



# Reforming the Foster Care System in Australia

## A New Model of Support, Education and Payment for Foster parents

### A Call to Action for State and Federal Governments and Community Sector Organisations

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## 1. PREAMBLE

Tonight, as on any night of this year, around 40,000 Australian children and young people will be bedding down in the homes of foster carers across Australia. And these children are the lucky ones.

Demand for foster care - including permanent, respite and emergency care - grew threefold between 1990 and 2010<sup>1</sup>, driven by the impact of alcohol, drugs, mental health and family violence across the community.

However, 14 per cent of foster parents are abandoning the system each year, leaving increasing numbers of Australia's most disadvantaged children and teenagers in need of a safe place to call home, at least for one night, and at further risk. The long-term impact on these children's lives, and society as a whole, cannot be quantified. (Unsurprisingly, given their life experiences, many of the young people entering care already exhibit very challenging behaviours.)

*...Evidence shows that the experiences and quality of care received in out-of-home care can be critical to determining whether a child or young person can recover from the effects of trauma and are more able to access opportunities in life.<sup>2</sup>*

The question we face today is how can we better meet the needs of these children and those who care or might be prepared to care for them?

This report from Berry Street, with additional analysis from the University of New South Wales, explores the reasons why foster care is currently in a state of crisis and proposes a new model for a professional foster care system for all young people in Out Of Home Care (OOHC).

The report summarises a proposed operational and funding model that takes account of the differing needs and circumstances of these children and that integrates:

- Clinical assessment and therapeutic support
- Carer recruitment, training, support and supervision
- A fostering allowance (reimbursement of direct costs)
- A foster parent fee (income for the foster parent(s)).

Such a professionalised foster care system would make the role of foster parent a viable option for those who may wish to care for these vulnerable children, but who are reluctant to continue with, or to take on, such a role within the current fostering environment.

For the sake of the children and their carers, Berry Street suggest it is time that all Australian jurisdictions debated and discussed such a model with the OOHC sector.

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<sup>1</sup> Higgins, 2011

<sup>2</sup> *An Outline of National Standards for Out of Home Care*, a priority project under the National Framework for Protecting Australia's Children 2009-2020. Department of Families, Housing, Community Services and Indigenous Affairs together with the National Framework Implementation Working Group. July 2011 See: [http://www.fahcsia.gov.au/sites/default/files/documents/pac\\_national\\_standard.p](http://www.fahcsia.gov.au/sites/default/files/documents/pac_national_standard.p)

## 2. INTRODUCTION

All Australian jurisdictions have responsibility, under different legislative frameworks, to care for and protect children at risk of significant harm. Foster care is a vital option for children and young people who cannot live safely at home with their parents.

Today, however, the foster system is facing catastrophe, with more foster parents leaving the system than there are new people volunteering. At the same time, demand is increasing, with the number of Australian children in out-of-home care increasing threefold between 1990 and 2010 to 36 thousand.<sup>3</sup> Data for 30 June 2011 indicated that 37,648 children were in out-of-home care<sup>4</sup> across Australia.

As of June 2012, there were 6,702 children in care in Victoria, an increase of 9 per cent on the previous year. Overall, there was a 40 per cent increase in the number of children placed in out of home care in Victoria from 1997-2012.<sup>5</sup> In 2011, 37 per cent of children were in foster care; 42 per cent were in relative/kin care; 12 per cent were in 'other' home-based care; and 9 per cent were in residential care.

Meanwhile, as of 30 June 2011, there were an estimated 1,574 Victorian foster parent households who had a placement during the year; 226 foster parents commenced fostering whilst 291 foster parents exited foster care in 2010-11.<sup>6</sup> Over the past two years, the decline in numbers is even more significant, with 806 households exiting foster care compared with 517 commencing.<sup>7</sup>

*Unless radical changes are made, more foster parents will continue to leave the system than enter. This problem needs to be fixed, if we are to protect the most vulnerable children in our community.*

This briefing paper was developed to assist the deliberations of the Inquiry into *Protecting Victoria's Vulnerable Children*. The paper highlights the need to establish a more professionalised foster care system, and outlines a model for funding that integrates clinical assessment, therapeutic support, complexity of needs, the true cost of raising a child, and agency costs. The paper also describes what is required to develop a sustainable, professionalised, foster care system with the capacity to meet the needs of vulnerable children and young people.

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<sup>3</sup> Higgins, 2011

<sup>4</sup> OOH; AIHW, 2012

<sup>5</sup> AIHW, 1997, 2011, 2012

<sup>6</sup> AIHW, 2012

<sup>7</sup> Cummins et al., 2012: lxvii

The first section of the paper (1.1) discusses the background to foster care in Australia, factors associated with the current crisis in fostering (1.2) and why a new foster care model is needed.

In particular, we look at how a professionalised model of foster care, as adopted in many other countries, could help improve outcomes for children in out of home care (OOHC). In such a model, foster parents are remunerated with both a Fostering Allowance to meet a child's costs and a Foster Parent Fee or salary to reward the foster parent. It is suggested by Berry Street that it is time that Australian jurisdictions debated and discussed such a model with the OOHC sector.

Section 2 of the paper outlines the new Berry Street integrated model for foster care. The model has four interlinked components:

1. Foster Parent Recruitment, Training and Assessment
2. Placement Support
3. Foster Parent Network Support
4. Financial Resources.

*The Berry Street Foster Care Integrated Model*, as presented in this paper, considers both the costs of caring and the concept of a professional approach to foster care. Underpinning the new model is an improved model of extended support for the foster parent family and foster parent training. Berry Street is currently developing a training framework, and this is outlined in section 4.1.

This model demonstrates the need for partnerships to provide the best professionalised approach to providing care. Whilst any one agency could, in principle, provide all activities in each of the four components, in reality there are a number of agencies that could provide individual activities, thereby operating under a partnership approach to service delivery

Throughout the development of this model, special attention was given to the *National Framework for Protecting Australia's Children 2009-2020* and the *National Standards for Out of Home Care* and how the *Framework* and *Standards* relate to a more professional approach to fostering. Clear connections can be made between in-care experiences and outcomes, and how a professional model of fostering, involving a therapeutic approach, could enhance the skills of foster parents, enabling them to work more effectively with children and young people.

## 2.1 Background to foster care in Australia

*The continued need to recruit and retain foster carers is an ongoing struggle, with increasing numbers of children with higher levels of need ... we need to be more creative in our endeavours to attract interested people to consider foster care as an option.*<sup>8</sup>

A number of major reports on out-of-home care in Australia have, in recent years, stressed that the provision of home-based care is in a state of crisis, and urgent reform in a number of areas is required<sup>9</sup>.

And the perceived crisis is not specific to Australia; throughout developed and developing countries it is a recurring theme in the empirical literature on fostering.<sup>10</sup> The UK Fostering Network noted that at least 8,750 new foster families were required to avoid a crisis in their care system. Similar to Australia, the ageing of the foster parent population in the UK means that around 14 per cent of foster parents retire or leave fostering each year.<sup>11</sup>

The nature of the foster care crisis is multi-faceted. It appears to be due to out-dated policies and practices, inadequate resources, difficulties in preventing rapid staff turnover, and difficulties in recruiting and retaining volunteer foster parents.

Recent government reports from New South Wales and Victoria<sup>12</sup> note that, increasingly, children and young people are in care for longer periods and that costs per child continue to rise, mainly due to the complexity of their needs. Of concern also is the continuing over-representation of Aboriginal and Torres Strait Islander children in care (10 times the rate of non-indigenous children<sup>13</sup>).

It is important to note that governments in Australia have responded to the crisis with reforms in policies and programmes, increases in overall funding and staff, and increasing use of the non-government sector (including Indigenous agencies) to provide fostering services. Many of these changes are due to the recommendations contained in 14 reports on inquiries into child protection systems (including OOHC) in the various jurisdictions, in the period 2002-2010<sup>14</sup>.

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<sup>8</sup> CAFWAA, 2011:4

<sup>9</sup> Barber and Delfabbro, 2004; Bromfield et al., 2005; Carter, 2004; CSCAC, 2005; QCMC, 2004

<sup>10</sup> Colton and Williams, 1997, 2006

<sup>11</sup> Fostering Network, 2011

<sup>12</sup> Brouwer, 2009; Wood, 2008

<sup>13</sup> AIHW, 2011

<sup>14</sup> McHugh & Valentine, 2010

Of particular interest in these reports is the continuing reliance, albeit better supported, on the use of the traditional model of OOHC: volunteer foster care.<sup>15</sup>

In Australia, the use of volunteer foster care began with Sydney's first settlement, when orphan and destitute children were boarded with 'respectable' but poor working-class families. Institutional care for children was used during the 19<sup>th</sup> century before a return was made to foster care in the late 1800s. This shift was based on the assumption that fostering cost less than institutional care.

Many State boarding-out schemes in the late 19<sup>th</sup> century were initiated by charitable institutions run on a voluntary basis by 'ladies' and church committees, with the State providing minimal payments for foster parents. The heavy reliance on volunteerism and altruism brought substantial cost-savings to governments<sup>16</sup>.

The period 1930-1980s saw institutional care being used again, alongside foster care. But due to their higher costs (capital, staff and ancillary costs) and the poor care environment they provided, most large institutions for children had been closed down by the 1990s. Volunteer foster care in the family home was, once again, the dominant option in OOHC services. It is not difficult to deduce that governments accrued (and continue to accrue) significant cost savings with the return to care provided by volunteer foster parents.

*Governments continue to accrue significant cost savings with the care provided by volunteer foster parents; however, this system is not sustainable and does not take into account the many longer-term social and financial impacts.*

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<sup>15</sup> *The Tasmanian Select Committee Report on Child Protection* (Parliament of Tasmania, 2011) and the *Report of the Protecting Victoria's Vulnerable Children's Inquiry* (2012) add to this list of reports.

<sup>16</sup> Dickey 1980; Picton and Boss, 1981; Ramsland, 1986



## 2.2 Factors associated with the crisis in foster care

Since the beginning of the 21<sup>st</sup> century in Australia, two crucial factors surface time and again in relation to the systemic crisis in foster care. One is the decreasing number of people volunteering to take on the role of foster parent. (The retention of foster parents is also problematic.) The second key factor is the increase in the number of children and young people in OOHC with challenging behaviours.

### *Recruiting and retaining foster parents*

*“If there aren’t enough people willing to step forward, kids won’t necessarily be placed with someone who is right for them, which can mean that the placement breaks down. And the last thing these children need is any further disruption and distress in their lives...”*

Whilst all jurisdictions struggle to attract ‘new’ foster parents, Victoria estimates that unless significant changes occur in relation to foster parent recruitment and retention practices, the decline in new recruits, coupled with the increasing number of foster parents leaving fostering, will reach a critical point by around 2015.<sup>17</sup> Studies indicate that with a smaller pool of foster parents to call on there will be greater difficulty in making an appropriate match between the needs of the foster child and the capabilities of the foster parent.

Placement instability and disruption are, as a consequence, more likely to occur.<sup>18</sup> Findings on placement instability in Victorian OOHC by Cummins and colleagues (2012) are significant. Whereas 78 per cent of children exiting care during the year had experienced two or fewer placements in 2001-02, the proportion fell to 60 per cent in 2010-2011. It appears that the longer children are in care, the higher the possibility of placement instability. In 2001-02, 74 per cent children exiting care after two years had two or fewer placements compared with 44 per cent in 2010-11. These findings indicate children in Victoria’s OOHC system are increasingly experiencing multiple placements.

Several factors contribute to difficulties in attracting potential foster parents. One is the significant increase over the last two decades in the labour force participation rate (LFPR) of women, especially mothers, traditionally the primary foster parent. It is now common for both parents in couple households in Australia to work.

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<sup>17</sup> CECFW, 2011; VDHS, 2005

<sup>18</sup> CECFW, 2011; McHugh, 2008

The marked increase in women's LFPR is evident nationally and internationally, it reflects women's higher education standards and career aspirations; the changed societal attitudes towards the role of mothers in the labour market; the economic necessity for many women to support themselves and/or to contribute to household income; and, with rising longevity, the increasing need of women to secure an adequate income in retirement.

### ***Children and young people with challenging behaviours***

*Children in foster care, compared with other children, have been found to experience more serious physical, mental and emotional health problems, many of which are undiagnosed and untreated on entry into care.*

The second factor in the systemic crisis is the increase in the challenging behaviours and complex needs of children and young people requiring foster care. One outcome for foster parents, struggling to care for children with challenging behaviours and complex needs, is multiple placement breakdowns.

Multiple and unplanned placements, a common feature of foster care in many western countries, impact on children's life trajectories, disrupt access to education and health services, compromise children's wellbeing and also have a negative impact on workers and foster parents<sup>19</sup>.

The increase in the number of children and young people with challenging behaviours and complex needs is not specific to Australia. Recent national and international studies note the increasing complexity of behaviours of fostered children, for example, aggression, sexualised behaviours, delinquency, emotional disturbance, developmental disabilities, drug and alcohol use/addiction in older children and drug and alcohol affected babies<sup>20</sup>.

US studies find that the fastest growing group of foster children - babies and young children - have very high rates of 'medical illnesses, developmental delays and substantial risks for psycho-pathology,' which require extensive services<sup>21</sup>.

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<sup>19</sup> Delfabbro, Barber and Cooper, 2001; Fernandez, 1996; Frederico, Jackson and Black, 2010; Glare et al., 2003; Ward, 2009; Worrall, 2009

<sup>20</sup> Jarmon et al., 2000; Sultmann and Testro, 2001; Triseliotis, Borland and Hill, 2000; Vic, DHS, 2003; Wise, 1999; Worrall, 2009

<sup>21</sup> Clyman, Harden and Little, 2002: 435; Jarmon et al., 2000; Robertson, 2005

## ***Specialist fostering programs***

***Children who have suffered abuse and neglect can benefit from a well-established and well-evaluated program of therapeutic intervention.***

An unexpected consequence of the closure of most residential facilities in Australia, between 1980 and 1990, was the inability of governments to find placements for children with particularly challenging behaviours, traditionally perceived as being ‘too difficult’ to be cared for in family foster homes. As in the UK, caring for children with highly challenging behaviours meant ‘the difficulties and complexities of the task’ increased for foster parents.<sup>22</sup>

In the later part of the 20<sup>th</sup> century, continuing into the 21<sup>st</sup> century, most States implemented a number of small, costly specialist fostering programs (some with a therapeutic/treatment focus). These services are often provided by the non-government sector.<sup>23</sup>

For example, in Victoria, *Take Two* (a Berry Street initiative implemented in 2003) is a well-established and well-evaluated program of therapeutic intervention for children who have suffered abuse and neglect<sup>24</sup>. Victoria has also implemented two specialist therapeutic foster care programs: the *Circle Program* and *Treatment and Care for Kids* (TrACK)<sup>25</sup>. In most jurisdictions, external foster care services (for-profit) have also become available, usually for individual children with high needs who require containment/accommodation. Foster parents in all specialist programs provide a more professional service for children with severe emotional and behavioural problems. In general, they are also provided with higher fostering rates.<sup>26</sup>

The use of more highly resourced, specialist fostering programs for hard-to-place (e.g. behaviourally disturbed and/or severely disabled) children has become a growing part of foster care services in Australia in the 21<sup>st</sup> century.<sup>27</sup>

For example, in 2007, the NSW Department of Community Services (DoCS, now NSW, Department of Human Services) introduced *Intensive Foster Care*: a special fostering program for children 10-17 years with high and complex needs. The program uses professional/experienced foster parents who receive around three times the level of the *Standard Care Allowance*.

