

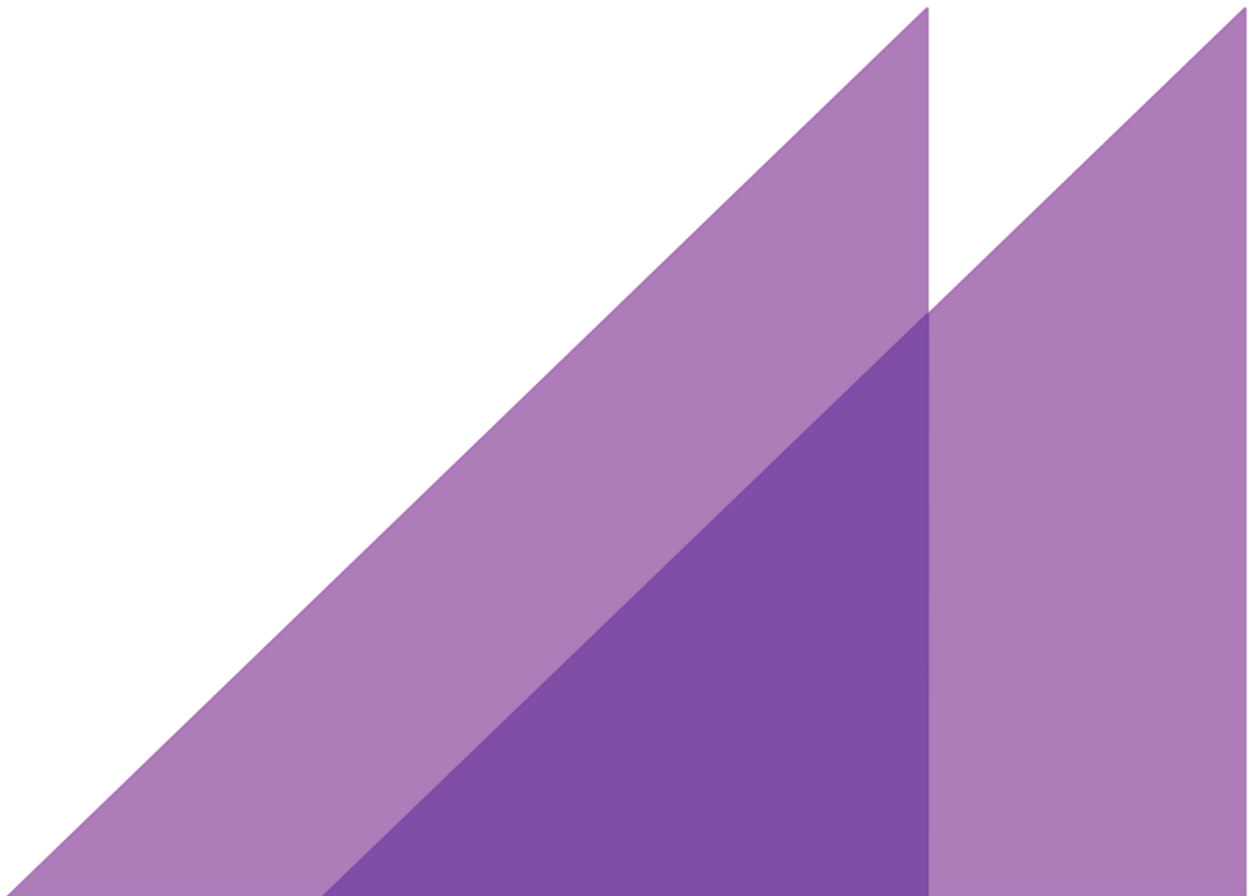
REPORT TO
AUSTRALIAN GOVERNMENT DEPARTMENT OF
FAMILIES, HOUSING, COMMUNITY SERVICES AND
INDIGENOUS AFFAIRS

OCTOBER 2013

PROFESSIONAL FOSTER CARE



BARRIERS, OPPORTUNITIES
& OPTIONS





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Executive summary

Foster care has a significant role in the support of vulnerable and disadvantaged children and young people in Australia. Placements with volunteer foster carers make up nearly 44 per cent of living arrangements for children and young people in out-of-home care (OoHC). However, a number of key factors have combined to challenge this form of home-based care, including: ongoing demand issues across Australia's OoHC sectors; increasing client complexity; and a changing carer profile.

Given these issues, and the accompanying decline in foster care households across Australia, Commonwealth, state and territory governments have given priority to progressing actions to improve support for carers including investigation of models of professional foster care.

This project

ACIL Allen Consulting was engaged by the then Australian Government Department of Families, Housing, Community Services and Indigenous Affairs on behalf of the Standing Council on Community and Disability Services Advisory Council to undertake a review of the barriers and opportunities for developing models of professional foster care. The project responds specifically to a key action under the National Framework for Protecting Australia's Children – Second Action Plan 2012-15.

A review of models in Australia and other countries, and consultation feedback from government and non-government stakeholders informed the development of options to progress national consideration of models of professional foster care in Australia.

For the purposes of the project, professional foster care was defined as: home-based care; targeted at children and young people not able to be placed in more traditional forms of home-based care; providing intensive care integrated with specialist support services; receiving a salary commensurate with level of skill; and participating in ongoing competency based training.

Background

The number of children and young people in OoHC in Australia has doubled over the past decade. In 2012, there were approximately 39,600 children and young people living in OoHC placements with the majority (93 per cent) in home-based care. Nearly 55 per cent of this population were 9 years of age or younger with a further 30 per cent aged between 10 and 14 years and 15 per cent aged between 15 and 17 years. One in three children and young people in OoHC are Aboriginal and/or Torres Strait Islander.

State and territory government expenditure on this population is considerable, and in response to the continuing demand pressures, expenditure has more than doubled over the past ten years rising to a total recurrent expenditure in 2011-12 of \$1.95 billion.

Despite this investment, children and young people admitted to OoHC continue to experience significantly poorer educational, health and well-being outcomes. They are generally staying longer and during this time are at risk of experiencing placement instability.

At the same time, the carer and placement profile of OoHC is changing. Kinship care has now become the dominant form of home-based care across Australia. Residential care

placements have also grown significantly. Australia's foster carer population is ageing and declining in number.

To respond to this growing complexity, and drive quality improvements to home-based care, jurisdictions have established a range of enhanced and specialist forms of foster care programs. These models have professionalised aspects but are still primarily built on the traditional voluntary model of foster care. This model is characterised by provision of home-based, temporary care by volunteer carers who have received some form of training and assessment. Caregiver reimbursements are paid by the state or territory to offset the costs of caring for the child or young person.

Professional foster care

There is wide support both locally and internationally for the future of fostering as increasingly a professional care service. Experience in the development and implementation of models of professional foster care in the Australian context is varied. From a review of planned and actual models of professional foster care, this work requires robust and consistent advice on a range of issues at both a Commonwealth and state and territory level related to program clarity, taxation and industrial relations.

The international experience of professional foster care is more advanced. Key features of models operating in other countries include:

- Remuneration packages that explicitly link payment to carer skills and effort in conjunction with allowances to cover the cost of raising the child;
- Special taxation and industrial relations arrangements; and
- Variation in expectation of minimum qualifications for professional carers.

