; and
- be subjected to a significantly increased effective marginal tax rate.

The NATSEM research findings apply equally to the foster carers who are already supplementing the governments' care of our most needy, abused and neglected children.

The net impact of this will vary from state to state and from region to region.

State and Territory governments have calculated that the Welfare to Work provisions will affect between 20% and 50% of their current registered and active foster carers. Most states advise that they fall in the 30-40% range (McHugh: 32% - NSW; 35% - Vic; 36% - Qld) but the Northern Territory is the highest at around 50%.

The states/territories are particularly concerned that they may lose around a third of their valuable carers as a result of this move. As mentioned earlier, this will place a great strain on

the child protection system. The cost to these government departments, and ultimately the tax payer, will be substantial as they will have to provide more 24 hour rostered care using paid employees. This is not the optimal solution for most of the children/young people.

Foster carers are also telling us that unless they can maintain their current and modest income base and entitlements, they will be forced to give up fostering.

AFCA submits that better support of the current 'registered and active foster carers' is an investment in the future. With such an investment:

- the future tax base will be expanded;
- reduced expenditure will be required on family support and intervention programs;
- reduced expenditure on homelessness, substance abuse, mental health, and domestic violence;
- welfare dependence will be reduced; and
- interaction with the justice system reduced.

AFCA therefore recommends:

1. In respect of **current** 'registered and active foster carers', the foster carers should be:

- permitted to stay on Parenting Payment, and not be shifted to Newstart Allowance; and
- retain their current access to concession cards.

2. In respect of **new** 'registered and active foster carers', the foster carers should be:

- placed on Parenting Payment, not Newstart Allowance; and
- provided with the same access to concession cards as current foster carers.

3. In respect of the **proposed Guidelines**, yet to be drafted:

- AFCA is concerned about an apparent lack of understanding about fostering and the demands placed on carers in their caring role and

- strongly encourages the Commonwealth consults with the sector and all State and Territory welfare departments to ensure that the final Guidelines are both workable and administratively viable (and not cumbersome).
4. In respect of the **proposed Annual Reviews**, AFCA supports the proposed review mechanism and is committed to facilitating its effective implementation. AFCA therefore:
- strongly encourages close consultation between the Commonwealth and all the State and Territory child protection systems, possibly through CSDMAC, to ensure an effective and administratively viable solution is achieved since it has to interface properly with eight different systems.

In conclusion, AFCA wishes to thank the Committee again for this opportunity to present its concerns about the Welfare to Work measures.

Foster carers provide a significant and valuable service to the community at a time when there is a growing crisis in the child protection systems around the country. In fact foster carers are the backbone of the child protection system. The federal government has already shown leadership in the sector by the establishment of the National Foster Care Plan. Through the Plan, governments have recognised the need to support foster carers in their role. Retaining carers on Parenting Payment dovetails with the National Plan and its objectives.

There is an acute shortage of quality foster carers already and the unmet demand for appropriate carers is continuing to rise. It is AFCA's view that unless the measures contained in this bill are made more supportive of 'registered and active foster carers' the provision of alternative home based care for children and young people unable to live in their own homes will cease to be an option within 2-3 years. This can best be addressed by ensuring that 'registered and active foster carers' retain access to Parenting Payment; are not transferred to Newstart; and have ongoing access to the current concession card regime.

AFCA is committed to supporting the development of Guidelines and a review process that are workable, administratively viable and not cumbersome. AFCA also strongly encourages full consultation with the State and Territory welfare departments to ensure that the interface between the Commonwealth and eight State/Territory systems is sound. If it isn't, even more quality foster carers will be lost from the system.

AFCA is still working through the finer details of the proposed legislation. We recognise the time constraints of the Committee in reporting on this legislation, and will forward any other

issues or concerns that may arise in our study of the legislation to the Committee early next week.

Thank you.