The program aims to deliver a coordinated plan of casework and therapeutic intervention within a community-based environment for children and young people with high support needs. Foster parents either retain the status of volunteers or are engaged as self-employed contractors.

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<sup>22</sup> Fostering Network, 2008: 6

<sup>23</sup> Pitman, 1997

<sup>24</sup> Frederico, Jackson and Black, 2010

<sup>25</sup> VDHS, 2009

<sup>26</sup> Fergus, 2008; Gain, Ross and Fogg, 1986; Healy, 1998; Johnstone, 2001; Voigt, 1986

<sup>27</sup> CAFWAA, 2007

An *Intensive Residential Treatment Program* was also established and in 2010 a *Therapeutic Secure Care Program* was introduced.<sup>28</sup>

In Victoria, the *Circle Program* provides therapeutic training for all key individuals in the care relationship, with an emphasis on equal and collaborative communication. The reimbursement rate for accredited *Circle* foster parents is *Intensive Level 2* (double the General Rate of Caregiver Reimbursement) and all foster parents (existing and new) in the program must undertake *The Circle Program Training Package* and be assessed as suitable.<sup>29</sup>

It is of interest to note that in 2005, when implementing *The Circle Program*, the Victorian Government's aim was, over the medium- to long-term: 'to develop a **therapeutic system** not just a therapeutic model.'<sup>30</sup> In the KPMG consultations for the *National Standards for OOHC*<sup>31</sup>, government and non-government workers also stressed the necessity for a therapeutic care approach for all children and young people living in OOHC. A recent Victorian report<sup>32</sup> also emphasises that 'all children in out-of-home care receive appropriate therapeutic care.'

### ***Foster parent payments for specialist fostering programs***

***Higher foster parent payments may prove an incentive for more experienced and skilled foster parents to provide care for children with complex/challenging behaviours and/or disabilities.***

It is of interest to reflect on the higher levels of payment provided to foster parents in specialist programs, and also to foster parents of children with complex/challenging behaviours and/or disabilities in mainstream fostering programs. While it is somewhat ambiguous as to what 'costs' these higher payments are meant to cover, it appears that the needs of these children are indeed in excess of what other children in care require. What the 'excess' entails has never been examined or quantified to provide a dollar amount.

The names given to these higher levels of foster parent payments vary by jurisdiction. Likewise, how allowances are determined is not clear, though many States use a 'loading' (i.e. percentage increase) on the age-related basic subsidy.<sup>33</sup>

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<sup>28</sup> CAFWAA, 2007; NSW DHS, 2010; NSW DoCS, 2007

<sup>29</sup> VDHS, 2009

<sup>30</sup> VDHS, 2009: 6, author emphasis

<sup>31</sup> KPMG, 2009, author emphasis

<sup>32</sup> Cummins et al., 2012: liii

<sup>33</sup> AIHW (2011) notes that there are varying degrees of reimbursement made to foster parents with some Foster parents paid a wage beyond the reimbursement of expenses. No data is provided on the numbers of Foster parents receiving a 'wage' nor the amounts received.

The higher payments appear to acknowledge that there is some differentiation between foster parents - those considered 'more professional/experienced' and other generalist foster parents. It can therefore be argued that these higher payments contain a 'reward or 'compensation' component. Some evidence of this is indicated, for example, in the explanation of the *Special Needs Allowance* in the Northern Territory:

*Special Needs Allowance* rate applies where the child has been assessed as requiring emotional, physical, personal and/or auxiliary care in excess of what is usually required by a child in care. As such, there are demonstrated extra expenses, duties, tasks or stresses associated with the care of the child.<sup>34</sup>

The explanation of this allowance suggests that part of the payment for extra 'duties, tasks and stresses' around providing additional 'emotional, physical, personal and/or auxiliary care' is a form of foster parent compensation. As such, it is not directly linked to costs related to a child's complex or challenging needs.

Further research is required to determine how best to estimate the additional cost to foster parents of children in care with special/complex needs. This is a pressing issue, as in many jurisdictions it is required that a foster parent (or one foster parent in a couple) does not participate in paid employment when receiving a higher allowance.<sup>35</sup>

Other researchers<sup>36</sup> have examined higher payments to foster parents from a different perspective. They argue that higher payments may artificially support placement arrangements that are unsuitable both for foster parents and children:

Rather than seeking alternative arrangements the expenditure on loadings may, ironically, serve to perpetuate the problems described. By keeping many challenging children in family foster care, the government may be unwittingly making foster care a less attractive occupation for current and potential foster carers.... for these reasons ... alternative solutions such as treatment foster care should be considered. In such schemes, children with significant needs are removed from mainstream foster care system and looked after by professionally trained foster carers with greater resources and supports.<sup>37</sup>

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<sup>34</sup> NTDHF, 2010

<sup>35</sup> McHugh, 2010

<sup>36</sup> Delfabbro and Barber, 2004

<sup>37</sup> Delfabbro and Barber, 2004

Lawrence (2008:5) in New Zealand also notes that higher rates for foster parents 'often seem about bed availability and containment rather than proven foster care competency and outcomes for the child/young person.' The views of these researchers<sup>38</sup> provide strong support for a more professional approach to fostering, such as suggested in the Berry Street model outlined in Section 3 of this paper.

### ***Data on specialist fostering programs***

*More data on foster parents in specialist programs across Australia, and on the outcomes for children in these programs, would help inform future decision-making.*

There is no national data on the numbers of children accessing the specialist programs that operate in all Australian jurisdictions. As in the UK<sup>39</sup>, there have been no studies in Australia on foster parent characteristics, professional orientation and levels of foster parent training - or on the outcomes for children in these programs.

In Victoria, the *Centre for Excellence in Child and Family Welfare* (CECFW) estimated that around four per cent of children and young people are placed in a program that has an 'articulated and adequately resourced therapeutic framework'<sup>40</sup>. Despite the availability of specialist services, it would appear that not all fostered children are receiving the specialist services that they require. Strong evidence of multiple placement breakdowns in all Australian jurisdictions indicates that children with challenging behaviours and complex needs, who would benefit from therapeutic foster or residential care, are posing insurmountable problems for foster carers without specialist training and ongoing support.<sup>41</sup>

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<sup>38</sup> Delfabbro and Barber, 2004; Lawrence, 2008

<sup>39</sup> Kirton, 2007

<sup>40</sup> CECFW: 2011

<sup>41</sup> Barber, Delfabbro and Cooper, 2001; Hillian, 2006; DHS, 2003

### 3. WHY WE NEED A NEW, PROFESSIONALISED FOSTER CARE MODEL

*“Yes, I’m part of a team of people caring for Sheree, but I’m the one there with her in the middle of the night, or at school when she’s been acting up, and in all the case meetings. I want the very best for her and I know I could do my role better with more support and training.”*

In the foster care literature, there is an increasing emphasis on the professional role of foster parents. The notion of fostering’s professionalism is used here to indicate the ways in which the role of a foster parent in Australia has changed from being an ‘ordinary’ activity, similar to everyday parenting, to one requiring regulation, supervision and training<sup>42</sup>.

Research suggests that many foster parents are changing from relatively unassertive, well-meaning and motherly women, to multi-skilled specialists dealing with the varied and complex needs of their foster children.

Studies with foster parents highlight the expansion of their tasks, activities and responsibilities, their increasing involvement with other highly trained specialists, and their increasing involvement in training and support groups.<sup>43</sup> The Fostering Network (2008) provides a succinct outline of foster parents in the 21st century in the UK, which is equally applicable to foster parents in Australia:

Foster carers are at the centre of a multi-disciplinary team of professionals who work on behalf of children and young people in public care. They are required to deliver highly personalised care within a professional framework and need to approach what they do in a professional manner: report writing, assessments, home reviews, dealing with paperwork, attending placement agreement meetings, involvement with the police, attending court and giving evidence, managing contact, and doing life-story work. All the while they continue with parenting and meeting the emotional and physical needs of the child in their care in a way that safeguards the child and themselves.<sup>44</sup>

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<sup>42</sup> Wilson and Evetts, 2006: 40

<sup>43</sup> Fostering Network, 2008; Kirton, 2007; Kirton, Beecham and Ogilvie, 2003; Lawrence, 2008; McHugh et al., 2004; Waldock, 1993

<sup>44</sup> Fostering Network, 2008:5

Fostering's growing professionalism reflects women's increasing involvement in the world of paid work, their increased education levels, and their awareness of the value of the skills and abilities they bring to fostering. Where initial training to become a foster parent was once sufficient, ongoing training is now a critical element in fostering. In NSW and elsewhere, foster parents today are increasingly involved in the assessment and training of potential foster parents, in foster parent support groups and, if experienced, in mentoring new foster parents in their new role.<sup>45</sup>

The foster care literature also reveals that despite the notion of increasing professionalism of fostering, there is a general lack of specialised training and pay to reflect such a professional care service. It is suggested that of all the professionals (e.g. caseworkers, therapists, psychologists, doctors, teachers) involved with fostered children, 'foster parents are the least prepared for, and the less supported in their responsibilities.'<sup>46</sup>

Numerous reports also highlight the ongoing tension between what foster parents are expected (and want) to do to achieve good outcomes for their fostered children, and the level of government support (financial and non-financial) provided to do so.

### ***Foster parents' perception of their role***

*There is a general trend, particularly among longer-term foster parents, to see the fostering role as more 'professional'.*

In a recent foster parent survey (n=450), most (73%) foster parents saw their *current* role as semi-professional (57%) or professional work (16%) while less than one third (27%) thought their role was voluntary.

When asked what they thought their role *should* be their responses were significantly different. Most (86%) thought fostering *should* be either semi-professional (54%) or professional (32%) compared with 13 per cent who thought it should be voluntary. There were no marked differences between married or single foster parents. With the exception of older (65+) female foster parents, 47 per cent of whom thought fostering should be voluntary, there were no marked differences between foster parents of different ages. In terms of years fostering, it is evident that the longer foster parents had fostered, the more likely they were to see the current and future role of fostering as professional work.<sup>47</sup>

Two Queensland studies explored issues around fostering's professionalism.<sup>48</sup> Both studies found ambivalence on the part of some foster parents in relation to receiving payments (i.e. a wage or salary) for caring work.

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<sup>45</sup> McHugh et al., 2004

<sup>46</sup> Marcellus, 2006: 119

<sup>47</sup> Smyth and McHugh, 2006

<sup>48</sup> Thorpe 2004; Butcher 2004b



Around one-quarter of foster parents ( $n=115$ ) in Thorpe's study<sup>49</sup> thought fostering should be professional and had no problem with foster parents receiving payment for the work they do. Most foster parents in one study<sup>50</sup> ( $n=40$ ) thought fostering should be a professional role requiring formal training, qualifications and foster parent payment.

A recent Victorian report<sup>51</sup> suggests that what is required in the OOHC system is 'the introduction over time of a professional foster parent model to provide improved and sustained support for children and young people.'

### 3.1 Foster parent training and professionalism

In parts of the US and some European countries, there is increasing recognition of fostering as a skilled profession that should be, and is, duly rewarded.<sup>52</sup>

For example, in recent years, a significant number of initiatives aimed at improving the quality of foster care have been introduced in the UK. One of these initiatives is the '*Payment for Skills*' scheme, which enables general foster parents to increase their skill levels through undertaking training courses. Like residential care workers, foster parents can undertake the *National Vocational Qualification* (NVQ) or other external training with the *Fostering Networks Open Training Courses*, to gain nationally accredited competencies required by agencies. Higher skill levels attained by a foster carer lead to incremental increases in *Foster Carer Fee* payments<sup>53 54</sup>. A survey of UK foster carers ( $n=2123$ ) in 2010 found over a third (34 per cent) of the sample had a relevant NVQ.<sup>55</sup>

Other available training programs are, for example, for foster parents who work in the Multidimensional Treatment Foster Care (MTFC) Services. These UK programs, based on the USA model developed by the Oregon Social Learning Centre, are an evidence-based intervention for children and young people with complex behavioural and emotional difficulties. MTFC works by having highly trained foster parents supported by a clinical team of mental health, education and social service professionals.<sup>56</sup>

Whether MTFC (designed in the USA for young offenders) is suitable for children in OOHC in Australia has been questioned by researchers.<sup>57</sup>

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<sup>49</sup> Thorpe 2004

<sup>50</sup> Butcher (2004b)

<sup>51</sup> Cummins and colleagues (2012: liii)

<sup>52</sup> Butcher 2005, 2004a, 2004b; Corbillon, 2006; Corrik 1999; Kirkton et al. 2003; NFCA 1996; Testa and Rolock 1999

<sup>53</sup> Corrick 1999;; Hayden et al. 1999; Hooper, 2004; Lowe 1999; NFCA 1996

<sup>54</sup> 'Payment for skills' scheme has two carer remuneration components; one, a maintenance (subsidy) payment to meet the needs of a child, the other a fee payment in recognition of carer skills.

<sup>55</sup> Tearse, 2010

<sup>56</sup> NHS, 2012

<sup>57</sup> Delfabbro and Osborn, 2005

### ***Certificate courses for caregivers (New Zealand)***

In New Zealand, the *National Caregivers Training Programme* has a range of training courses available for caregivers to attend. On completion, foster parents can enrol in the *National Certificate in Family/Whānau Foster Care* (Level 4) followed by the *National Diploma in Whānau/Family and Foster Care* (Level 6).

Foster parents do not receive any additional remuneration (fee component) for completing the Certificate and/or Diploma courses and whilst the training is 'free' to foster parents, all must pay a registration fee of \$112 (NZ) before commencing the course.<sup>58</sup>

A new 3-level foster care program was launched in 2012. This will be part of the *New Zealand Qualifications Authority Grid*. Modules gained can count towards other qualifications such as Child Work or Social Work qualifications.<sup>59</sup>

New Zealand has around 3,500 foster parents. Whilst there is no hard data on completion rates of Certificate Courses, it is believed that around 38 foster parents have completed a Certificate Level 4 course and 19 have signed up in 2012 to commence the 18-month course.<sup>60</sup>

### ***Current foster parent training programs in Australia***

In all jurisdictions, foster parents are required to undertake an initial training program before being approved as foster parents. Some jurisdictions require foster parents to attend further standard training within their first 12 months. In general, ongoing training is available to all foster parents. There are no mandatory requirements attached to the frequency and type of ongoing or specialist training, unless the foster parent is involved in a 'specialist fostering program' (see above).

One Australian study<sup>61</sup> found a relationship between the foster parent's perception of the fostering role and the likelihood of having undertaken ongoing training. Foster parents who thought the fostering role should be regarded as voluntary work were less likely to have undertaken ongoing training whilst fostering, with only 40 per cent having done so, compared with 57 per cent of the professional group and 58 per cent of the semi-professional group. The assumption made by the researchers was that foster parents who regard their role as 'professional' are more likely to attend ongoing training to increase their skills.<sup>62</sup>

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<sup>58</sup> It was thought that if Foster parents were required to make a financial contribution to undertaking the course they would be more motivated to complete the program.