Key barriers and opportunities

Key barriers to the development and implementation of professional models of foster care include:

- Significant variation in OoHC legislation, policy and practice across jurisdictions
- Foster carer recruitment and retention issues requiring access to new markets of supply
- Mandated minimum qualifications that could exclude potential carers. The absence of nationally accredited foster care specific training or competency standards limits the extent to which nationally consistent training can drive and underpin quality outcomes
- The modern award system which is not applicable or appropriate to models of a professional foster carer that are home-based and blur the domains of 'work' and 'family'
- Competitive remuneration which is an important aspect to a profession and would potentially increase the supply of potential foster carers. This constitutes a challenge to the traditional model of foster care, however, and carries significant implications for the tax and transfer system.
- The absence of professional networking and membership of professional associations

Key opportunities to develop and implement professional models of foster care include:

- The National Framework for Protecting Australia's Children (the National Framework) and the National Standards for OoHC have provided an important enabling environment. Progressing this policy issue provides an opportunity for the Commonwealth to build on its leadership in coordinating and enabling action under the National Framework

- There is a clear and demonstrated need and demand for professional OoHC service system responses that address quality issues, maintain or grow home-based care options, and allow for flexible placement options that respond to identified need
- There are significant cost savings to be made by states and territories in the development and implementation of professional models of foster care that successfully transition children and young people out of residential care to stable home-based care placements, or prevents their entry into residential care.

Options for consideration

Two options to progress the development of models of professional foster care are presented for consideration by Community and Disability Services Ministers and are summarised in Table ES 1.

Table ES 1 Overview of options for consideration

| Option | Lead responsibility | Timeframe |
|---|---|-----------|
| <p>Option 1 – Australian Community and Disability Services Ministers should seek national agreement on the policy parameters to enable professional foster care in Australia, and the subsequent development and endorsement of a Framework for Professional Foster Care under the Second Action Plan.</p> <p>As part of the setting of policy parameters, agreement should be reached on the preferred model of professional foster care and subsequent clarification of taxation and industrial relations issues required to enable the model.</p> | Commonwealth | By 2015 |
| <p>Option 2 – Australian Community and Disability Services Ministers should agree to the development of a nationally consistent set of skills, competencies and (over time) accreditation for professional foster carers, underpinned by national workforce development and planning.</p> | Commonwealth States and territories Non-government sector | 2015 |

Source: ACIL Allen Consulting, 2013

Option 1 proposes clarification of taxation and industrial relations issues associated with a preferred model of professional foster care as part of informing the development of the proposed Framework for Professional Foster Care. For this purpose three potential models of professional foster care are outlined in Table ES 2.

Table ES 2 Overview of sub-options to progress models of professional foster care

| Sub-options | Recruitment | Skills and qualifications | Remuneration and taxation | Employment status |
|--|---|---|---|---|
| (i) Contractor model under existing legislative and policy framework | Recruited from related human services professions with possibility of drawing on some volunteer foster carers | No minimum qualification required Pre training Training throughout placement | Non-assessable reimbursement to reflect costs of caring for a complex child or client Assessable fee for service to reflect carer skills, qualifications and effort | Carer engaged through an independent contract |
| (ii) Employee / contractor model with exemptions from legislative and policy framework | Recruited from related human services professions with possibility of drawing on some volunteer foster carers | Employee – minimum qualification Contractor - no minimum qualification required Pre training Training throughout placement | Exemption of part or all of the wage / fee from being considered assessable income | Employee – exemption from specific aspects of the National Employment Standards Contractor – no exemption required |
| (iii) Establishment of a unique role and required legislative change to give effect to the role | Recruited from related human services professions with possibility of drawing on some volunteer foster carers | No minimum qualification required Pre training Training throughout placement | All income considered non-assessable Reimbursement costs associated with caring for a complex child or client Fee for service reflecting carer skills, qualification and effort | Legally enshrined industrial rights and expectations particular to professional foster care |

Source: ACIL Allen Consulting, 2013

Recognising that no single model of professional foster care can be implemented in all contexts – and in keeping with the principles of the National Framework – jurisdictions will be able to use clarification of industrial and taxation issues associated with a preferred sub-option, to adapt the model to respond to local identified need and circumstance.

Option 2 proposes the development of a nationally consistent set of skills, competencies and (over time) accreditation for professional foster carers, underpinned by national workforce development and planning. This work will leverage expertise in the non-government sector to develop a set of skills and competencies that supports consistently high quality, therapeutic home-based care.

1 Introduction

This chapter outlines the background and context to the project.

1.1 Project aims and purpose

ACIL Allen Consulting was engaged by the then Australian Government Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) on behalf of the Standing Council on Community and Disability Services Advisory Council (SCCDSAC) to undertake a review of the barriers and opportunities for developing models of professional foster care.

The results of this review and analysis are to inform the development of options for national consideration by Community and Disability Services Ministers.

The project approach included the following stages.

- Synthesis of existing evidence to highlight the key challenges of out-of-home care (OoHC) systems across jurisdictions, to determine the effectiveness and efficiency of existing and proposed domestic and international models of professional foster care. This examination includes a focus on the characteristics of alternative models in regards to carer remuneration, qualification and training requirements, and industrial arrangements.
- Scoping of the full range of barriers (including taxation and industrial relations legislation, occupational health and safety and insurance requirements, and socio-economic factors) and opportunities (such as enhanced education and training and targeted recruitment) for the development and implementation of models of professional care in an Australian context.
- Exploration of a range of practical policy options that could be pursued to address identified policy issues. These options were to be feasibility tested and subject to a cost-benefit analysis. Options recommended were to be the most feasible, represent value for money and lead to improved outcomes for children with complex needs and their carers.

For the purposes of the project, professional foster care was defined as set out in Box 1.

Box 1 Agreed project definition of professional foster care

Professional foster care refers to a model of home-based foster care whereby carers are employed in a professional capacity to care for children and young people with complex needs, who are unable to be placed in more traditional less intensive forms of Out-of-Home Care.

Under professional care models, carers would be paid a salary that is commensurate with their level of skill; would be required to hold a relevant qualification and / or undertake ongoing competency based learning and development; and would provide, or have access to, therapeutic clinical support and other specialist supports.

Source: *FaHCSIA 2013*

The definition encompasses specialised home-based care for children with complex needs integrated with specialist support services and payment of a salary for professional care commensurate with skill level. The definition distinguishes professional foster care from

other specialist or enhanced models of foster care that have already been implemented across Australia.

1.2 Project context

While each state and territory government has responsibility for statutory child protection and OoHC, the Australian Government has taken a national leadership role in the development of the *National Framework for Protecting Australia's Children* (the National Framework). The National Framework is underpinned by a public health model and represents the first collaborative effort between Australian, state and territory governments and the non-government sector on this priority public policy issue.

National action and outcomes

The National Framework was endorsed by the Council of Australian Governments (COAG) in 2009, with the high level outcome that Australia's children and young people are safe and well. As a measure of achieving this outcome, governments and the non-government sector have committed to a target of substantial and sustained reduction in child abuse and neglect in Australia over time.

To support the National Framework's high-level outcome and achieve its key target, six supporting outcome areas have been established:

1. Children live in safe and supportive families and communities
2. Children and families access adequate support to promote safety and intervene early
3. Risk factors for child abuse and neglect are addressed
4. Children who have been abused or neglected receive the support and care they need for their safety and well-being
5. Indigenous children are supported and safe in their families and communities
6. Child sexual abuse and exploitation is prevented and survivors receive adequate support.

Each supporting outcome is underpinned by identified national priorities and actions.

National effort

Activity under the National Framework is driven through a series of three-year action plans identifying the specific actions, responsibilities and timeframes for implementation.

National priorities and relevant achievements from the first action plan (2009-2012) include:

- **National Standards for Out-of-Home Care** – Development and implementation of *National Standards for Out-of-Home Care*, which are designed to drive improvements in the quality and consistency of OoHC across Australia
- **Improving Support for Carers** – Research into the range of financial and non-financial supports available for OoHC carers in Australia. The research outlines the range of financial and non-financial support available to carers, as well as covering the experiences of carers, barriers to becoming a carer, good practice in the provision of OoHC, but also gaps and inequities across the service system.

Under the second action plan (2012-15) work has focussed on building on, and strengthening existing national priorities, as well as exploring newly identified national priorities.

Recognising the importance of volunteer and kinship caregivers to OoHC systems across Australia, the current action plan nominates a number of key actions to be progressed to improve support for carers. These include:

- Investigate the barriers and opportunities for developing models of professional carers
- Improve opportunities and remove barriers to enable working families to become carers
- Develop a national carer survey to better understand carer demographics and their support needs
- Expand training and support for grandparent and kinship carers, including Indigenous and culturally and linguistically diverse kinship carers.

This project responds specifically to the first of these actions, investigating the barriers and opportunities for developing models of professional care. A professional model of care could also be expected to contribute to the second of the activities being progressed to the extent that it developed and established foster care as an alternative category of paid employment.

1.3 Project approach

The project team collected data and information through the following methods:

- Review of the literature on OoHC and professional foster care
- Interviews with key stakeholders, including:
 - representatives from each of the state and territory governments
 - nominated non-government organisations
 - representatives from the Australian Government Department of the Treasury and the Department of Education, Employment and Workplace Relations.

Assessment of the feasibility of potential options was informed by the literature review and the experiences and expectations of states and territories in moving towards the professionalisation of foster carers.

Details of stakeholders engaged through the project are provided at Attachment A.

1.4 This report

The subsequent sections of this report are structured as follows:

- Chapter 2 provides an overview of OoHC in Australia today. It includes a synthesis of the key challenges facing OoHC systems
- Chapter 3 examines models of professional foster care. It looks at the experience of developing and implementing models of professional foster care in Australia. It also examines the characteristics and application of international models
- Chapter 4 scopes the key barriers and opportunities for the development and implementation of models of professional foster care
- Chapter 5 outlines practical policy options for the development of models of professional foster care for consideration by Community and Disability Services Ministers.

2 Out-of-home care in Australia

This chapter provides an overview of OoHC in Australia today. It includes a synthesis of the key challenges facing OoHC systems across states and territories.

Key points

Australia's OoHC population in Australia has doubled over the past decade. One in three children and young people in OoHC are Aboriginal and/or Torres Strait Islander. Public expenditure on this population has more than doubled over the same time.

OoHC systems across jurisdictions are challenged by:

- continuing demand pressures on OoHC systems;
- presentation to OoHC of children and young people with increasingly complex behaviours who are staying longer, and consistently experiencing significantly poorer educational, health and well-being outcomes; and
- changing carer profiles and arrangements with diminishing foster care capacity.

Jurisdictions have established a range of enhanced and specialist forms of foster care designed to provide higher quality care. These models have professionalised aspects, but are still primarily built on the traditional voluntary model of foster care.

2.1 Out-of-home care in Australia

Out-of-home care (OoHC) refers to the provision of accommodation for children and young people up to the age of 18 years who are unable to live with their immediate family (CFCA 2013).

While OoHC arrangements can constitute either formal (statutory) or informal (non-statutory or voluntary) arrangements, this report uses the term to refer to children and young people assessed as in need of care and protection, who, in most instances, are on court orders and formally placed in OoHC through the statutory child protection system.

Statutory child protection and the provision of OoHC is the responsibility of states and territories. The provision of OoHC across jurisdictions includes a mixture of services provided directly by government and services contracted to non-government organisations. OoHC typically involves one of the following three types of placements.

- **Home-based care:** a placement provided by a carer within their own home. The carer is either a kinship carer – family member or friend, or a foster carer. Home-based carers are eligible for reimbursement for expenses associated with providing the placement.
- **Residential care:** placement in group homes, usually staffed by rostered paid workers.
- **Other forms of OoHC:** there are a range of other living arrangements, such as lead tenant, health or disability facilities that can be used to place children or people in care.

States and territories expend significant amounts of public monies on the provision of OoHC services. Table 1 details the growth in recurrent expenditure on the provision of OoHC across jurisdictions. Significantly, the past decade has seen a 155 per cent increase in expenditure on OoHC by states and territories.

Table 1 **Recurrent expenditure on OoHC services by states and territories, 2002-03 to 2011-12 (\$'000)**

| | 2002-03 | 2003-04 | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | 2011-12 |
|--------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| NSW | 309,693 | 363,859 | 367,643 | 371,315 | 436,230 | 530,160 | 601,141 | 691,292 | 711,952 | 746,007 |
| VIC | 182,744 | 188,426 | 227,943 | 231,572 | 238,842 | 253,218 | 286,808 | 314,902 | 335,495 | 351,641 |
| QLD | 121,008 | 141,777 | 211,357 | 259,619 | 314,871 | 332,594 | 336,213 | 359,611 | 375,464 | 396,070 |
| WA | 81,225 | 95,246 | 92,480 | 95,030 | 106,439 | 139,304 | 168,533 | 186,728 | 208,733 | 194,425 |
| SA | 30,673 | 31,475 | 45,080 | 50,814 | 87,438 | 97,643 | 108,781 | 124,875 | 134,908 | 141,591 |
| TAS | 17,568 | 20,336 | 23,712 | 30,087 | 34,493 | 29,639 | 28,029 | 35,322 | 39,775 | 39,687 |
| ACT | 13,516 | 17,966 | 26,561 | 23,336 | 22,359 | 22,105 | 22,011 | 22,619 | 28,336 | 26,850 |
| NT | 8,404 | 13,254 | 14,853 | 21,309 | 22,949 | 30,931 | 37,881 | 43,330 | 48,578 | 56,179 |
| Total | 764,832 | 872,339 | 1,009,629 | 1,083,081 | 1,263,620 | 1,435,595 | 1,589,399 | 1,778,678 | 1,883,242 | 1,952,450 |

Source: SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, Report on Government Services 2013, Productivity Commission, Canberra Table 15 A.3

The Australian Government plays no direct role in the delivery or funding of OoHC services. However as part of the broader family support and social support system, home-based carers are potentially eligible for a range of Commonwealth payments and allowances.

The introduction of National Standards for OoHC constitutes a significant national development in the delivery of OoHC. The national standards are designed to deliver consistency in OoHC across the country and drive improvements in the quality of OoHC provided to children and young people.

Thirteen national standards have been developed, covering the key areas and issues that contribute to improved life outcomes for children and young people in OoHC. Reporting on the standards is scheduled to be implemented through to 2015.

Australia's OoHC population

Australia's OoHC population is large and growing.

On 30 June 2012, there were 39,621 Australian children and young people living in OoHC placements. Key features of this population include:

- Even gender divide (52 per cent male, 48 per cent female)
- 3 per cent of the population were babies under the age of one
- 20 per cent of the population were between 1 and 4 years of age
- 32 per cent of the population were aged between 5 and 9 years
- 30 per cent of the population were aged between 10 and 14 years
- 15 per cent of the population were aged between 15 and 17 years.