<sup>59</sup> Worrall, 2011

<sup>60</sup> Lawrence, 2012

<sup>61</sup> Smyth and McHugh, 2006

<sup>62</sup> Smyth and McHugh, 2006

### *Certificate courses for foster parents (nationally)*

In June 2011, a national program for training foster parents (*Community Services Training Package CHCO8: Foster Care Skill Set*) was introduced. The skill set, developed by the *Community Services & Health Industry Skills Council* (CS&HISC), has been endorsed by industry for people wishing to gain a set of skills for undertaking foster care of children.

There are three Units in the package and attainment of the Units may provide credit towards *Certificate IV in Child, Youth and Family Intervention*. Completing units in the skill set may also provide foster parents with credit towards Certificate III or Certificate IV in Children's Services.<sup>63</sup> There is no available data on the foster parents who have participated in or completed this training.

Berry Street is developing a building block model for foster parents to attain an identified skill set using the national *Community Services Training Package CHCO8: Foster Care Skill Set* in the first instance, which is demonstrated in section 4.1 of this document. In the Berry Street model of ongoing foster parent training, the payments to foster parents (e.g. Foster Parent Fees) will be matched with their skill and training level.

### *Australian Capital Territory (ACT) and Queensland*

It is not clear how many jurisdictions have foster parent training linked to obtaining credit units in certificate courses. The ACT has developed its own foster parent training: '*Positive Futures - Caring Together*.' In the *ACT Departmental Learning and Community Education Unit*, agency workers and foster parents are involved in the delivery of the training. Completion of training provides foster parents with credit units toward a *CIT* [Canberra Institute of Technology] *Certificate in Child Care*.<sup>64</sup> No statistics are available on the number of foster parents who have participated in the certificate course.<sup>65</sup>

Some Queensland foster parents have also participated in accredited training. In 2011, 20 foster parents from the *Foster Parent Advocacy and Support Team* (FAST) completed training in the *Cert IV in Child Protection* course. The course, comprising four blocks, covers the following areas:

1. Working in the Child Protection Sector;
2. Communication, culture and intervention in the Child Protection Sector;
3. Knowing about clients with complex and unique needs; and
4. Planning for clients in the Child Protection System.

Each block has three full days of TAFE and involves approximately five additional hours per week (over 12 months) to complete the work required.

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<sup>63</sup> CS&HISC, 2011

<sup>64</sup> Mardel, 2012

<sup>65</sup> Markham, 2012

Course participants are required to complete assessment/assignment tasks. The Queensland foster parents are not paid to undertake the course. If foster parents choose to complete one further block (Diploma Studies - *Putting Theories into Practice*) they graduate with a diploma. To date three foster parents completed the 12 month course and achieved a *Diploma in Child Protection*<sup>66</sup>

### ***National approach to competency-based training***

One of the priorities in the Australian Foster Care Association (AFCA) *Policy and Position Statement on Training and Accreditation* was the requirement for all foster parents to receive training and accreditation.

While there was no emphasis on the need for a nationally accredited scheme the need for consistency across the nation was noted.<sup>67</sup> A Queensland study with foster parents ( $n=61$ ) found foster parents wanting their qualifications to be formally recognised and transferrable within all Australian States. The findings from the study indicated the need for more highly specialised and accredited training for foster parents.<sup>68</sup>

In 2004, the Commonwealth developed *The National Plan for Foster Children Young People and their Foster Carers 2004-2006*. The Plan proposed a national approach to 'supporting children and young people and their carers through training, research, data collection and support'. The Plan identifies four key areas for action for foster parents, including:

1. Respecting and supporting their role, status and commitment;
2. Positive promotion of foster care and active, effective recruitment of a diverse pool of capable foster carers;
3. Quality competency-based training for foster carers; and
4. Mandatory, quality assessment and regular reviews at agreed intervals of all foster carers against agreed standards.

Under point 3, quality competency-based training for foster carers, proposed outputs included:

- Agreement on core foster care competencies, covering:
  - introductory level; and
  - specialist levels;
- Nationally agreed training standards for agencies and foster parents; and
- Options for the recognition and accreditation of training for foster carers.<sup>69</sup>

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<sup>66</sup> Ingliss, 2011

<sup>67</sup> AFCA, 2005

<sup>68</sup> Butcher, 2005

<sup>69</sup> Commonwealth, CDSMC, 2004

*The National Plan for Foster Children Young People and their Carers 2004-2006* was developed within the context of child welfare responsibility residing with state and territory governments. In relation to the 'key areas for action,' it was not clear how or when universally available, accessible, and accredited competency-based training for foster parents was to be provided.

*The National Plan for Foster Children Young People and their Carers 2004-2006* has now been superseded by the *National Framework for Protecting Australia's Children 2009-2020* and there is minimal reference in the *National Framework* in relation to foster parent training.<sup>70</sup>

### **National OOHC Standards**

*National standards are important in a professionalised model of foster care as they are able to identify the key factors within care that directly influence positive outcomes for children.*

In 2011, *National Standards for Out of Home Care* were introduced under the *National Framework* (KPMG, 2010). The aim of implementing national standards is to:

- Drive improvements in the quality of care; and
- Ensure that children and young people living in care have the same opportunities to reach their potential in all areas of wellbeing.

The development of national standards (14 in total) also aims to address inconsistencies in state and territory regulations and standards for OOHC. Eight principles underline the 14 standards. Though not stated, it can be argued that the standards are related to a more professional approach to fostering, with the fourth Principle stating: 'Carers are key stakeholders and partners in the system' and the 12<sup>th</sup> Standard noting that: 'Carers are assessed and receive relevant ongoing training, development and support'.<sup>71</sup> In the development of the National Standards, consultations with foster parents, highlighted the importance of a national approach to quality competency-based training for foster parents:

Carers considered that their preparation and skill level was not always adequate. Carers in all consultations expressed the view that improved support and training for both carers and caseworkers is critical to improving outcomes, as well as for ensuring the sustained involvement of carers for the long term. The consultations indicated that training of carers varied considerably between jurisdictions and within jurisdictions, depending on whether a carer worked for a government or non-government agency, and that it had varied a great deal over time.<sup>72</sup>

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<sup>70</sup> COAG, 2009: 25-27

<sup>71</sup> Australian Government, FaHCSIA, 2012

<sup>72</sup> KPMG, 2010, 5.2.1

National standards are important in a professionalised model of foster care as they are able to identify the key *factors* within care that directly influence positive outcomes for children. KPMG's report<sup>73</sup> left open the manner in which the effectiveness of the *National Standards* could be monitored and measured. Many consultants opted for an independent 'third party' monitoring process.

In commenting on the progress of the *National Framework*, Babington (2011) notes that in relation to the *National Standards*, it will be some time before collection and analysis of nationally consistent performance data indicates whether the standards have led to improvements in the wellbeing of children and young people in care.

In the KPMG report, no attention was paid to a national approach to competency-based training for foster parents. Given the developments in the foster care sector and the increases in specialist/professional foster care programs, it may well be time for the Commonwealth to ensure that foster parents become full members of the children's workforce. It is appropriate to consider whether foster parents, as in England, should come under the appropriate sector skills council (i.e. *Community Services & Health Industry Skills Council*) 'and that they are subject to the training and development requirements of all others in the children's workforce'.<sup>74</sup>

'Professional education' for those involved in the child protection and family services workforce, of whom foster parents are a significant group, is addressed in the recent Victorian report by Cummins and colleagues (2012: 103) with the authors stating:

A number of workforce issues can be addressed by improving the professionalisation of the child protection and community sector workforce through a process that is qualification-led. A child and family welfare sector training body should be established to oversee an industry-wide workforce education and development strategy. Among other components, the strategy should focus on consolidating the number of separate training budgets and strategies relating to child protection and family services.

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<sup>73</sup> KPMG (2009)

<sup>74</sup> Fostering Network, 2008: 14

## ***Other links to the need for a professionalised system for foster care***

***The costs of professional foster care are not insubstantial;  
however, the cost of not providing good quality care is  
significant.***

The consequences of an OOHC system in ‘crisis’ is further illustrated by the situation for young people in (and leaving) care. Australian researchers have found that for young people:

Pre-care experiences of abuse and neglect, combined with poor in-care experience and accelerated transitions to adulthood, and a lack of ongoing support after leaving care, make many of them vulnerable to a number of poor outcomes...Given their vulnerability, we should have better knowledge about their outcomes in key areas such as education, employment, health, housing, parenthood, substance abuse, social connections, and involvement in crime.<sup>75</sup>

Why young people in care become involved in crime is a complex area. However, it can be argued that the need for a more professional approach to fostering, especially with adolescents, can be found in the disturbing connection between young offenders and having been in care. Children who have been in care are over-represented in the juvenile justice and prison systems.<sup>76</sup>

There is little national data in Australia on numbers of young people in the juvenile justice system, or in prison, who have been in care. Annual surveys of 15-18 year olds in prison in the UK ‘suggest that anywhere between a quarter and a half have been in care at some point previously. This is likely to be an underestimate.’<sup>77</sup>

Numerous research studies have found multiple placements or placement instability [are] associated with an increases risk of difficult behaviour, later offending and police involvement.<sup>78</sup> As noted above, multiple placements and placement instability can arise when, due to a lack of choice in selecting foster parents, ‘inappropriate’ placements are made. What’s important in placement stability is a ‘good’ fit, or integration, of a child within a carer family.<sup>79</sup>

***A professional model of foster care would ensure that children  
and young people and foster parents have the necessary  
supports and services around them, thus improving the stability  
of their placements.***

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<sup>75</sup> Mendes, Johnson and Moslehuddin, 2011: 61-62

<sup>76</sup> Blades et al., 2011; Cashmore, 2011; Fergus, 2008

<sup>77</sup> Blades et al., 2011: 1

<sup>78</sup> Cashmore, 2011

<sup>79</sup> Leathers, 2006

The link between being in care and offending is multifaceted. It requires multiple responses to specific risk factors in care systems, particularly the links between childhood trauma and antisocial behaviour. One risk factor, noted in the work in the UK by Blades and colleagues (2011:4), was evidence provided by children in care of poor relationships with carers and social workers: 'who did not always take the time to listen, offer practical and emotional support or build up trusting relationships.' Interviewed children ( $n=23$ ) noted that 'poor relationships with carers were related to their inability to set boundaries or manage children's behaviour effectively.'

A professional model of fostering, involving a therapeutic approach, could result in the development and expansion of foster parent expertise to work more effectively with children and young people. Well trained in therapeutic skills and well remunerated, foster parents may be better equipped to develop relationships with young people, and to manage their difficult and antisocial behaviour without unnecessary police involvement.

A professional model of foster care would ensure that children and young people and foster parents have the necessary supports and services around them, thus improving the stability of their placements. The costs of professional foster care are not insubstantial; however, the cost of not providing good quality care is significant. Research in Victoria has conservatively estimated that 'the cost of poor outcomes for the 450 young people who leave care in Victoria each year is \$332.5 million.'<sup>80</sup>

*The costs of professional foster care are not insubstantial;  
however, the cost of not providing good quality care is  
significant.*

#### 4. A NEW INTEGRATED MODEL OF FOSTER CARE

Berry Street's proposed new *Integrated Model of Foster Care* has four interlinked components (see Figure1):

1. Foster Parent Recruitment, Training & Assessment;
2. Placement Support;
3. Foster Parent Network Support; and
4. Financial Resources.

These components aim to ensure that not only are more suitable people recruited for the role of foster parent, but also they are then equipped with the skills, support and financial resources they need to deliver the best outcomes for the vulnerable children in their care.

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<sup>80</sup> Forbes, Inder and Raman, 2006 cited in DHS, 2009



Figure 1: Integrated Model of Foster Care



## 4.1 Foster Parent Training

*Foster parents who themselves engage in further learning have a greater understanding of the benefits and value of education for young people in their care.*

Research into the impact of foster parent expectations and behaviour on the educational achievement of children and young people in foster care shows that:

- Those foster children doing most poorly educationally were likely to be with foster parents who had low expectations for their achievement, had less contact with the child's school and were less likely to help with homework; and
- When there is a 'learning culture' in the foster home, the care environment can positively influence the foster child/children's educational experience. For instance, a UK study showed that improving the home learning environment - by reading to children, providing books and increasing computer access - had positive educational benefits for foster children.

Berry Street acknowledges current research and from that has focused on two primary incentives for developing a skill set for foster parents:

1. Enhancing foster parent competency, capacity and confidence via training and support; and
2. Developing foster parents' mentoring and coaching role to 'Raise the Bar' and embed a culture of learning within the care system.

We know that foster parents who themselves engage in further learning have a greater understanding of the benefits and value of education for young people in their care. In developing a 'building block' model for foster parents to accomplish a specific skill set, Berry Street will use the national Community Services Training Package CHC08: Foster Care Skill Set in the first instance.

Berry Street advocates for a system that provides a range of learning and support portals - web-based and face-to-face - that will be more accessible to foster parents, no matter where they live, work or study.

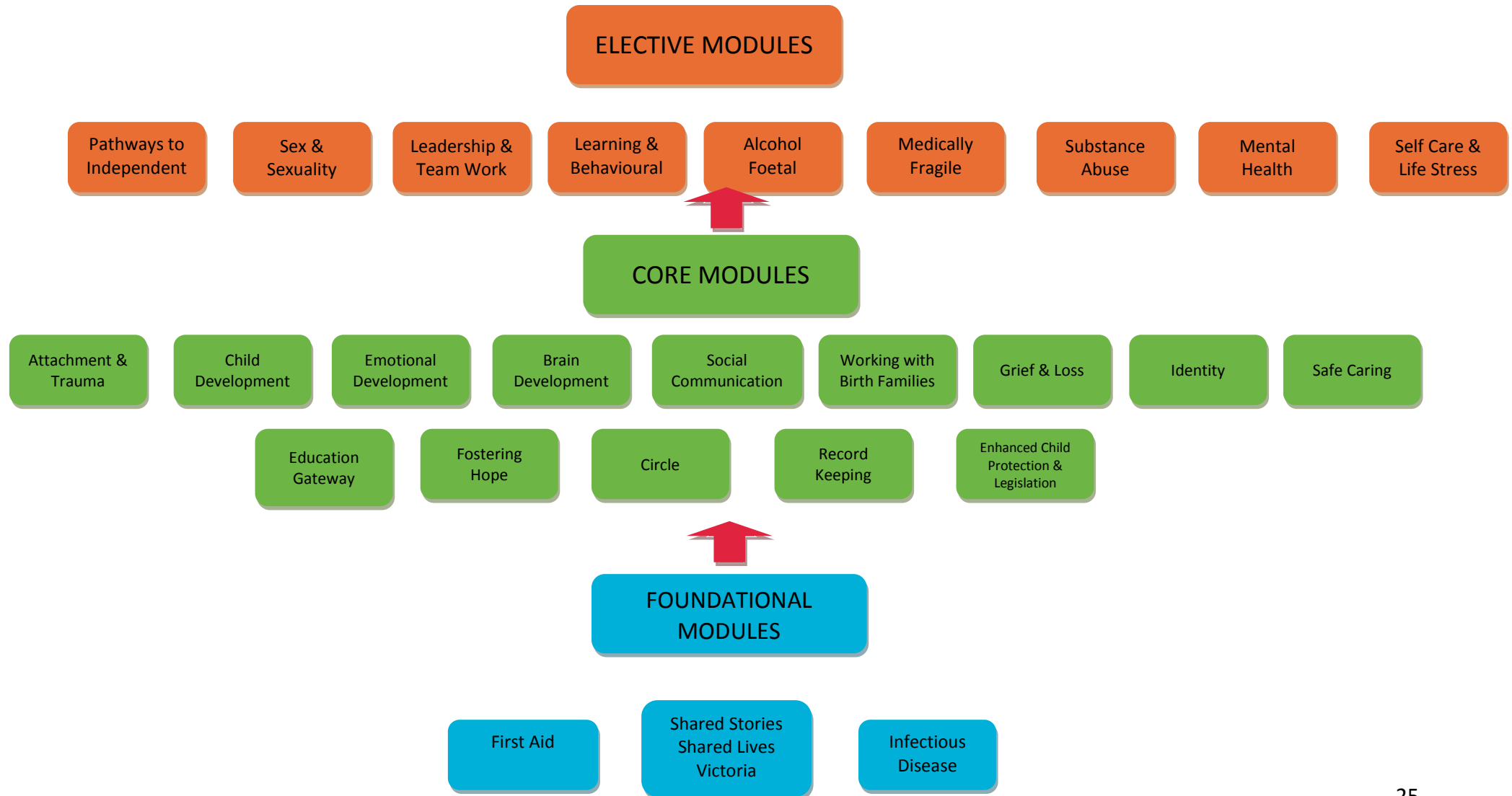
In our model for ongoing training and development, foster parent payments will be matched with their skill and training level. Additionally, foster parents will be required to receive a number of points per year to maintain their accreditation.

Foster parents will earn points for:

- Attending training - face to face and online;
- Attending conferences or workshops;
- Participating in Supervision;
- Purposeful reading on specific topics;
- Practice Forums; and
- Peer group discussions/forums.

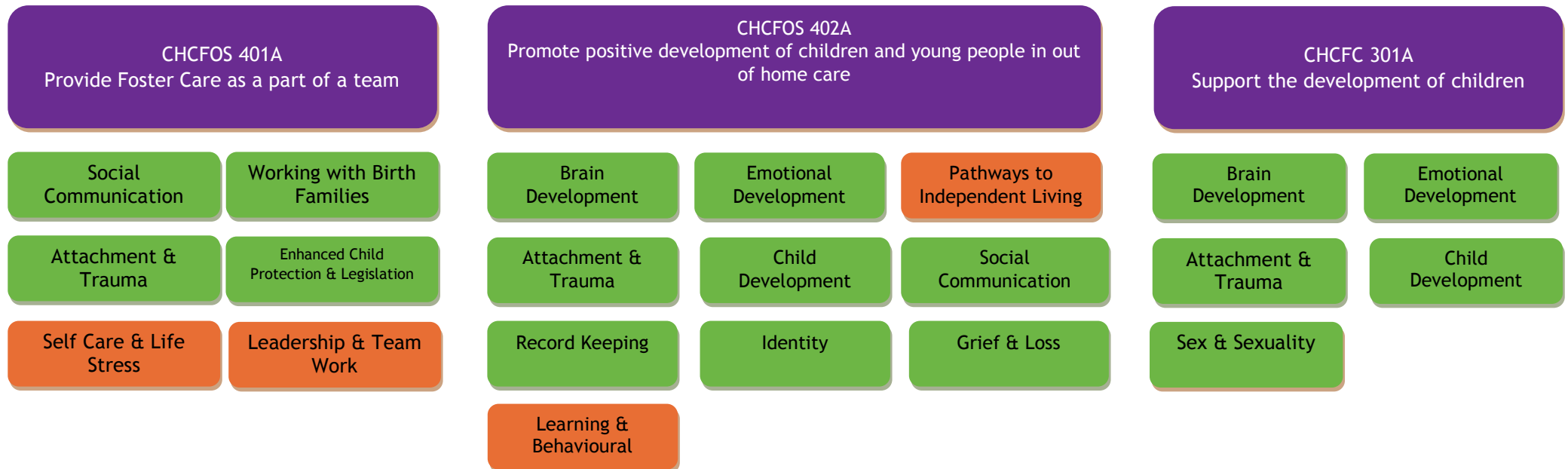
In figures 2 & 3, we outline our 'building block' set of skills for foster parents and demonstrate links to the national *Community Services Training Package CHC08: Foster Care Skill Set*.

Figure 2: Foster Parent Skills Development Building Blocks



### Figure 3: Foster Parent Skill Set

#### Community Services Training Package



## 4.2 Placement Support

Early and appropriate supports for all placements are a critical feature of the Berry Street model. The assumption that one should utilise more intensive, less family-based placement arrangements only after exhausting less restrictive options ignores the fact that young people often need intensive services as soon as they enter care.<sup>81</sup> In an overview of the literature promoting ‘stability in care’, Jones (2010:9) cites research<sup>82</sup> that argues that ‘the first six months of a placement are crucial, with 70% of disruptions occurring within this timeframe...This may be a particularly important window of opportunity’ for providing early support and services for children in care.

The supports and services required to meet the often-substantial needs of children in foster and kinship care are multi-dimensional. The needs are often age-specific and based on past trauma, abuse and neglect. Health (mental/physical), optical, dental, educational, therapeutic services (e.g. counselling, speech, physiotherapy, occupational) and recreational activities are among the main types of support/services required for children in foster care.<sup>83</sup>

A recent study<sup>84</sup> found that foster parents were concerned that children in their care required improved and earlier access to therapeutic, health and education services. Not being able to access services for children in a timely fashion was highly detrimental to children in care as an ‘increase in severity of the issue ... impacts on the potential for treatment success.’<sup>85</sup>

Discussions with foster parents overseas<sup>86</sup> and within the Berry Street agency indicate that foster parents are genuinely focused on the best interests of the child and are very conscious of their responsibility to provide quality care.

Therefore, one of the most important issues for foster parents is the availability of appropriate supports and services for the child in their care that will enable best practice to occur.

*Our proposed model utilises a ‘professional system’ that will provide immediate professional supports and resources to the child and foster parent with the aim of facilitating early reunification with family or permanent placement.*

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<sup>81</sup> Stuck, Small and Ainsworth, 2000

<sup>82</sup> Smith et al., 2001

<sup>83</sup> Nathanson and Tzioumi, 2007; McHugh and Valentine, 2011

<sup>84</sup> KPMG, 2010

<sup>85</sup> KPMG, 2010: 14, 17

<sup>86</sup> Pell, 2008

## ***Incidence of mental health problems in children in OOHC***

***It is unrealistic to expect volunteer caregivers to provide 24-hour care and support for these young people unless they receive high-quality professional support and adequate respite.***

Numerous national and international research studies<sup>87</sup> have found that children and young people in care, when compared with children in the general population, have higher levels of moderate to severe mental health problems. The issue of adverse mental health findings are particularly relevant for Indigenous children in care:

Indigenous children today remain subject to removal from their families at higher rates than found in the non-Indigenous population and are thus exposed directly to the long-lasting effects of dislocation and disruption of family and community. The experience of living in foster care is associated with a significantly heightened risk of mental health difficulties.<sup>88</sup>

Tarren-Sweeney and Hazell<sup>89</sup> in their 2005 study of children in OOHC ( $n=347$ ) in New South Wales found that children in foster and kinship care exhibited exceptionally poor mental health in comparison with the general population. They reported that children presenting with complex disturbances, including conduct problems and defiance, attachment insecurity and disturbance, attention-deficit/hyperactivity, trauma-related anxiety and inappropriate sexual behaviour. In their 2006 study using the same sample, a quarter of the children were found to display clinically significant eating problems. These studies recommend that more attention be paid to providing services for prevention, assessment and treatment of children in care.

Delfabbro and Osborn (2005) in their study of children in OOHC ( $n=364$ ) from four Australian states, found that:

At least two thirds of children in care had significant conduct disorder problems; over a third had significant depression or anxiety; and 30 per cent had an intellectual disability.... The *Strengths and Difficulties Questionnaire* revealed that 77 per cent had abnormal levels of conduct disorder, 45 per cent were in the abnormal range on hyperactivity, 41 per cent had abnormal anxiety or depression, and 66 per cent had significant problems with their peers.<sup>90</sup>

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<sup>87</sup> Delfabbro and Osborn, 2005; Ford et al., 2007; Halfon, Berkowitz & Klee, 1992; Nathanson and Tzioumi, 2007; Pecora et al., 2010; Sawyer et al., 2000, 2007; Tarren-Sweeney and Hazell, 2005a, b, 2006; Vostanis, 2010

<sup>88</sup> Sawyer et al., 2007 cited in Dobia and O'Rourke, 2011: 11

<sup>89</sup> Tarren-Sweeney and Hazell, 2005a, b, 2006

<sup>90</sup> Delfabbro and Osborn, 2005: 19

In an analysis of children and adolescents ( $n=326$ ) in OOHC in South Australia<sup>91</sup>, researchers found that:

The prevalence of mental health problems experienced by children and adolescents in home-based foster care was two to five times higher than that reported in the *National Survey of Mental Health and Well-being for children and adolescents* in the general population.

The results of the research were that:

- 61% of children and adolescents (aged 6 - 17) living in foster care scored above the recommended cut-off for behaviour problems on the *Child Behaviour Checklist*;
- 35.2% of adolescents scored above the cut-off on the *Youth Self Report*;
- 6.7% of 13 - 17 year olds reported a suicide attempt that required medical treatment during the previous year; and
- Caregivers reported that 53.4% of children needed professional help for their mental health problems but only 26.9% had obtained help during the previous 6 months.<sup>92</sup>

The researchers concluded that: 'children in home based foster care experience high rates of mental health problems but only a minority receive professional help for their problems.' They argued that the findings provide a major challenge for the community and for welfare services:

Australia relies heavily on volunteer caregivers to provide homes for children and adolescents in the welfare system. While home-based foster care remains the preferred alternative for the care of these young people, many caregivers are being expected to provide homes for children and adolescents with serious psychiatric disorders. It is unrealistic to expect volunteer caregivers to provide 24-hour care and support for these young people unless they receive high-quality professional support and adequate respite. Welfare staff are struggling to cope with large numbers of children and adolescents with severe mental health problems, declining numbers of suitable placements to accommodate them, and difficulty accessing professional help for them ... There is a great need to develop and evaluate new interventions to address the mental health problems experienced by these young people.<sup>93</sup>

Nathanson and Tzioumi (2007: 697) in their study of children ( $n=122$ ) in OOHC at a health-screening clinic in Sydney, NSW found 'behavioural or emotional health problems were the most significant presenting concern in 54 % [of the children assessed].' The writers recommend that all children in the OOHC system receive comprehensive health assessments.

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<sup>91</sup> Sawyer, et al., 2007

<sup>92</sup> Sawyer et al., 2007: 181

<sup>93</sup> Sawyer et al., 2007: 184



Foster parents ( $n=92$ ) in the national consultation around OOHC standards in Australia also highlighted the prevalence of mental health issues in children in their care.<sup>94</sup>

An early study of mental health problems of children in OOHC in California<sup>95</sup> found 70 per cent of children placed in care for at least a year reported moderate to severe mental health problems and 84 per cent of a foster care sample had developmental or psychological problems. The study found emotional, self-regulatory, relational and behavioural abnormalities were most prevalent in school-aged children. Research by Pecora et al., (2010) in the USA found:

More than half of the Northwest alumni (group of young adults who had been in care and the subject of the research) had had a diagnosable mental, emotional and behavioural disorder in the past year, and one in five had three or more disorders. Of particular concern are the high rates of depression and PTSD [post-traumatic stress syndrome], which exceeded the rates of war veterans.<sup>96</sup>

The work by Pecora and colleagues in relation to mental health issues of children and young people in OOHC, highlights 'the need to utilize careful screening and assessment methods for youth entering and remaining in foster care.'<sup>97</sup>

Similar to the USA and Australia studies, findings from UK research also indicate higher rates of mental health problems in children in care. British mental health surveys estimate a ratio of 4 children in foster care, compared to 1 in the general population, with mental health disorders. In discussing the overwhelming demand for, and paucity of, child mental services in many countries Vostanis (2010) suggests that high-risk groups (e.g. children in OOHC) can be targeted by:

Multi-level strategies that build on existing strengths among settings, foster parents and frontline staff ... In Western countries the focus should be on rebalancing existing services, and carving out more flexible and accessible systems for vulnerable groups of children.<sup>98</sup>

Workshops in several local authorities in England, with young people in care ( $n=50$ ) on the stigma of mental health, recommended that:

- All foster parents and residential workers must have training in supporting the mental health needs of young people. This needs to be backed up with regular supervision and reflective support sessions.

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<sup>94</sup> KPMG, 2010

<sup>95</sup> Halfon, Berkowitz & Klee, 1992

<sup>96</sup> Pecora et al., 2010:116

<sup>97</sup> Pecora et al., 2009: 141

<sup>98</sup> Vostanis, 2010: 563-564

- Young people identified foster parents, family members and participation workers as the adults they were most likely to talk to about their emotional wellbeing. These worked best and lessened the stigma of seeking help where relationships had been given time to develop and for trust to be earned and support was provided in non-clinical settings whilst undertaking other activities.<sup>99</sup>

*Placement Support* in the proposed Integrated Model includes the following four components:

1. Assessment on entry into care by a clinician;
2. Therapeutic intervention, support and consultation;
3. Education and support; and
4. Connection to community/culture/key attachments.

#### 4.2.1 Assessment on entry into care by a clinician

Findings from the studies discussed above highlight the importance of an early clinical assessment of children and young people entering care by a psychologist and the importance of *psychological intervention* and support to staff, foster parents and children. The Berry Street model reflects recent research available from Australia and overseas and aims to address the early assessment and intervention requirements as recommended in these research documents.

All children entering care require a full developmental screening assessment on their mental health, learning difficulties, and speech and language skills.