Significantly, of these 39,621 children and young people in OoHC, one third are Aboriginal and Torres Strait Islander children and young people (AIHW 2013).

Figure 1 charts the total number of children and young people – as well as the subset of this population who are Aboriginal and Torres Strait Islander children and young people – who were in OoHC over the past decade.

Figure 1 Number of Australian children and young people in OoHC, 30 June 2003 to 30 June 2012



Source: Australian Institute of Health and Welfare. *Child protection Australia reports 2002-03 to 2011-12. Child Welfare series. Canberra*

The role of foster care within the OoHC service system

In 2012, nearly 44 per cent (17,274) of children and young people in OoHC were living in a foster care placement.

While there is some variance among jurisdictions in the legislation and delivery of OoHC, there is a degree of consistency around the provision of foster care. Foster care involves the provision of temporary care in the home of a volunteer carer who has received some form of training and assessment. Local accreditation processes are also required. Caregiver reimbursements paid by the state are available to offset the costs associated with caring for children and young people. There is considerable variation in the rates of caregiver reimbursements provided to foster carers. By way of example, Table 2 charts base weekly rates of caregiver reimbursements for foster carers. It also compares them to *Foster Care Estimates (FCE)* developed by the Social Policy Research Centre at the University of New South Wales to provide an approximation of the costs associated with fostering a child or young person.

Table 2 Base subsidy rates by age of child (weekly rates), by jurisdiction 2013

| Child's age | TAS (\$) | WA (\$) | NT (\$) | SA (\$) | VIC (\$) | ACT (\$) | QLD (\$) | NSW (\$) | FCE (\$) |
|-----------------|----------|---------|---------|---------|----------|----------|----------|----------|----------|
| 1 year of age | 190 | 172 | 211 | 145 | 159 | 231 | 221 | 218 | 218 |
| 3 years of age | 190 | 172 | 211 | 145 | 159 | 231 | 221 | 218 | 218 |
| 6 years of age | 217 | 225 | 226 | 169 | 159 | 259 | 238 | 245 | 234 |
| 10 years of age | 217 | 225 | 266 | 169 | 171 | 259 | 238 | 245 | 274 |
| 14 years of age | 251 | 277 | 329 | 241 | 252 | 348 | 259 | 329 | 345/337 |

Source: McHugh, M 2013, 'Updating developments across Australian jurisdictions, *New Directions in policy and planning for foster care in Australia.*' Keynote Address. Centre for Excellence in Child & Family Welfare Inc. Victoria. *Foster Care Futures* 11 September

Case management and other supports are also generally available to foster carers, provided either directly from departmental case workers or through funded non-government organisation case workers. There are also higher caregiver reimbursement rates available through enhanced, specialist and therapeutic models of foster care (which are examined in more detail later in this chapter).

Foster care has a long history in child welfare policy and practice in Australia. It has traditionally constituted a significant component of OoHC systems. The challenges which confront OoHC in Australia are discussed in further detail below.

2.2 Key challenges confronting OoHC

Three headline challenges confront OoHC systems across Australia. They are:

- Continuing demand pressures
- Presentation of increasingly complex clients and evidence of significantly poorer outcomes for children and young people placed in care
- Changing carer profiles and arrangements.

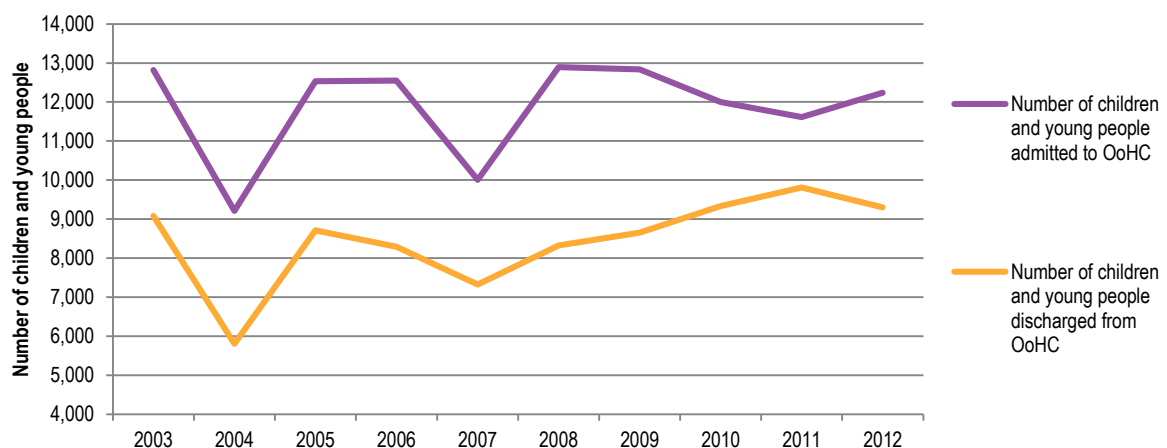
These challenges are inter-related and have a compounding effect on each other. Each of these challenges is explored in further detail below.

Demand

Over the past decade, demand pressures on OoHC systems across Australia have been constant. As demonstrated in Figure 1, during this time span Australia's OoHC population has doubled.

This growth in demand is driven by a number of factors. The most simple and fundamental of these factors is that each year, more children are entering OoHC than exit the system. Figure 2 charts the entry and exit rates for OoHC over the past decade.

Figure 2 Entry and exit rates to and from OoHC, 2003 to 2012



Note: 2004 data excludes NSW and Tasmanian input; 2007 data excludes QLD input

Source: Australian Institute of Health and Welfare. *Child protection Australia reports 2002-03 to 2011-12. Child Welfare series.* Canberra

Discharge rates have consistently sat below entry rates to OoHC over the past decade. While the gap between the two narrowed from 2008 to 2011, the most recent publicly available data (2012) demonstrates the gap between inflows and outflows has again widened.

When looking at the data over the course of the last decade, it is important to consider the evolving nature of child protection and OoHC policy and practice in Australia. There has been significant legislative and policy reform work across the states and territories. In some jurisdictions, this has included a greater focus on early intervention and placement prevention work to keep vulnerable children and young people out of OoHC.

At the same time, however, there has also been expansion of the child protection workforce, bedding down of mandatory reporting regimes, a better understanding of trauma across the sector, as well as the introduction of pre-birth or unborn reports in some jurisdictions. Reports associated with family violence have also risen in recent years.

These developments are essentially 'front-end' issues but their impact downstream on the OoHC system should not be ignored.

The other key factor to consider (especially since entry rates have remained relatively stable over the past 10 years) is the increase in client complexity and the impact this has on the age of entry and the length of stay for children and young people in the OoHC system.