*Studies ...highlight the importance of an early clinical assessment of children and young people entering care by a psychologist, and the importance of psychological intervention and support to staff, foster parents and children.*

Berry Street has developed a case mix approach for the Clinical component in our integrated model. In the absence of any definitive research that outlines the specific percentage of children who have significant mental health disorders, use has been made of the model developed in the Berry Street *'Take Two Program'* to accommodate the mental health needs of all children entering care.<sup>100</sup> The *case mix* and workload for the clinician outlined in Figure 2 comprises:

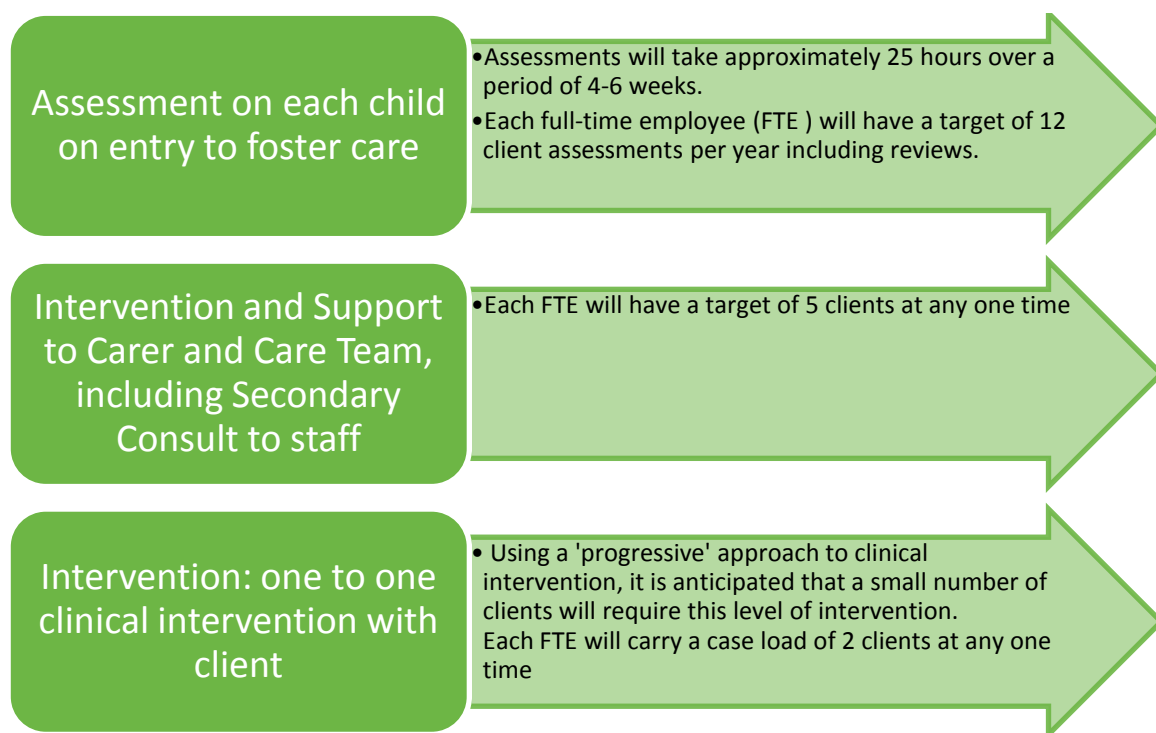
- Assessment on entry into care for every placement = 20 per cent of workload;
- Intervention and support to foster parent and care team, including secondary consult to staff = 60 per cent of workload; and
- 1:1 intervention with client = 20 per cent of workload.

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<sup>99</sup> Youngminds, 2012:19

<sup>100</sup> McKenzie 2011

**Figure 4: Model of Case Mix and Work Load for Clinician**



This model aims to develop a system that ensures children and youth in foster care are not disadvantaged in their access to mental health services in comparison with their peers. The model also emphasises the importance of providing training, consultation and support to foster parents (similar to the *Circle Program*) that will assist them in recognising and addressing mental health difficulties that children in foster care experience.

*It can be argued that one of the best investments a society can make is to intervene early and prevent mental, emotional and behavioural disorders among young people from occurring, or when evident, from escalating.*

Training, consultation and support for foster parents to work with children in this area is crucial, as research indicates that children and young people in care are not always willing to attend mental health appointments.<sup>101</sup> Research indicates that having a clinician working with the foster parent, and other professionals involved with child, was empowering for foster parents, who gained a better understanding of children's mental health issues and their needs, and assisted with stability in the placement.<sup>102</sup>

<sup>101</sup> Sargent and O'Brien, 2004

<sup>102</sup> Sargent and O'Brien, 2004

Foster families play an essential role in helping parents stay emotionally connected to their child and in supporting family reunification. The clinician will assist foster parents in understanding the importance of parent-child visitation when a child is in foster care and strategies foster caregivers can use to facilitate visitation. This might include tips for preparing a child for visitation, facilitating visits, supporting children after the visit, and helping a child when a visit is cancelled.

Furthermore, whilst Berry Street acknowledges the funding consequences of such a change, we also highlight the research findings on the cost to the community in the long term, if early mental health problems are not dealt with in a timely manner.<sup>103</sup> O'Connell and colleagues (2009) also argue that one of the best investments a society can make is to intervene early and prevent mental, emotional and behavioural disorders among young people from occurring, or when evident, from escalating.

#### 4.2.2 Therapeutic intervention, support and consultation

As in the Victorian *Circle Program*, the Berry Street model of professional foster care will seek to 'create a "therapeutic environment" for a child by supporting and resourcing foster parents in establishing and maintaining a stable, loving and nurturing relationship with the child'.<sup>104</sup> In relation to foster parent support and consultation, the key components of the model reflect foster care programs that provide therapeutic intervention for children in OOHC. These components include:

- Comprehensive needs assessment of child;
- Appropriate child/foster parent matching;
- Comprehensive and ongoing specialist foster parent training;
- Professional foster parent development opportunities (e.g. Towards attainment of professional qualifications)
- Active involvement by foster parents in case planning and management;
- Foster parents as equal partners in the care team;
- Facilitate relationship building between foster parent and birth family;
- Regular caseworker support and supervision (e.g. Via home visits/telephone contact);
- Specialist support and advice from professionals (e.g. Psychologist, speech pathologist, medical specialists);
- Availability of after-hours 'crisis' support;
- Regular planned respite (provided by specifically recruited foster parents);
- Annual foster parent reviews;
- Foster parent support group participation; and
- Intensive case management of the child.<sup>105</sup>

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<sup>103</sup> Forbes, Inder and Raman, 2006 cited in DHS, 2009

<sup>104</sup> VDHS, 2009: 29

<sup>105</sup> NHS, 2012; DoCS, 2007; VDHS, 2009

#### 4.2.3 Education and support

As part of the multi-disciplinary approach to the needs of the child, specialist education support is part of the Berry Street model. There is substantial evidence that children and young people in care do not fare as well as their peers in educational outcomes. The annual 'report card' released by the CREATE Foundation (2011) indicates that in 2009:

Only 35.3% of care leavers [ $n=196$ ] in CREATE's sample completed year 12, which indicates that greater support and encouragement should have been provided to assist those in care to complete their education successfully. A related problem is highlighted by the fact that, of the 27% of young people still in care [ $n=275$ ] who already had left school, one-fifth did so because they had been expelled. Support through appropriate alternative programs could help get these young people back on track to becoming productive community members.<sup>106</sup>

In an overview of research on the educational needs of children in care the Australian Osborn and Bromfield (2007) cite an earlier CREATE Report Card which found those in care were:

- Less likely to continue within mainstream education beyond the period of compulsion;
- More likely to be older than other children and young people in their grade level;
- On average attending a larger number of primary and high schools than other students; and
- Missing substantial periods.<sup>107</sup>

Osborn and Bromfield (2007) note the important relationship between placement instability and participation in education. The authors cite the work of Delfabbro and colleagues (2001) who found that placement disruption coincided with school changes. School changes were more likely to occur for older children or for children placed some distance from their families. The Working Group on Education for Children and Young People in Out-of-Home Care in Queensland (2011) found six main reasons why children and young people were disengaged from education:

1. Instability in school;
2. Problems at school;
3. Limited educational attendance;
4. Poorer academic performance;
5. Co-occurrence of education and health problems; and
6. Financial and other barriers to accessing education.

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<sup>106</sup> McDowall, 2011:10

<sup>107</sup> CREATE Foundation, 2006: 30

Research (Pecora et al., 2010) in the USA reports a similar situation to Australia, finding youth in foster care are:

- More than twice as likely as youth not in care (37 per cent vs.16 per cent) to drop out of high school;
- Less likely to be enrolled in further education (15 per cent vs.32 per cent) even when they have test scores and grades similar to those not in care;
- Significantly underrepresented in post secondary programs;
- Often at least one grade level behind their peers in basic academic achievement; and
- Much more likely than their peers to be in special education classes.<sup>108</sup>

Berry Street's model will ensure that each child receives the educational support they need and have access to the same resources, services, extracurricular and enrichment activities (e.g. school excursions, camps) available to all school students. Educational support for children in OOHC (endorsed in the National Standards for Out of Home Care),<sup>109</sup> in the Berry street model, has the following components:

- Every child is to have an Educational Support Plan;
- Individual Educational Support Plan to be reviewed regularly;
- Where practical and where it is in their best interests, to maintain friendships and relationships with their peers and teachers, children are to remain in their school of origin;
- An educational specialist (e.g. teacher or educational psychologist) is to be assigned as the Educational Consultant (EC);
- The EC is to liaise with principals and teachers around any issues around school attendance, truanting, suspension or expulsion, school or class transfers;
- The EC is to support the child in the transition period between old and new schools;
- The EC is to organise extra tutoring if required;
- The EC is to liaise with schools for special education services or a teacher's aide if children attending mainstream schools require them;
- Where required, the EC is to arrange for children with a disability to attend special education classes or a special school with other disabled students;
- In preparation for transitioning out of care, special attention will be given by the EC to adolescents and young teens, to ensure that early counselling and guidance occurs with a school counsellor (or other appropriate

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<sup>108</sup> Pecora et al., 2010

<sup>109</sup> **National Standard 6:** Children and young people in care access and participate in education and early childhood services to maximise their educational outcomes.

**National Standard 7:** Children and young people up to at least 18 years are supported to be engaged in appropriate education, training and/or employment.

counselling service) around career preparation, vocational training, and available support (financial and housing) on leaving care;

- Foster parents will receive training on how to actively assist children in their care to meet their educational needs. To increase their knowledge and skills, foster parent training is to include information on the links between learning and behavioural difficulties in school and children's emotional behaviour (e.g. anxiety, depression, low self esteem).

*Berry Street's model will ensure that each child receives the educational support they need and have access to the same resources, services, extracurricular and enrichment activities (e.g. school excursions, camps) available to all school students.*

#### 4.2.4 Connection to community/culture/key attachments

The fourth component of Placement Support - connection to community/culture/key attachments - is about the support required by foster parents to ensure the child's connection to their family, foster parent, school, friends, community and culture is maintained. As outlined in the *Victorian Circle Program*, it is the role of the foster parent to:

Assist the child/young person to develop and maintain positive and constructive links within the local community, or community of origin particularly in regard to available support services and recreation and if appropriate encourage access and contact between the child and their family or support network. This is particularly important for Aboriginal children, who need to remain in contact with their Aboriginal family and community.<sup>110</sup>

Robbie Gilligan (2006: 40) states that 'ordinary experiences and efforts of ordinary people in our networks can be helpful and healing, often in a lasting way'. He writes:

Growth, healing and development in children comes from two sources: key social relationships and key social roles. These provide the scaffolding that stretches and supports the child's development and progress.<sup>111</sup>

Gilligan (2006) notes that opportunities to encourage relationships and friendships with others include participation in sports, cultural or recreational activities. Children and young people in care, often with low self-esteem, need the support and encouragement of their foster parents to take advantage of these opportunities. Providing a mentor can also assist young people in their thoughts and aspirations around career, work or sport opportunities. Gilligan notes it may be

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<sup>110</sup> DHS, 2009: 17

<sup>111</sup> Gilligan, 2006: 42

the foster parent or someone else who is 'key' to the child or young person's positive developments:

Young people thrive through supportive relationships and especially through relationships with adults. Care has to be based on young people's relationships with committed, supportive adults - at home, in the extended family, in school, in the care setting or in the wider community ... Young people who do well invariably do so because of the encouragement and constant support of at least one adult who means a lot to them.<sup>112</sup>

Berry Street utilises the Victorian Government's *Aboriginal Cultural Competence Framework*<sup>113</sup> to guide its practice in supporting Aboriginal children and young people in OOHc and provide all Aboriginal children in care with a *Cultural Support Plan*. In understanding cultural connection and its importance for Aboriginal children, the *Framework* notes that:

An Aboriginal child who is in the Out of Home Care system may be confused or unsure of their personal identity. Links to their biological family may be tenuous. For the older child or adolescent 'reclaiming' their identity, identifying with their family name may be one of the first important steps in their journey towards wholeness, with resulting improvements in their self-esteem and wellbeing. Aboriginal communities place great significance on who the family is, family lines and connections, so it is critical that the child has this information.<sup>114</sup>

Aboriginal approaches to looking after children perceive culture and the maintenance of culture as central to healthy development. Therefore, Aboriginal communities believe:

- That the child's educational, physical, emotional or spiritual needs cannot be met in isolation from each other;
- The child's relationship to the whole family, and not just mum or dad, are part of the child's key relationships;
- The child's relationship to the land and the spirit beings that determine law, politics and meaning is a key element of their cultural identity;
- The child is born into a broad community of care that consists of immediate family, extended family and the local community;
- Elders also play a critical role, particularly in education and the maintenance of culture.<sup>115</sup>

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<sup>112</sup> Gilligan, 2006: 43

<sup>113</sup> VDHS, 2008

<sup>114</sup> VDHS, 2008: 18

<sup>115</sup> VDHS, 2008: 18



Foster parents will be supported in culturally competent practice when engaging with members of the Aboriginal child's family to determine who should be involved in ensuring that the child's connection to their family, foster parent, school, friends, community and culture is maintained in a culturally appropriate way. Foster parents are to be trained in understanding the diversity of Aboriginal cultures and local Aboriginal cultures to enhance their cultural competence and how to implement the child's *Cultural Support Plan*.

*Berry Street believes that by supporting foster parents to facilitate opportunities for children and young people to develop social relationships within their community whilst they are in foster care, children and young people leaving care will have developed resilience to build towards a positive future.*

#### 4.3 Foster Parent Network Support

*The saying "It takes a village to raise a child" is never more relevant than for foster parents. And whilst State associations in Australia do their best on the limited funding they receive, the service to foster parents is insufficient.*

Every parent, despite their circumstances, values a supportive network around them during the period of raising a child. The saying "It takes a village to raise a child" is never more relevant than for foster parents. A network of family, friends and community, including education and other professional supports, are crucial supports for foster parenting children.

Foster families require a strong network around them to provide the necessary resources and supports to care for a child in care - a child who has most likely experienced some form of trauma. Foster parents across the globe, when asked what it is that keeps them going, respond that it is the calibre and expertise of a worker; a worker who understand the needs of all members of the caring family, not just the adults; independent advocacy; and opportunities for peer support and networking.<sup>116</sup>

Most states and territories in Australia have a Foster Care Association that provides support and advocacy for foster parents at varying levels. Funding for the Associations differs with most being funded from State Governments. State associations in Australia are not resourced adequately to provide independent advocacy, support and mediation to foster parents at the same level as overseas services. Whilst State associations do their best on the limited funding they receive, the service to foster parents is insufficient.

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<sup>116</sup> Communiqué with Foster parents at the International Foster Care Conference, Ireland 2009

In the United States, United Kingdom and the Republic of Ireland, foster parents have crucial services and supports available to them that are not available to foster parents in Australia at the same level.

As an example, there are agencies whose only business it is to: provide independent mediation and support to foster parents; advocate to government on their behalf; undertake evaluation and research projects to inform policy and practice improvement; provide insurance that will cover legal and personal support costs during allegations; assist agencies to develop recruitment strategic plans; develop training and information material for foster parents, etc. *“Supporting foster parents with these services is fundamental to our ‘resilience’ as foster parents”*.<sup>117</sup>

Foster parents mentioned these were among the things that made them feel appreciated, important and valued as a foster parent and increased their hopes for a better future for the child in their care. Foster parents discussed the notion that when their colleagues lose a sense of optimism, this is when they are most likely to leave the system.

During Anita Pell’s Churchill Fellowship Study (2009), she met with foster parents from across a number of countries. Many foster parents spoke of the need for ‘whole of family’ support. Foster parents from one agency said they value the support they receive and really enjoy the monthly support groups; social events for kids and foster parents; certificates of recognition for kids in care, sons and daughters and foster parents; annual camps; newsletters; recognition of significant birthdays; and, taking a personal interest in the whole family.

Berry Street has used this knowledge to develop a model of care that is inclusive of Foster Parent Network Support. The model for a foster parent Network Support will include:

- Area-based peer support;
- Web-based peer support;
- Independent foster parent advocacy;
- Services and support for foster parent family members;
- Peer mentoring; and
- Facilitated topical groups.

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<sup>117</sup> Communiqué with Foster parents at the International Foster Care Conference, Ireland 2009

## 4.4 Resources

*When foster parents are made to feel appreciated, important and valued, they have a more optimistic outlook for the future of the child in their care and are less likely to leave the system.*

There are three separate items in the proposed Financial Resources component:

1. Fostering allowance;
2. Foster parent fee; and
3. Payment to CSOs for operational costs.

All foster parents in Australia are currently entitled to receive a subsidy/allowance (age-related) to cover the day-to-day costs of children in care. There is great variability between the jurisdictions in relation to: how children are grouped into age categories; the number of groups used to set allowance levels; and the levels of allowances provided to foster parents.

Using Victoria as an example, this jurisdiction has five payment types comprising 16 levels of payment. In a ranking with other jurisdictions, it currently provides foster parents with lowest level of foster parent subsidy. The foster parent subsidy is paid to offset (in part) the costs incurred by foster parents in caring for foster children. The current system does not provide foster parents with an income for the time and work they do in caring for foster children. As such, current foster parent payments are seen as a reimbursement of costs not as a form of earned income.

This paper proposes a system in which foster parents receive both a **Fostering Allowance (FA)** to compensate them for the out-of-pocket expenses they incur in caring for foster children and a **Foster Parent Fee (FPF)**, which is a payment for their service. The full paper outlines in detail how such a model could operate in Victoria.

1. The *Fostering Allowance* or subsidy covers the everyday costs for housing, energy, food, clothing, household goods and services, school costs, health, transport, leisure and personal care costs of fostered children;
2. The *Foster Parent Fee* acknowledges the skills, expertise and knowledge foster parents bring in achieving optimum outcomes for fostered children; and
3. *Payment to CSOs* are the operational costs in providing a foster care program.

### 4.4.1 Fostering Allowance (FA)

All foster parents in Australia are entitled to a foster care subsidy/allowance to cover most of the day-to-day costs of the children in their care. The most recent work in determining the costs of children has emerged from three studies: Valenzuela (1999); Percival, Harding and McDonald (1999); and (Saunders et al., 1998). The first two studies, estimating the costs of children, used Australian

Household Expenditure Survey (HES) data to describe what households *choose* to spend on children. Saunders et al., (1998) used a budget standards approach. The study identified and costed the goods and services *needed* by a variety of households. From these normative household budgets, estimates were provided on the costs of children.<sup>118</sup> Data on children's needs indicated that as children grow, their needs increase and their costs rise.

In the study by Saunders and colleagues (1998), budgets (covering the costs of housing, energy, food, clothing, household goods and services, school costs, health, transport, leisure and personal care) were developed at two standards of living - modest but adequate, and low cost. The modest but adequate (MBA) living standard represented the amount families would need to live somewhere near the median, or the middle, of all families living in Australia. The low cost (LC) standard represented around one-half of the median or middle living standard and was expected to be closer to amounts of income support payments provided by the Commonwealth Department of Family and Housing, Community Services and Indigenous Affairs (F&HCSI) (previously Department of Family and Community Services).<sup>119</sup>

Over the period 1998 to 2009, estimates of the costs of children using normative household MBA budgets (based on couple households both adults in full-time work) have been regularly updated.<sup>120</sup> These costs of children include the costs of full-time childcare fees for children aged one and three years, and before and after school care costs (BASCC) for a six and ten year old.<sup>121</sup> These estimates are not particularly useful when looking at the cost of children in foster care, as the allowance/subsidy provided to foster parents is not expected to cover the costs of full-time childcare or BASCC.

*The 'extra' cost of fostering represents, on average, close to 52 per cent more than the costs of children not in care. And there is no consistency between Australian jurisdictions: all take different approach to graduating Fostering Allowances according to children's ages, and all have different rates of payment.*

More appropriate estimates of the costs of fostered children can be found in the 2002 *Costs of Caring* study.<sup>122</sup> Estimates of the cost to foster parents of fostering children, the *Foster Care Estimates* (FCE), were developed in the study. The FCE were based on the modest-but-adequate budgets developed by Saunders et al., (1998).

The FCEs for children aged 1, 3, 6, 10 and 14 years of age were based on the budget standards' estimates of the costs of children in Australia, and modified to

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<sup>118</sup> Both methods (HES & budget standards) have strengths and weaknesses and both are open to criticism. The strength of budget standards methodology is that it provides a framework for identifying *needs* as a basis for deriving costs (McHugh, 2002:3)

<sup>119</sup> Saunders et al., 1998

<sup>120</sup> Henman, 2009

<sup>121</sup> Childcare costs are gross costs, without government childcare benefits taken into account. Amount of childcare benefits are dependent on household income (Henman, 2009).

<sup>122</sup> McHugh, 2002

reflect foster parents' additional costs. The FCEs indicated that the 'extra' cost of fostering represented, on average, close to 52 per cent more than the costs of children not in care. In 2000, when the study was conducted, foster parent subsidy (allowance) levels were found to be well below the FCEs, supporting the contention in the foster care sector, that levels of subsidies were inadequate in meeting the cost of fostered children. Between 2000 and 2011, the FCEs have been updated on an annual basis using the Consumer Price Index (CPI) for Sydney where the original costs of children were developed. In 2006, the NSW Government used the FCEs to set the benchmark for foster and kinship foster parent subsidies.

Based on research evidence that as children grow up their costs rise, national and international foster care programs generally use an age-related payment scheme to reimburse foster parents. Between and within countries, there is little consistency on how children are grouped into age categories, or the number of groups that are used to set levels of allowance.

Even though all Australian jurisdictions currently use an age-related subsidy payment system comparing levels of foster parent subsidies to the FCEs was, and still is, a difficult task. This is due to some jurisdictions including all day-to-day costs in the allowance, whilst others provide additional payments to cover some specific costs, included in other States' allowances. For example, data on foster parent payments in 2011 indicate that some States provide regular supplementary allowances (e.g. for birthday and Christmas presents (Tasmania); health (Victoria), education (Victoria, South Australia); clothing (Western Australia); sport and recreation (Queensland) and pocket money (Western Australia)), in addition to the standard subsidy. Other states include the coverage of these items in their standard subsidy. On the basis of equity, it is important to include these supplementary allowances with the weekly subsidy payment (see Table 1), for comparing subsidy levels with the FCEs.<sup>123</sup>

The figures in Table 1 indicate that, in 2011, the Australian Capital Territory provides levels of subsidies (for children 1, 3 and 6 years) that are higher than the FCEs. For 10 and 14 year olds, the FCEs are higher than Australian Capital Territory subsidy levels for similarly aged children. Queensland follows the Australian Capital Territory in the rankings and is ahead of New South Wales for all age categories except for a youth of 14 years.

New South Wales provides a weekly subsidy of \$311 for a 14-year-old compared with \$253 for a similarly aged youth in Queensland. Tasmania is next highest in the rankings after New South Wales for all age categories except for 14-year-olds, where the level is lower than in three jurisdictions (South Australia, Victoria and Western Australia). Northern Territory and Western Australia follow Tasmania in the rankings, with Victoria and South Australia the providers with the lowest level of foster parent subsidy.

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<sup>123</sup> McHugh, 2011

**Table 1: Weekly Foster Parent Subsidies & Foster Care Estimates  
(FCE) 2011 (July) (\$per week)**

Age	TAS	WA	NT	SA	VIC	ACT	QLD	NSW	FCE
1	182	172	168	145	153	224	211	207	211
3	182	172	168	145	153	224	233	207	210
6	208	176	222	169	153	251	233	232	225
10	208	208	222	169	165	251	233	232	265
14	240	252	248	241	242	251	253	311	325

**Notes:** Tasmania=TAS; Western Australia=WA; Northern Territory=NT; South Australia=SA; Victoria=VIC; Australian Capital Territory=ACT; Queensland=QLD; New South Wales=NSW; Foster Care Estimates=FCE. Regular supplementary allowances, noted above, are annualised and included in weekly subsidy amount. (All dollars rounded).

All Australian jurisdictions take a different approach to graduating Fostering Allowances according to children's ages, and all have different rates of payment for different age groups. Four jurisdictions have three age groups; two have four; and two have five groups.<sup>124</sup>

### ***Foster Parent Reimbursement in Victoria (2011)***

Victoria has a complicated payment system of reimbursing foster parents, with 16 levels of higher payments (plus four at the general level). Table 2 indicates the weekly levels of higher payments for the various payment types with payments listed from the lowest to the highest level. The five payment types comprise 16 levels: Level 1 and Level 2 *Home Based Care* (HBC) & *Adolescent Community Placement* (ACP) Intensive. Higher levels of Fostering Allowances include *Therapeutic Foster Care (TFC)* (Circle Program); HBC/ACP Complex (non high risk), Level 1 HBC/ACP Complex (high risk) and Level 2 HBC/ACP Complex (high risk).

<sup>124</sup> McHugh and Valentine, 2011

**Table 2: Victoria, Higher Levels of Home Based Care (HBC)/Adolescent Community Placement (ACP) Caregiver Reimbursements**

**July 2011 (All dollars rounded)**

Payment Type	Age Group	Fortnight (\$)	Weekly (\$)
<b>Level 1 Home Based Care (HBC) &amp; Adolescent Community Placement (ACP) Intensive</b>	0-7	325	163
	8-10	356	178
	11-12	428	214
	13+	602	301
<b>Level 2 HBC&amp; ACP Intensive</b>	0-7	435	218
	8-10	473	237
	11-12	572	286
	13+	802	401
<b>Therapeutic Foster Care (TFC) (Intensive Level 2 + \$110.27 fortnightly)</b>	0-7	546	273
	8-10	584	292
	11-12	682	341
	13+	912	456
<b>HBC/ACP Complex (non high risk)</b>	n/a	870	435
<b>Level 1 HBC/ACP Complex (high risk)</b>	n/a	1218	609
<b>Level 2 HBC/ACP Complex (high risk)</b>	n/a	1360	680
<b>Tailored Care Packages (TCP)</b>	n/a	1360	680

In addition, Victoria provides *Tailored Care Packages (TCP)*. *Tailored Care Packages* were introduced in 2011 as new and individualised HBC placements for children 12 years of age and under in residential care or at risk of entering residential care. The packages are also available to foster parents of identified 'high priority clients'. The packages are attached to the child or young person allowing flexibility to vary support and/or placement provider. HBC providers identify a 'foster parent match' (i.e. highly skilled foster parent) or purposefully recruit an appropriate foster parent.

*Intensive* and *TFC* have payments for four age groups of children whereas *Complex Payments* and *TCP* apply to children of all ages. *Complex Payments* for 'High Risk' have two levels, though they are not related to age of the child. *TFC* is based on Level 2 *Intensive* plus an additional \$110.27 per week.

Foster parents of children with *TCP* must have completed the *Step by Step* or *Our Carers for Our Kids* assessment and training program and must participate in advanced foster parent training by an agreed date. Foster parents receive payment at Level 2 HBC Complex (high risk). Respite (minimum of 28 days annually) is provided to the primary foster parent. Additional financial support based on the needs of the child (e.g. therapeutic and education services; opportunities for community access and participation) and the foster parent (e.g. training, meeting loading, child care, house cleaning,) is also available.

Initially, *Tailored Care Packages* were to be known as *Specialised In-Home Care*. Highly skilled and trained foster parents were to provide care in their homes and receive remuneration commensurate with full-time employment (professionalised foster care). The aim of the *Specialised In-Home Care Model* was to prevent children being placed in emergency or contingency accommodation.<sup>125</sup> The model was seen as an extension and further development of the *Circle Program* (i.e. therapeutic foster care).<sup>126</sup>

The *Specialised In-Home Care Model* did not proceed due to legal issues around the status of foster parents as employees and not 'volunteers'. As 'employees' foster parents would have been entitled to all work benefits (e.g. holiday, sick and long service leave and superannuation payments) accruing to other staff employed by Community Service Organisations (CSOs). In addition, the *Industrial Relations Act (1996)* affecting CSO staff prohibits staff being available 24 hours a day/seven days a week, and the Australian Taxation Office would treat payments to professional foster parents as taxable income. These issues highlight the hybrid nature of fostering and the difficulties of fitting care work, carried out in the family home, into 'normal' labour market categorisation. Due to a number of irreconcilable factors, the model was not implemented.<sup>127</sup>

Foster parents in some placements in Victoria are eligible, in addition to the Home Based Care (HBC)/Adolescent Community Placement (ACP) General Caregiver Reimbursements, to a number of 'supplementary' payments and benefits available from government. For example, foster parents of new placements in foster, permanent, kinship and adolescent community care receive a weekly loading of \$27 for the first six months of each placement. Foster and kinship parents also receive a weekly education and medical allowance of \$18 (paid quarterly in arrears) and an annual education expenses payment of \$300 for primary school children and \$450 for secondary school children. As in all jurisdictions, foster parent payments are tax-free. Foster parents may also be entitled to receive a range of means-tested Centrelink benefits.

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<sup>125</sup> Contingency care is care provided in houses or units owned or rented by the Government, fully staffed and set up specifically to temporarily accommodate children, until an alternative placement is found.

<sup>126</sup> Pell, 2011

<sup>127</sup> Pell, 2011



In summary, in Victoria, there are three levels of payment within the Complex category; two in the Intensive category; one in the Therapeutic Care Category; and one in Tailored Care Packages. Research in 2011 noted that:

Throughout the state and in each region, 60 per cent of all children/young people in home based care are provided care at the General level of funding, 30 per cent at the Intensive level and 10 per cent at the Complex level. [Overall] ninety per cent of children in foster and kinship care in Victoria are in General or Intensive care.<sup>128</sup>

Berry Street suggests that the system of *Higher Levels of Home Based Care (HBC)/Adolescent Community Placement (ACP) Caregiver Reimbursements* is simplified with fewer levels of payments for children with special needs.

*Berry Street propose to simplify the system of payments, and to increase the levels of allowance to all foster parents in Victoria.*

### ***New model of payments for Victorian Foster Parents***

In line with the current benchmark set by the *Foster Care Estimates*, Berry Street proposes that all foster parents in Victoria should be provided with increased levels of allowance, to be called a Fostering Allowance (FA). Berry Street proposes that Fostering Allowances in Victoria be reduced from the current four age groups to three, covering pre-school aged (0-6), primary school age (7-12) and secondary school age (13+) children. Based on the current payment regime in Victoria for general caregiver reimbursements, the weekly FCEs (i.e. FA) have been averaged to fit within the three suggested age groups (see Table 3). The figures in the table (Column 4) indicate that if the FCEs (i.e. FA) were applied, foster parents of children in the various age groups would receive weekly amounts of \$215 (age group 0-6 years); \$265 (age group 7-12 years); and \$325 (age group 13+).