Increasing client complexity and evidence of significantly poorer outcomes for children and young people

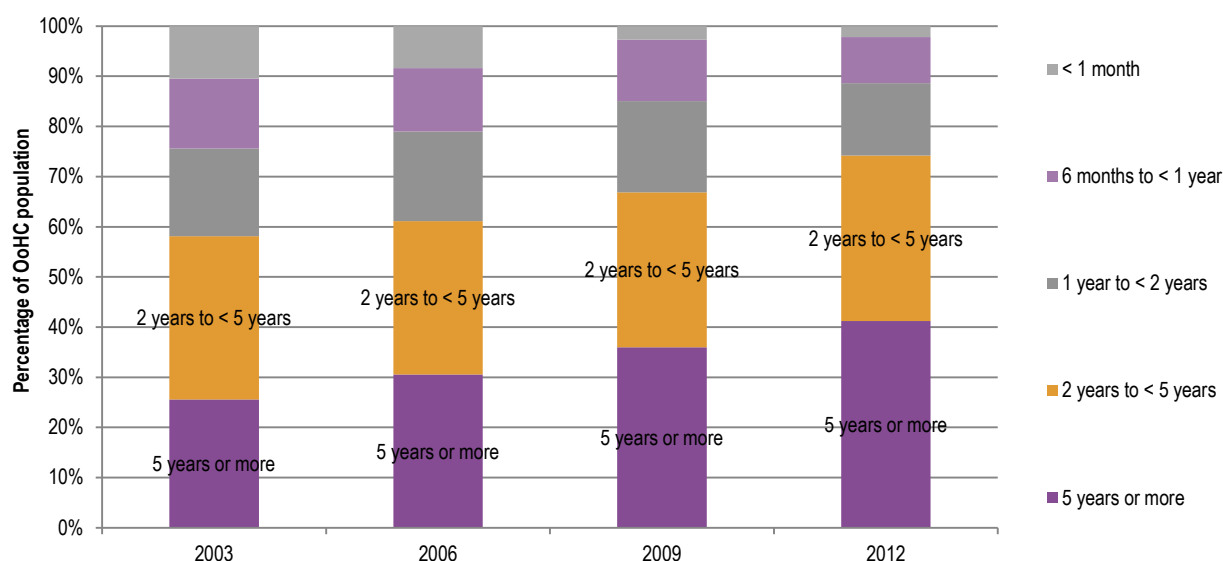
Children and young people in OoHC have experienced significant abuse, trauma and / or neglect. They are vulnerable, have complex needs, and continue to experience poor life outcomes across multiple domains. From the literature, these include:

- *Poor educational outcomes* - children in care are less likely than other children to engage with education and schooling. They are typically absent or excluded, and experience poor educational attainment (Osborn & Bromfield 2007)
- *Poor health outcomes* – children in care typically experience poor health and suffer complex psychological and behavioural issues (RACP 2006)
- *Poor social outcomes* – children in care have experienced significant trauma and abuse. This fuels social and behavioural issues that can compound disadvantage, such as placement instability and inability to form healthy relationships with peers and adults (Osborn and Bromfield 2007).

As a result of these factors, children and young people are entering OoHC at an earlier age, staying longer, and experiencing greater instability of placement during their time in OoHC.

This is best demonstrated in the shift in lengths of time that children and young people have spent in OoHC over the past decade, as described in Figure 3. Since 2003 to 2012, the proportion of children and young people who have been in continuous placement in OoHC for longer than 2 years has grown from 50 per cent to nearly 70 per cent of the overall OoHC population.

Figure 3 Length of continuous stay in OoHC, 2003-12



Source: Australian Institute of Health and Welfare. *Child Protection Australia reports 2002-03 to 2011-12. Child Welfare series. Canberra.*

An experience common to many children and young people who have been in OoHC for an extended period of time is placement breakdown or change. While noting that in some instances placement change is warranted and justified, it is generally accepted that supporting placements to ensure their stability and permanence is in the best interests of the child or young person.

Table 3 provides a breakdown of the numbers of placements experienced by children and young people who have been in OoHC for at least two years when they were discharged from OoHC during 2011-12.

Table 3 Children and young people exiting OoHC by length of time and number of placements, 30 June 2012

| | 1 placement | 2 placements | 3 placements | 4-5 placements | 6-10 placements | 11 or more placements | Total number |
|--|-------------|--------------|--------------|----------------|-----------------|-----------------------|--------------|
| 2 to less than 5 years in OoHC | 255 | 245 | 194 | 261 | 154 | 17 | 1,126 |
| Percentage exiting after 2 years to less than 5 years in OoHC | 22.6 | 21.8 | 17.2 | 23.2 | 13.7 | 1.5 | 100 |
| 5 years or more in OoHC | 279 | 224 | 150 | 217 | 241 | 64 | 1,175 |
| Percentage exiting after 5 years or more in OoHC | 23.7 | 19.1 | 12.8 | 18.5 | 20.5 | 5.4 | 100% |

Note: Excludes WA data

Source: SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, *Report on Government Services 2013*, Productivity Commission, Canberra Table 15 A.25

Significantly, over 50 per cent of children and young people who exited OoHC in 2011-12 experienced at least three or more placement changes during their time in OoHC.

Another indicator of client complexity and its interaction with demand pressures and placement availability across OoHC systems is the extent to which children under the age of 12 are placed into residential care.

On the most recently available data, 664 children under the age of 12 were in some form of residential care across Australia (SCGRSP 2013). This report recognises that in some instances, a therapeutic form of residential care may be an appropriate placement option for

children under the age of 12, or in some instances residential care is the only option to keep young sibling groups together. However, as a general rule it is accepted across jurisdictions that a home-based care option is preferable to a residential care option for a child under the age of 12. The size of this cohort within the broader OoHC population is a significant indicator of OoHC systems not having the capacity or choice required to establish optimal OoHC placements.

A final but important factor to consider in the discussion of increasing client complexity is the continuing overrepresentation of Aboriginal children and young people in OoHC.

As described in Figure 1, Aboriginal children and young people made up approximately one third of the overall OoHC population on 30 June 2012.

This figure is all the more significant when overall rates of representation of the population are considered. On 30 June 2012, 55.1 per 1,000 Aboriginal children and young people were in OoHC. This compares to a rate of 5.4 non-Aboriginal children and young people per 1,000 in OoHC, constituting a ratio greater than 10 to 1 for Aboriginal children and young people in OoHC when compared to the rest of the population.

These high rates of representation continue to challenge the extent to which Aboriginal children and young people in OoHC are able to access culturally appropriate placements.

Changing carer arrangements

Foster care has played a significant role in the history of child and family welfare in Australia. However, a number of issues experienced across jurisdictions are contributing to an increasing shortage of foster carers available to care for children and young people. These principally involve issues around the recruitment of new foster carers and the retention of existing foster carers.

The current volunteer foster care workforce is ageing. In Victoria in 2009, the average age of foster carers was 47 years of age (DHS 2009). In feedback collected during the course of this project, it was confirmed that a significant proportion of current foster carers are fifty years of age or older.

In other research, there was a greater likelihood that foster care families contained women between 35-54 years of age, who were not in the labour force. They were also more likely to be drawn from relatively socially and economically disadvantaged populations. Given these characteristics, increasing female labour force participation is likely to contribute to the continuing decline in the number of foster carers available to care for children as the current cohort of carers ages and then exits foster caring altogether (Osborne et al 2007).

Key factors that impact on the potential recruitment and retention of foster carers comprise:

- Financial and opportunity cost and disruption to family and professional circumstances
- Dissatisfaction with the bureaucratic processes associated with assessment and quality of care
- Poor peer support, networking and advocacy
- Client complexity and carer exhaustion.

Recent national data tracks some of the effects of these key factors with a decline in the overall number of foster care households across Australia that had at least one placement over the course of the last three years (AIHW 2013).

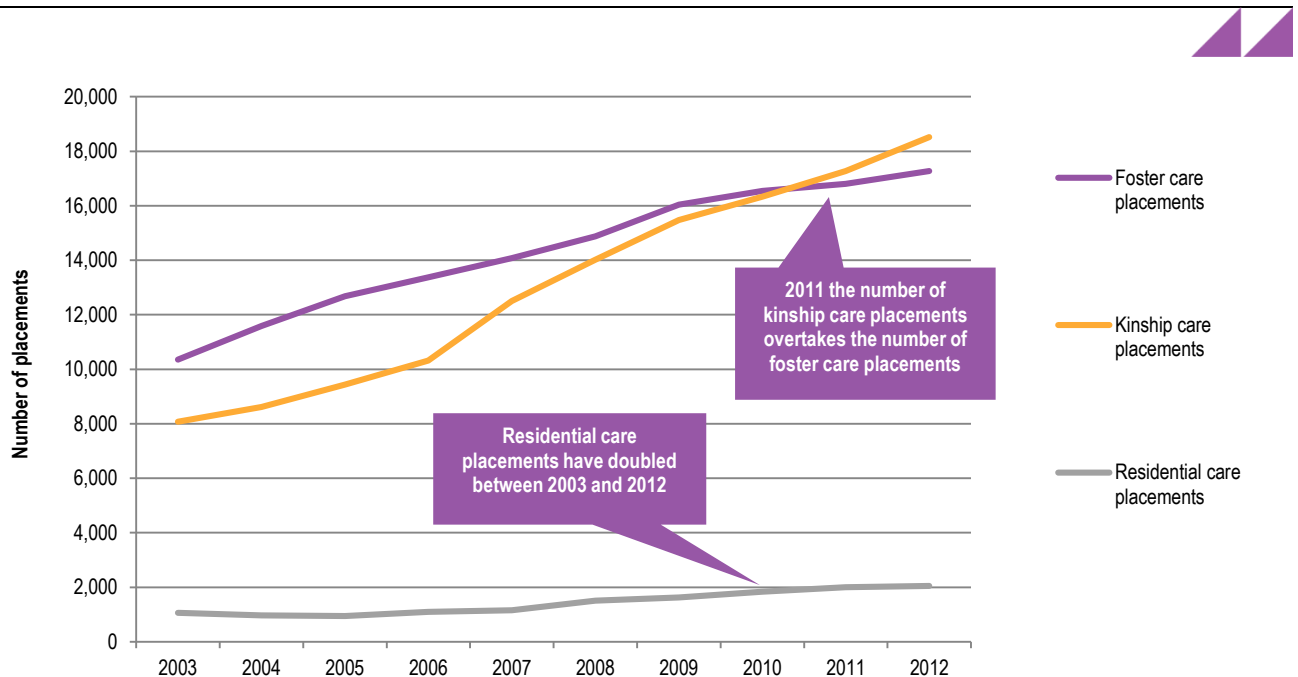
Given the challenges associated with the recruitment and retention of foster carers, jurisdictions have adapted or developed other forms of placement options to meet OoHC demand. This is evident in the growth in the numbers of residential care placements across Australia.

Another important development impacting on the profile of home-based carers has been the significant growth in the numbers of statutory kinship care placements.

This growth has been driven both by design and demand. Developments in legislation and policy across jurisdictions, has led to a greater willingness and priority to the placing of children within kinship and family networks (where it is deemed safe to do so). The rapid growth in the number of children in OoHC over the past decade has largely been accommodated within kinship care placements.

Figure 4 describes the trends in placements across foster care, kinship care and residential care over the past decade.

Figure 4 Placements by foster care, kinship care and residential care, 2003 to 2012

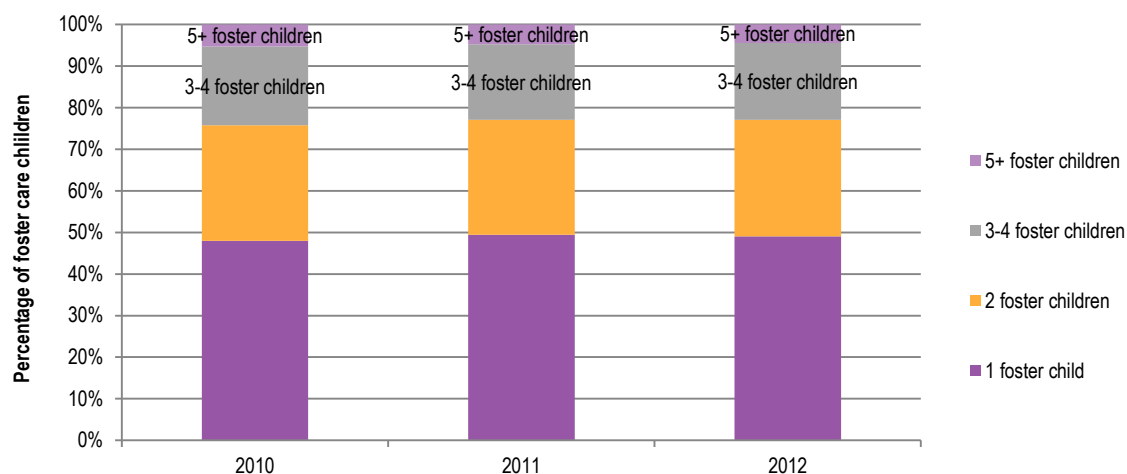


Source: Australian Institute of Health and Welfare. *Child protection Australia reports 2002-03 to 2011-12. Child Welfare series. Canberra.*

In 2011 the total number of kinship care placements exceeded the total number of foster care placements in the OoHC system for the first time. This trend continued in 2012. The impact of policy and practice decisions at a jurisdictional level, coupled with issues described above, is likely to result in this gap widening in coming years.

Figure 5 provides details on the numbers of foster care children placed in foster care households. In the three years of data collected, around half of foster care children and young people resided in the same household as another foster care child. Over 20 per cent of foster care children resided in households where three or more foster care children lived. Significantly, the proportion of multiple placements in foster care households was consistently higher than the proportion of multiple placements in kinship care households. Seen in the context of Figure 4, these figures somewhat mask the decline of foster care households. It also gives rise to questions about the extent to which multiple placements impact on the overall quality of care within the foster care household and potentially put additional stress on the carer.

Figure 5 Numbers of foster children in foster care households, 2010 to 2012



Source: Australian Institute of Health and Welfare. *Child protection Australia reports 2009-10 to 2011-12. Child Welfare series. Canberra*

2.3 Foster care today

Despite the issues impacting on foster care in Australia, this form of care continues to constitute a significant component of the OoHC system, with nearly 44 per cent of OoHC placements in 2012 being in foster care.

Responding in part to the issues identified in this section, as well as the identified need to provide higher quality placements, states and territories have implemented a number of different specialised or intensive models of foster care. An overview of enhanced, specialist and therapeutic foster care service models is provided in Table 4 below.

These models have some core characteristics across states and territories, many of which are common to the concept of professional foster care. From a review of specialist models in place across Australia undertaken by the Queensland Department of Communities (2011) and consultation with representatives from jurisdictions, it is evident that there are a number of common features across these enhanced models. These include a focus on high-needs children with complex behaviours, enhanced allowances, assessment and training of foster carers and heightened levels of professional placement support.

An exhaustive review of intensive foster care programs is not undertaken here, as levels of remuneration would generally be regarded as too low to fit within the definition of 'professional' used for this project. However, acknowledgement of these arrangements is important to provide context about the current state of foster care in Australia, including a significant shift in recent years towards arrangements which reflect some elements of what could be considered 'professional.'