The figures in the table (Column 5) indicate that if the FCEs (i.e. FA) were applied, foster parents of children in the various age groups would receive increases, ranging from \$80 for the youngest age group to \$110 for children 13+.

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<sup>128</sup> McHugh and Valentine, 2011:15

**Table 3: Victoria, Home Based Care (HBC)/Adolescent Community Placement (ACP) General Caregiver Reimbursements**

July 2011 (Dollars rounded)

Current Age Groups by allowance	New Age Groups	Adjusted HBC Weekly Rate (\$) <sup>1</sup>	Weekly FCE (\$) <sup>2</sup> (Maintenance Allowance) (MA)	Increase (\$)
0-7 (\$135)	0-6	135	215	80
8-10 (\$140)	-	-	-	-
11-12 (\$160)	7-12	150	265	115
13+ (\$215)	13+	215	325	110

**Notes:** 1. Adjusted weekly HBC age group 0-6 \$135; age group 7-12  $(\$140 + \$160 / 2)$  \$150; age group 13+ \$215.

2. Calculations for adjusted FCEs are from Table 1 and are as follows: Age group 0-6  $(\$211 + \$210 + \$225 / 3)$  \$215; Age group 7-12 \$265; Age group 13+ \$325.

A simpler method of remunerating foster parents would be to average all ‘new’ FA payments and provide a single rate of payment (\$268) for foster parents of children in all age categories. This approach however, would over compensate foster parents of younger children and under compensate foster parents of older children. It also may also have the perverse incentive of encouraging foster parents to take younger children and make it more difficult to recruit foster parents for older adolescents, a problem already experienced in the sector in all jurisdictions.

Between 2000 and 2006, New South Wales was the only jurisdiction applying a single rate of allowance for children of all ages. In 2006, the regime changed to an age-related payment system, similar to other jurisdictions. The Government noted at the time of the change to age-related payments that one consistent concern expressed by foster parents and their representatives since the single rate was introduced in 2000 was the need for a higher allowance for teenagers in care.<sup>129</sup>

Berry Street does not propose, at this stage that loadings be applied to the FA for higher needs children. Rather, it is proposed that all foster parents of children in care receive a Foster Parent Fee, negating the need for higher FAs. Higher fees are to apply for children and young people with higher needs. This approach is fully explained in the following section.

*The Berry Street model proposes that the unique role of fostering children on behalf of the state be supported through significantly improved financial and non-financial support to foster parents.*

<sup>129</sup> NSW DoCS, 2006

#### 4.4.2 Foster Parent Fee (FPF)

There are a number of countries where a Foster Parent Fee or salary is provided as a part of a foster care program. For example, in the UK foster care is regarded as a 'professional' service and foster parents receive an allowance to cover the cost of the fostered child and a fee to reward/compensate foster parents for the work they do. The Fostering Network (2008) in the UK has placed considerable emphasis on the 'reward' (e.g. wage/salary) aspects of foster parent's professional role suggesting that the term 'professional foster parent' means that:

The role of the foster parent has to be recognised as that of a key partner in the team surrounding the child, with particular responsibilities that need to have equal validity and importance within the children's workforce. Foster parents **have** to be recognised and rewarded for their contribution to improving the outcomes of some of our most vulnerable children.<sup>130</sup>

The theme of foster care in the UK becoming even more 'professional' has been emphasised in a recent UK report.<sup>131</sup> The authors, highly critical of the current system which they see as failing children and young people in care, suggest a number of changes to the system including:

- All foster parents should be paid a year-round fee and should be placed on local fee frameworks. The fee should be based on the skills, qualifications and experience the foster parent has. These local fee frameworks should also provide additional amounts for each week that a foster parent has a child placed with them. This amount would depend on the needs and characteristics of the child and would be paid in addition to the current allowance;
- A top tier of carers should be created comprising those most experienced and most highly trained who are willing and able to give up work and care for children with particularly complex and challenging emotional, behavioural or physical needs. These carers should be formally salaried; and
- Local fee frameworks must be openly published to ensure greater clarity over what carers receive in terms of allowances and fees and for transparency across the country. This should include details of the numbers of carers currently at each tier of the framework and details of the tiers at which shortages in the numbers of carers exist.<sup>132</sup>

Few studies on the reward aspect (i.e. wage component) for foster parents have been carried out. Studies that cover some of the countries that provide foster parents with a wage/salary/fee include work by Oldfield (1997) on Denmark, France, Germany, Luxembourg, Portugal and Norway; two studies by Colton and

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<sup>130</sup> Fostering Network, 2008: 4, author emphasis

<sup>131</sup> Harber and Oakley, 2012

<sup>132</sup> Harber and Oakley, 2012: 8-9

Williams, 1997, 2006 on Finland, France, Hungary, Israel, Sweden and the UK; and a study by Lawrence (2008) of four provinces in Canada.

In her study of six countries, Oldfield (1997) compared the wage paid to foster parents with the female average wages. In no country where foster wages were paid did the level of wage approximate average female wages. In the work by Colton and Williams (1997, 2006) on six countries, the overall levels of wages/fees for foster parents were reported to be inadequate.

An in-depth look at three countries - the UK, France and Sweden - sheds further light on the foster parent wages/salaries/fees. As noted above, foster care in the UK is regarded as a 'professional' service and foster parents receive an allowance to cover the cost of the fostered child. Many local authorities, voluntary and independent fostering agencies run schemes that pay foster parents a fee. The fee may be linked to the child's particular needs, but is often based on the skills, abilities, and length of experience or professional expertise of the foster parent.

In relation to the Foster Parent Fee, the Fostering Network notes that the level and availability of a Carer Fee varies between counties and between fostering services. A survey in 2007 found that 40 per cent of foster parents received no fee, 75 per cent earned less than the minimum wage, and only 7 per cent were earning an amount similar to that of a residential social worker.<sup>133</sup> The Network found that fee levels are mostly far lower than that of workers in other sections of the children's workforce.<sup>134</sup> Foster parents receiving a Foster Parent Fee are regarded as self-employed by the tax department. The introduction of tax relief for foster parents in 2003 in the UK, means that foster parents earning up to a maximum of £10,000 (AUD \$15,365) plus allowances, do not pay tax on their income from fostering. Tax relief for foster parents was introduced to ensure that foster parents were not unfairly taxed on the expenses they incur through fostering.<sup>135</sup>

There are 24 local authorities in England and all provide their foster parents with varying levels of allowances and fees. For example, in one local authority, Cambridgeshire, foster parents receive an age-related weekly payment (i.e. allowance, ranging from 133-228 GBP / \$205-\$353 AUD) for the costs of the child. In addition, foster parents are paid a weekly *Skills Level Payment* (Foster Parent Fee) recognising the foster parent's skills and experience. The foster parent payment has four levels (range 39-160 GBP / \$60-\$248 AUD). In Australian dollars, the level of Foster Parent Fee equates to an annual salary ranging from \$3,128 to \$12,931, well below the annual minimum wage of \$30,710 paid to Australian workers.<sup>136137</sup> In Cambridgeshire, after 12 months registered with the authority, a foster parent receives an annual Loyalty Payment of 117 GBP / \$181AUD.<sup>138</sup> The age-related payments for the cost of the children in Cambridgeshire are higher than the recommended age-related minimum allowances for foster parents.<sup>139 140</sup>

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<sup>133</sup> Fostering Network, 2007

<sup>134</sup> Fostering Network, 2009

<sup>135</sup> BAAF, 2006

<sup>136</sup> Australian Government, Fairwork Ombudsman, 2011

<sup>137</sup> All conversion of GBP to AUD completed on 9.12.2011.

<sup>138</sup> Cambridgeshire, 2011

<sup>139</sup> HM Government, Directgov, 2011

<sup>140</sup> Minimum rate of allowance for 2011-2012 ranged from 112-197 GBP (HM Government Directgov, 2011).

In France, legislation has granted foster parents professional status. Professional training is compulsory, amounting to 120 hours for the first three years (40 hours per year). Foster parents receive payment for training and care of foster children is provided whilst foster parents attend training. Contracts are drawn up for each placement; professional monitoring of foster parents is in place; and foster parents are consulted about any decision relating to the foster child in their care. In relation to financial support, foster parents are paid a wage that is guaranteed for temporary absences of the foster child and additional money (i.e. Foster Parent Payment) is provided for the child's keep. When the child leaves the Foster parent payment ceases. If another child is not placed with the foster parent the wage component continues for three months.<sup>141</sup>

In Sweden, foster parents also receive a fee for caring, in addition to an allowance for the foster child's board and lodgings. If a foster parent is required to stay at home, due to the child's special needs, the fee component is doubled as compensation for lost employment income. The fee is regarded as taxable income, though foster parents are not seen as employees and are not entitled to any payment once a placement ends.<sup>142</sup>

Lawrence (2008) examined four Canadian provinces (British Columbia (BC), Alberta, Saskatchewan and Ontario) where foster parents receive a board allowance (for a child's costs) and a Foster Parent Fee. All foster parent payments (i.e. allowances and fees) in all provinces are exempt from taxation. As in Australia, all Canadian provinces (10 provinces and three territories) have responsibilities under different legislative frameworks to provide child care and protection systems, so there is variability in how each province regulates their child and family services. All provinces discussed by Lawrence (2008) share a number of similarities in their treatment of foster parents.

Fees are based on the skill level attained by foster parents, are associated with the Level of Care (e.g. Level 1, II, and III in BC) provided, and are paid for **each** child fostered. The total amount of Foster Parent Fee declines when additional children are fostered, reflecting the decrease in service provided with each additional child in the home. The benefits of the model in BC are that:

- An integrated foster care training program is provided through the community college system with appropriate achievement recognition;
- The system recognises the skills abilities and experience that individuals bring to fostering by providing a variety of levels of payment;
- Foster parents can move from level to level according to their current situation and the needs of the referred child -a fluid and flexible network of caregivers;
- Foster parents receive a service payment to meet expenses regardless of whether a child is placed with them or not.<sup>143</sup>

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<sup>141</sup> Corbillion, 2006: 23-4

<sup>142</sup> Hojer, 2006

<sup>143</sup> Lawrence, 2008

Alberta is similar to BC but does not provide a service payment to foster parents when there is no child being fostered. Lawrence (2008) provided no comment on the adequacy of the fee payments provided to foster parents in the various Canadian provinces.

### ***Proposed Foster Parent Fee for Victoria***

***Berry Street proposes a three-tiered Foster Parent Fee that recognises foster parent skills and experience and distinguishes the time and effort expected from foster parents providing different levels of care.***

The three levels of Foster Parent Fee proposed by Berry Street are for the following placements:

1. Level 1 (Short Term, Respite & Voluntary Care)
2. Level 11 (Intensive)
3. Level 111 (Complex)

#### ***1. Level 1 (Short Term, Respite and Voluntary) Placements***

It is assumed that respite and voluntary placements (predominantly short-term) are, in general, provided for children and young people with minor to moderate needs. Providing these placements on a part-time, short term or weekend basis, often suits individuals/couple foster parents who work outside the home and have limited time to care. These foster parents would have completed the initial training required by all foster parents and will be eligible for a Foster Parent Fee of \$250 per week. This is thought to be a realistic amount that will not incur a tax liability for foster parents.<sup>144</sup>

Level 1 placements (replacing current General HBC/ACP placements) recognise that ALL children and young people requiring care have experienced trauma prior to entering care. The children have attachment losses due to the trauma of child abuse, neglect and/or family violence. Further trauma occurs when children are removed from their family.

The role of foster parents in Level I placements is to provide short-term therapeutic care and, where appropriate, to assist with the child's transition back to the birth family. Foster parents can play an important and responsible role in supporting and engaging in the 'collaborative work with families and services [so as] to allow genuine and maximum opportunities for reunification in a safe and timely way'.<sup>145</sup>

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<sup>144</sup> No income tax is payable on incomes under \$18,200 (ATO, 2013)

<sup>145</sup> DHS, 2009: 14

Part-time or week-end Level 1 care will be based on the daily rate of \$35.70 per day, with a minimum FPF of \$50 for every episode of care under 3 days. It is suggested that foster parents providing respite for foster parents of children in other types of care (e.g. Levels II & III) receive the minimum FPF (\$250), unless they have undertaken extra or specialist training required by Berry Street for Level II and III foster parents.

There is an expectation that the primary foster parent of children in Level 1 placements will have undertaken additional training, would ideally be in part-time work, however may be in full-time work. Level 1 foster parents will be expected to participate in care team meetings, provide input into care plans for the children and young people and be encouraged to undertake further ongoing training to increase their therapeutic skills in dealing with issues arising from the children and young people in their care. Where appropriate, Level 1 foster parents will be involved in maintaining and facilitating regular contact and access with birth family members. The FPF for level 1 placements is \$250 per week.

## **2. Level II Placements**

Level II placements (replacing current level HBC/ACP Intensive) are for the placement of children and young people who have special needs or high levels of challenging behaviour. These placements require the foster parent to spend additional time providing therapeutic support to the child and ensuring appropriate services are accessed.

There is an expectation that foster parents (single foster parent or one foster parent in a foster parent couple) at Level II will not participate in other paid work and will undertake further professional development and training courses as required.

Foster parents at Level II will be expected to participate in care team meetings, provide input into care plans for the children and young people and be required to undertake ongoing training to increase their skills in dealing with the wide range of issues arising from the special needs or high levels of challenging behaviours of the children/young people in their care. Where appropriate, Level II foster parents will be involved in facilitating regular contact and access with birth family members. The FPF for Level II placements is \$575 per week.

## **3. Level III Placements**

Foster parents at Level III (replacing current levels of HBC/ACP Complex (high risk)) will be caring for children/young people with complex high risk behaviours and will be paid the highest level of FPF in recognition of the complexities of the placement. These placements may be situations where a child or young person has been, or would otherwise be, placed in a specific residential unit due to the resources required to build supports around the child or young person (currently called a *Targeted Care Package*).

For a minority of children and young people in OOHC, there will be a need for retention of *Targeted Care Packages*, for those who cannot be cared for appropriately in conventional family placements. *Targeted Care Packages* would be based on the proposed *Level III (Complex)* plus an additional loading.

A small number of children and young people may require residential care for a period of time. The cost of residential care is not addressed in this model though recent research indicates that 'the costs associated with young people placed in residential care are more than twice' the amount of home-based care.<sup>146</sup>

### **Combining FA and FPF**

In summary, foster parents will receive two payments: *FA* and *FPF*. The levels of *FA* and *FPF* have been provided below (see Table 4). The approach taken in setting the *FPF* for foster parents at the different levels of care is as follows.

Currently, Victorian foster parents fostering the most challenging children - Level II Complex (high risk) - receive a weekly payment of \$680. If the argument is accepted that this high level of payment reflects more than the day-to-day cost of a child in care (see page 12 of this report) and that some portion of that \$680 is to compensate/reward foster parents for caring for children with high needs, then this amount could, in theory, be broken down to two components: *FA* and *FPF*. We propose setting a *FPF* at such a level that would approximate a moderate income to encourage individuals to see this as a viable alternative to working in other paid employment.