Table 4 **Enhanced, specialist and therapeutic foster care service models**

| Model | Key features of the model | Professional elements of the model |
|---|---|--|
| Australian Capital Territory | | |
| Intensive model of foster care and On Track ACT | <p>The Intensive model of foster care is designed for children and young people with complex needs.</p> <p>It has a higher rate of reimbursement and case workers have a lower caseload.</p> <p>On Track ACT provides a level of therapeutic and clinical support for the placement and carer. The intent is for the child to be placed with a carer until they reach adulthood.</p> <p>Delivered by NGOs</p> | <p>Enhanced caregiver reimbursements</p> <p>On Track ACT:</p> <p>Accredited training</p> <p>Access to intensive therapeutic support and training</p> |
| New South Wales | | |
| Intensive Foster Care | <p>Designed for children and young people with complex or high support needs. The model has a one child per placement requirement, though exceptions can be made for sibling groups.</p> <p>Carers are recruited specifically to the program and work as a core member of the care team for the child or young person.</p> | <p>Comprehensive carer training</p> <p>Carer is a key member of the care team and participates in case planning and other required meetings</p> <p>Intensive case-worker support, including home visits and telephone support</p> <p>After hours, on call and call out support</p> <p>Regular respite options</p> |
| Queensland | | |
| Intensive Foster Care | <p>Intensive Foster Care is a form of home-based care for children of any age assessed as having complex or extreme levels of support need. The model builds on the general foster care model by providing additional wrap around support to the placement.</p> <p>The experience of the program is typically one child per placement.</p> <p>Delivered by NGOs</p> | <p>Pre service training for carers</p> <p>Intensive case management and coordination of required services</p> <p>Ongoing training and consultation for carers</p> <p>After hours, on call support</p> <p>Enhanced caregiver reimbursements</p> |
| South Australia | | |
| Specialist Foster Care | <p>Specialist Foster Care arrangements are targeted at complex children and young people. There are a number of different models of Specialist Foster Care in SA, including time limited models designed for children transitioning back to home or to less intensive forms of home-based care as models for long term placements.</p> <p>The models are delivered by NGOs</p> | <p>Key 'professional elements' common to the models</p> <p>Engagement of therapeutic clinicians</p> <p>Therapeutic training for foster carers</p> <p>After hours on call support</p> <p>Regular respite options</p> <p>Clear networks and pathways to other support services</p> <p>Enhanced caregiver reimbursements</p> |
| Tasmania | | |
| Case by case arrangements | <p>Tasmania does not have a defined model of enhanced foster care, but has made provision for specialist placements on an as needs basis, typically for children with severe disabilities.</p> <p>Delivered by NGOs</p> | <p>Wrap around supports for the placement determined on an as needs basis</p> <p>Enhanced caregiver reimbursements</p> |
| Victoria | | |
| The Circle Program | <p>Targeted and intensive support to children and young people who are at risk of poor placement outcomes.</p> <p>Team based model of service delivery, with a care team comprising a therapeutic foster care senior worker, the carer, a therapeutic specialist, the child's parents (where appropriate), case manager and other relevant support persons and agencies.</p> <p>Delivered by NGOs</p> | <p>Pre-accreditation and ongoing training program</p> <p>Intensive placement support</p> <p>Professional supervision</p> <p>24 hour on call crisis support line</p> <p>Reimbursement at a higher rate reflecting enhanced levels of training and responsibility</p> <p>Respite options</p> <p>Intensive therapeutic support and advice</p> <p>Peer support</p> |
| Western Australia | | |
| One to One Specialised Fostering | <p>Long term placement model designed for children and young people aged between 6 and 17 years of age who have complex needs and who have experienced placement breakdown in the past, and who are no longer able to be placed in less intensive forms of home-based care. Limit of one child per placement.</p> <p>Delivered by NGOs</p> | <p>Consultation and support from a multidisciplinary team</p> <p>Engagement of the carer in the care planning for the child</p> <p>Regular training opportunities</p> <p>After hours support for the carer</p> <p>Regular respite options</p> <p>Range of specialised services available to the child</p> <p>Enhanced caregiver reimbursements</p> |

Sources: *State and territory consultation feedback; draft FaHCSIA scoping paper on professional foster care; Queensland Department of Communities 2011, Specialist Foster Care Review*

Table 4 is not intended to provide the complete list of all enhanced foster care models currently in operation across Australia, but rather to highlight attempts to innovate and develop models that are more appropriately matched to the complexity of child or young person in care.

However, even within these enhanced models, there remains some lack of clarity and consistency around issues such as advanced skills and competencies required of carers, levels of clinical and therapeutic support provided, remuneration and taxation levels, and industrial arrangements. These key issues are not necessarily a natural fit for a voluntary foster care framework and are more closely aligned to a professionalised foster care approach.

2.4 Summary

Australian OoHC systems are challenged by a number of interrelated and compounding issues. These include significant demand issues; presentation of increasingly complex clients into the OoHC, at an earlier age, for longer periods than ever before; continuing significantly poor education, health and well-being client outcomes; and a diminishing foster care supply in which to place children.

Foster care is likely to remain a significant component within the OoHC spectrum of placement options, at least over the medium term.

Across Australia, jurisdictions have implemented a number of different models of foster care designed to address issues that impact on recruitment and retention of foster carers, and to better respond to the presentation of increasingly complex clients.

Examination of models of professional foster care will assist in the broader consideration of sustainable approaches to foster care as a continued and important option in home-based OoHC for children and young people.

3 Models of professional foster care

This chapter examines models of professional foster care in an Australian and international context.

Key points

The experience of professional foster care in the Australian context is a varied one.

Efforts to establish comprehensive professional foster care models have encountered issues at both a Commonwealth and state and territory level related to program clarity, taxation and industrial relations.

The international experience of professional foster care is a more advanced one. Significant features of the overseas models include:

- remuneration packages that explicitly link payment to carer skills and effort in conjunction with allowances to cover the cost of raising the child;
- special taxation and industrial relations arrangements; and
- variation in expectation of minimum qualifications for professional carers.

3.1 Overview

Across the sector and the relevant literature, the future of fostering is seen increasingly as a professional care service (McHugh 2010). This view has wide support among carers and fostering stakeholders (Kirtton 2013) and has been driven by two key trends which are fuelling growing demands on foster care: increasing complexity in the needs of children requiring care and difficulties in recruitment; and retention of volunteer carers (McHugh 2010).

The expectation is that the use of well trained, professional carers who are compensated accordingly has potential to help ameliorate carer recruitment and retention difficulties, as well as ensure that carers are equipped to deal with increasing levels of complexity and needs (Pell 2008; Wilson 2006).

While the literature recognises that other factors also play a part, such as foster carers taking greater occupational control of their work, professionalisation is primarily conceptualised as a way of creating a 'discourse of managerial as well as self-control through which work and occupations can be changed, rationalised and regularised' (Wilson 2006). Understanding the key objectives and drivers behind professional foster care provides an important context for understanding and assessing the effectiveness of different approaches and models of professional foster care.

While it is acknowledged that a range of innovative residential care and volunteer foster care programs are in place in Australia and internationally, the literature reviewed has been primarily restricted to models which accord with the definition of professional foster care used for this project (see Box 1).

Professional foster care can be construed as having a number of 'dimensions' relating to skills, support, remuneration and industrial relations (see Box 2). It is also necessary to note that these dimensions need to be established and have regard to an intended client target group, requiring precise and ongoing definition.