For example, taking the case of a young person in the 13+ category, the weekly *FA* is \$325 and the *FPF* is \$970. Therefore the annual taxable income, based on the *FA*, of a foster parent (with child 13+) is \$50,575 (\$970x52.14). In 2012, \$31,6170 was the annual minimum wage paid to Australian workers.<sup>147</sup>

Agreeing on a realistic income free tax threshold for foster parents is a crucial part of this model. If set 'too low', the higher the foster parent payments (i.e. *FPF*), the more tax they will pay. If the proposed income tax threshold is accepted as, for example at \$30,000, then in the example given above, only \$20,575 of foster parent income from fostering would be liable to be assessed for income tax. The current rate of taxation for taxable income between \$6,000-\$37,000 is 15c for each dollar over \$6,000.<sup>148</sup> This would result in a minimum annual tax payment by foster parents of \$2,186.

The proposed weekly foster parent payment structure for Victoria is presented in Table 4.

### ***Paying tax on a Foster Parent Fee***

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<sup>146</sup> Cummins et al, 2012: xxxviii

<sup>147</sup> Fair Work, 2013

<sup>148</sup> ATO, 2012



As in the UK, it is suggested that foster parents, receiving a Foster Parent Fee, be regarded as self-employed by the Australian Tax Office (ATO). As noted above, in the UK and Canada foster parents receive a tax exemption (higher tax threshold) on income earned as a foster parent, when the child resides in the foster parent home. It is suggested that the Victorian Government consult with the ATO re the introduction of tax relief for income earned from fostering. Support for this approach has been noted in the Victorian report by Cummins and colleagues (2012: iiv):

The Victorian Government should, as a matter of priority, give further detailed consideration to the professional carer model and associated arrangements and request that the Commonwealth Government address and resolve, as a matter of priority, significant national barriers associated with establishing this new category of worker including industrial relations and taxation arrangements.

The model proposes that the unique role of fostering children on behalf of the state be supported through significantly improved financial and non-financial support to foster parents. Berry Street commissioned advice from independent tax and financial consultants in relation to the tax implications of the proposed integrated funding model. Referring to Taxation Determination TD2004/75, that advice confirms that the proposed **Fostering Allowance** to be paid to a foster parent would not be assessable as income tax on the basis that this allowance is not paid to the foster parent for their personal services or for their time.

*The model proposes that the unique role of fostering children on behalf of the state be supported through significantly improved financial and non-financial support to foster parents.*

The **Foster Parent Fee** presented in this paper is assumed to be the net foster parent fee paid to foster parents after allowing for any tax liability. Under current tax arrangements, (see Taxation Determination TD2006/62), income received by foster parents through the proposed Fostering Fee, being a fee paid for services provided, would be assessable as income tax, and would shift foster care from being a voluntary activity to being a paid activity.

In order for foster parents to retain the full benefit of the Foster Parent Fee paid to them, and to minimise the cost to State and Territory Governments of implementing a professionalised foster care system, agreement is required with the Commonwealth Government to exclude the Foster Parent Fee as assessable income under the Income Tax Assessment Act. Other options available to the Commonwealth would be establishing a higher tax free threshold for registered foster parents, as is the arrangement in the United Kingdom, or excluding the Foster Parent Fee from the relevant means test of existing Commonwealth Government payments.

In relation to the impact on the voluntary status of foster parents from the introduction of a Foster Parent Fee, the advice provided to Berry Street indicates that, unless changes are agreed regarding the tax treatment of the Foster Parent Fee, foster parents would assume the status of independent contractors or employees of the foster care agency.

The model is also predicated on the assumption that foster parents are not deemed to be employees of either the State or Territory or the supporting non-government agency that has responsibility for their recruitment, assessment, training and on-going support.

Similar to the UK, it is further proposed by Berry Street, that as the model of professional care is introduced, the level of Foster Parent Fee will reflect the level of ongoing training, undertaken by the foster parents (see Section 4 on Training). One Foster Parent Fee per foster parent family would apply regardless of the number of fostered children with the foster parent. The level of *FPF* applies to all children/young people regardless of age. The level of care provided is the only factor that changes the amount received by foster parents. As the level of *FA* will be lower for younger children, total outlays will be reduced for fostered children in younger age categories. The Foster Parent Fee continues when the foster parent receives allowed periods of respite.

### ***Realistic package of remuneration***

*Establishing a realistic 'package' for foster parent remuneration, combining a Fostering Allowance and a Foster Parent Fee, is breaking new ground in establishing payments for a professional model of foster care in Australia.*

The introduction of a 'new' model of fostering may cause a level of disquiet for some current foster parents. For foster parents who reject the new scheme, or are not prepared to become involved in ongoing training, especially those providing long-term care where there is good placement stability, a sunset clause that retains the 'status quo' should apply, until either the child leaves care altogether, goes to another foster parent, or the foster parent retires.

**Table 4: Proposed Victorian Weekly Foster Parent Payment Structure.**

Includes Fostering Allowance (FA)<sup>1</sup> and Foster Parent Fee (FPF)<sup>2</sup> for all levels of Community Based Care (all dollars rounded).

Age	Level 1 <sup>3</sup>		Total	Level 2 <sup>4</sup>			Level 3 <sup>5</sup>		
Groups	(FA)	(FPF)	Level 1	(FA)	(FPF)	Total Level II	(FA)	(FPF)	Total Level III
\$									
0 - 6	215	250	465	215	575	790	215	970	1185
7 - 12	265	250	515	265	575	840	265	970	1235
13 +	325	250	575	325	575	900	325	970	1295

- Table Notes:**
1. Fostering Allowance (i.e. foster parent reimbursements for child's costs). Covers daily costs of living for the child (inclusive of all costs).
  2. Foster Parent Fee (i.e. Foster parent Fee).
  3. The level of Foster Parent Fee for Level 1 (respite & voluntary) placements is lower than the income tax threshold for Australian workers and is the same as the average of current Intensive foster parent payments in Victoria.
  4. Level II is equal to an average of Complex payments under the current Victorian system.
  5. Level III loading is a 69% increase on Level II which equates with the % increase between the current intensive and complex rates in Victoria.

. Foster parent Payment: Placement Examples

Age of Child in Placement	Placement Level	(FA)	(FPF)	Weekly Amount	Annual Amount
13	11	\$325	\$575	\$900	\$46,926
5	111	\$215	\$970	\$1,185	\$61,786
10	1	\$265	\$250	\$515	\$26,852

#### 4.4.3 Placement and Support Costs

Adopting a professional model of foster care will have cost implications for the government, as it will result in additional costs to agencies. Berry Street proposes using the 'wrap around' service model that has been successful in the Victorian Therapeutic Care Program (*Circle Program*) discussed above.

The proposed model includes the availability of specialist education support, recreation/community connectedness support, clinical supports and foster parent professional development.

*The model allows early intervention in the placement by a multi-disciplinary team and access to consultation and support, which means children get the attention they need in a timelier manner.*

#### Unit Cost

In 2004, the Department of Human Services commenced a process for reviewing the Funding Models for Foster Care, resulting in a Unit Cost formula that was implemented in 2006. The main focus of the formula continues today and is made up of the following components:

- Bednights
- Case Load Ratio (10.2:1) based on a mix of target types in the following proportions:
  - 60% General (12:1);
  - 30% Intensive (8:1) ;
  - 10% Complex (6:1) ; and
- Program support including:
  - Recruitment/Assessment /Training;
  - Case Aid Support; and
  - Administration - proportional to the number of funded targets.

Berry Street foster care program data demonstrates that the 60/30/10 case mix model does not reflect the actual performance percentages. Recent Berry Street cumulative figures for Home Based Care indicate that foster care placements have the following configuration:

- 36 percent General;
- 40 percent Intensive; and
- 24 percent Complex.

During the consultation stage of this project, other major providers agreed with this configuration of the case mix model. Accordingly, Berry Street propose the following case-mix model for Victoria:

- 25 per cent Level I;
- 50 per cent Level II; and
- 25 per cent Level III.

Berry Street acknowledges the complexity of developing a unit cost and appreciate this requires further discussion with the department to reach final agreement. However, it is important that the process is commenced and in doing so, highlighting the *imperatives* within a costing exercise.

Over the last four years, there have been important developments in moving to a more 'therapeutic' model of care and 'needs based' funding for OOHC services in Victoria. We propose the development of a new integrated model in order to create a unit price that is reflective of client needs and anticipated outcomes. Additionally, we propose to continue the 'funding formula' developed in 2006 to appropriately apportion Program Support staff in the funding mix.<sup>149</sup>

*Features of the model:* There are several crucial features in the new model for covering the costs of a multi-disciplinary team. They include the implementation of a 1:8 case load ratio for caseworkers. The model will comprise budget components for the following:

- Clinician;
- Team Leader /Manager;
- Education Support Consultant;
- Community Support Consultant;
- Intake/Access Workers;
- Foster parent recruitment, assessment and training (RAT) Workers;
- Foster parent Training Capacity
- Other caseworkers; and
- Administration staff.

The model is to be based on the following:

- Current CSO actual costs;
- Salary and related costs;
- Accommodation costs; and
- Other operational costs.

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<sup>149</sup> DHS, 2006

The figures in Table 5 detail a sample unit costing (based on a target of 70 placements) using the above imperatives and based on the 2006 formula. The major changes to the formula are: the Workload Ratio of 1:8 across all levels of care; changed structure of placement type; additional program support; On-going skill development for foster parents and a formula specific to the Clinician.

The figures in Table 6 indicate the costs MA+CF for 70 placements and are based on children in various age groups and in different type of care, e.g. Level 1, II and III.

**Table 5: Example of a Foster Care Program**

Sample with a Total Target of 70 and a 25/50/25 split of levels

<b>Total Targets for Sample Program</b>			<b>70</b>	Average EFT Cost	\$ 120,000	TL Formula	3.560763889
	Work Load Ratio	Targets	Case Workers	Number of Targets	70		3.15
				Total Staff	24.93		
Level 1 Respite & Voluntary	8	17.5	2.19	Total Operational cost	\$ 2,991,042		
Level 2 (inc TFC)	8	35	4.38	<b>New Average Unit Cost per Target Based on 25/50/25 split</b>	<b>\$ 42,729</b>	<b>Increase of:</b>	<b>\$ 23,643</b>
Level 3	8	17.5	2.19	<b>New Funding</b>			
<b>Average Work Load Ratio &amp; Total Target</b>	<b>8</b>	<b>70</b>		Fostering Allowance	\$ 936,208	<b>Percentage of Age Ranges (this sample)</b>	
<b>Total Case Worker</b>			<b>8.75</b>	Foster Parent Fee	\$ 2,156,700	<b>Percentage of Level of Care (this sample)</b>	
				<b>Operational Costs</b>	<b>\$ 2,991,042</b>	<b>Increase of:</b>	<b>\$ 1,655,014</b>
Intake Access			0.73	<b>Total for 70 Target</b>	<b>\$ 6,083,950</b>		
Administration			1.53	<b>TOTAL AVERAGE UNIT COST FOR NEW MODEL (inc. Carer payments)</b>			
Clinician			5.25				
Education			1.46		<b>\$ 86,913.57</b>		
Family/Community Connection			0.73	Administration is: 2 workers per 12			
Recruitment, Assessment & Pre-Service Training			1.46	Allocation for Recruitment Assessment & Training (RAT) worker; & Education worker is: 2 workers per 12 case workers			
On-going Foster Parent Skill Development			1.46	Allocation for Clinician is: total of Levels 11 & 111 placements ÷ 70% (assumed need) and workload ratio of 1:7. (See Case Mix Graph)			
<b>Total Operational Staff</b>			<b>21.36</b>	Allocation of Intake/Access; On Going Carer Skill Development & Community Connection workers is 1 worker per 12 case workers			
Team Leaders			3.56	Allocation for Team Leader is: 2 staff per 12 operational staff.			
<b>Total Program Staff</b>			<b>24.93</b>	The Unit Cost is determined by average cost of EFT divided by number of targets			
				The increase noted in the table is against the DHS current funding formula for this sample target			
				Ratio per worker is the same for all placements			
				The loading for targets is Level 1. 25%; Level 2. 50%; Level 3. 25%			

**Table 6: Fostering Allowance and Foster Parent Fee x age of child and x level of care.**

New Age Groups	LEVEL 1 RESPITE & VOLUNTARY <sup>3</sup>					LEVEL 11 ?					LEVEL 111 ?				
	FA	FPF	TOTAL LEVEL 1	Annual Foster Parent Fee	Annual Placement Rate	FA	FPF	TOTAL LEVEL 2	Annual Foster Parent Fee	Annual Placement Rate	FA	FPF	TOTAL LEVEL 3	Annual Foster Parent Fee	Annual Placement Rate
0-6	\$ 215	\$ 250	\$ 465	\$ 13,000	\$ 24,180	\$ 215	\$ 575	\$ 790	\$ 29,900	\$ 41,080	\$ 215	\$ 970	\$ 1,185	\$ 50,440	\$ 61,620
7-12	\$ 265	\$ 250	\$ 515	\$ 13,000	\$ 26,780	\$ 265	\$ 575	\$ 840	\$ 29,900	\$ 43,680	\$ 265	\$ 970	\$ 1,235	\$ 50,440	\$ 64,220
13+	\$ 325	\$ 250	\$ 575	\$ 13,000	\$ 29,900	\$ 325	\$ 575	\$ 900	\$ 29,900	\$ 46,800	\$ 325	\$ 970	\$ 1,295	\$ 50,440	\$ 67,340



## 5. Conclusion

Evidence-based research suggests that unless a more professional approach is taken to providing foster care services in Australia then difficulties in recruiting and retaining carers will continue and children's in care experience will continue to be poor.

Many countries have already adopted professional foster care where foster parents are remunerated with both a Fostering Allowance to meet a child's costs and a Foster Parent Fee or salary to reward the foster parent. It is suggested by Berry Street that it is time that Australian jurisdictions debated and discussed such a model with the OOH sector.

*The Berry Street Foster Care Integrated Model*, as presented in this paper, considers both the costs of caring and the concept of a professional approach to foster care. Underpinning the new model is an improved model of extended support for the foster parent family and foster parent training.

This model demonstrates the need for partnerships to provide the best professionalised approach to providing care. Whilst any one agency could, in principle, provide all activities in each of the four components, in reality there are a number of agencies that could provide individual activities, thereby operating under a partnership approach to service delivery.

Throughout the development of this model, special attention was given to the *National Framework for Protecting Australia's Children 2009-2020* and the *National Standards for Out of Home Care* and how the *Framework* and *Standards* relate to a more professional approach to fostering. Clear connections can be made between in-care experiences and outcomes, and how a professional model of fostering, involving a therapeutic approach, could enhance the skills of foster parents, enabling them to work more effectively with children and young people.

**Figure 5: Integrated Partnership Model of Foster Care Delivery**



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## 7. Costings and Model Development

The *Integrated Model of Foster Care* was developed by Berry Street with the Social Policy Research Centre (SPRC) of the University of New South Wales providing a review of studies and other literature examining the cost of children in foster care and also payments (e.g. fees or salaries) to foster parents, who are providing a professional service.

Based on the consultation between SPRC and Berry Street, the model includes reimbursements for children's costs and for a 'reward' element for foster parents.

Special attention in the costing exercise was made to research on specialist fostering programs where the provision of a therapeutic service, similar to the aim of the Integrated Model proposed here, was a primary focus.