Box 2 Key dimensions of professional foster care**Skills and training (competencies)**

- What formal qualifications or skills are required to become a carer?
- What kinds of assessment, training and accreditation are required to enter the professional care program?
- What kinds of ongoing training opportunities are available?

Support

- What kinds of support (for example supervision, peer support and respite) are provided?
- What relationships exist between carers and other kinds of professional support?

Remuneration

- What rate of remuneration do carers receive?
- How is the rate of remuneration calculated? Does the amount vary according to the level of qualification and/or characteristics of the child?

Industrial arrangements

- What kind of industrial relationship exists between the carer and the foster agency/government?
- What arrangements are in place for superannuation, paid holidays, sick pay and overtime?
- How are payments treated for taxation purposes?

Source: ACIL Allen Consulting 2013

These dimensions form the basis of the models described and analysis undertaken in the following sections.

3.2 The Australian experience

The Australian experience of professional foster care is a varied one.

The adoption of elements of professionalisation is evident in many developments occurring within foster care in Australia (Smyth, 2006), including more formalised assessment and training opportunities and implementation of models of intensive support. However, professional foster care, as defined by this project, is in its infancy in Australia. Professional foster carers providing in-home care and receiving a realistic package of remuneration has been described as 'breaking new ground in Australia' (McHugh 2010).

A number of professional care models have been proposed or trialled in an Australian context.

An overview of three different models of professional foster care is provided below. The three identified models are not intended to represent the sum total of professional models of home-based care in Australia. It is evident from discussions with non-government organisations and states and territories that a number of 'professionalised' models of home-based care have been adapted and tailored to local needs, particularly for clients with significant disabilities who have entered the OoHC system after being relinquished by their birth parents. However, the three models outlined provide a good illustration of some of the key challenges, and innovations, required to establish a model of professional foster care in the Australian context.

Victorian Specialised In-Home Care Model

In 2009, the Victorian Government Department of Human Services developed the Specialised In-Home Care Model to recruit and employ skilled and trained carers to provide care in their own home and in doing so, receive remuneration commensurate with full-time employment.

The model was aimed at providing home-based accommodation and support to children aged up to, and including 12 years of age, who were either already placed in residential care due to the extreme nature of their behaviours and/or needs, or at risk of entering residential care. The intention was to focus on individual children with multiple challenging behaviours and extremely complex needs, who may otherwise not be suitable for accommodation in any other current form of home-based care.

The design of the model drew on elements of therapeutic foster care used in Victoria (as in the Circle Program) and integrated some of the key aspects of a professional approach to foster care. The model components were care, professional and support requirements.

Care requirements included therapeutic intentionality, a quality care environment, a care team approach and singular or sibling care arrangements.

Professional requirements included the following.

- *Carers as key workers* – provided with increased and delegated authority and a series of additional professional tasks.
- *Delegated authority, and tasks and qualifications* – carers were to possess a human services qualification, a series of competencies and caring experience, and accreditation as foster carers.
- *Increased remuneration* – with carers to undertake care as a full time role and receive commensurate compensation.

A high level of support in various forms was also provided for, including a regular respite component, formal and regular supervision, and a peer support network and advanced training.

The Specialised In-Home Care Model did not proceed beyond a policy design level due to advice on a number of legal barriers related to the shift in foster carer status from volunteers to employees. This included entitlement to work benefits, requirements in relation to hours of work and occupational health and safety requirements. McHugh (2012) describes these issues as ‘highlighting the difficulties of fitting care work, carried out in the family home, into ‘normal’ labour market categorisation’.

Queensland Specific Response Care

In 2007, the then Queensland Government Department of Child Safety devised a service specification for Specific Response Care (SRC). The model of care was designed to provide for an approved carer to be employed by a non-government organisation and paid a wage to provide care to a child or young person with extreme support needs in their own home.

Specific Response Carers would be required to:

- Provide a therapeutic home environment that supported the child or young person to recover from the impact of trauma
- Assist the child or young person to deal with the issues associated with their trauma and history of placement instability
- Support reconnection with family and community (where consistent with the case plan) or help the child develop the skills and behaviours required to successfully transition to a less intensive form of OoHC.

The key features of the professional model included:

- *Recruitment of professional carers* – the carers would be experienced, providing full-time therapeutic care

— *Remuneration* – the model of care provided a taxable wage and income for the carer, as well as access to the full range of Queensland caregiver reimbursements and allowances. The exact payment was not prescribed by the Department, but rather was to be determined by the foster care agency.

The expectation was that the placement would be time-limited to six months.

The service specification was put to the non-government sector in 2007. However, the model was never implemented. In feedback to the department, it was reported that non-government agencies had significant industrial relations, occupational health and safety, and taxation concerns with the proposed model, and did not believe it would be implementable under existing Commonwealth and state legislation.

UnitingCare Burnside model of professional care

Over the period 2005-06 a model of professional foster care was developed and implemented by UnitingCare Burnside on the north coast of New South Wales.

The purpose of the model was to provide home-based care for adolescents with high support needs, who were currently living in high cost ad hoc residential care placements.

The key features of the model included:

- *Engagement of professional foster carers as key workers* – there was a clear expectation that carers would take on a case management role in caring for the young person
- *Remuneration* – carers received \$70,000 tax-free per annum to take on the role. The \$70,000 was delivered through a fortnightly payment from the agency. Payments were delivered as caregiver reimbursements and were not considered assessable income. Advice and a private ruling from the ATO was sought and granted
- *Placement support* – ongoing training, respite and other wrap around services were built into the model
- *Targeting* – there was a clear expectation that carers would take on the placement until the young person aged out of the system
- *Outcomes framework* – a clear quality case management framework was developed that underpinned standards and expectations around quality of care, training, support, supervision and audits of care.

The model developed was targeted at 10 young people who the agency identified as needing a higher level of support. There were no minimum qualifications required for recruitment to the model, however, the agency targeted carers who had demonstrated experience in child development, knowledge or advocacy.

The model only ran for two years before a lack of certainty in funding from the then NSW Department of Community Services, saw the model transition back to a more traditional form of foster care.

Given the short time span of the model it is difficult to determine its overall impact on the young people who were in the placements and their carers. It was reported that while some placements broke down, there were also instances of improved client outcomes, most notably in educational engagement and attainment.

Significantly, while the level of reimbursement was deliberately set to attract interest from possible carer candidates, the cultural element to this model was still one of a family-centred model and environment, and not one of paid work or employment.

Comparison of models

Using the key dimensions of professional foster care outlined in Box 2, Table 5 provides a comparative overview of the Australian models of professional foster care outlined above, allowing for consideration of areas of consistency and variation.

Table 5 Australian models of professional foster care

| Description | Qualifications and training | Support services | Remuneration | Industrial arrangements |
|--|---|---|--|--|
| Victorian Specialised In Home Care Model | | | | |
| <p>A professional model of foster care designed to provide foster care for children and young people under the age of 12 who were in, or at risk of entering, residential care.</p> <p>The Specialised In Home Care Model did not proceed beyond a policy design stage.</p> | <p>Minimum requirements include professional and specialised skill set that comprises:</p> <ul style="list-style-type: none"> appropriate tertiary qualification in Psychology, Social or Youth Work or a related Human Services, Children's Services or caring discipline Certificate IV in Community Services (Protective Care) <p>Ongoing and advanced therapeutic training would be also be provided.</p> | <p>Placement support would include:</p> <ul style="list-style-type: none"> Involvement of the carer as a key worker involved in care planning Therapeutic Specialist support Regular respite component Establishment of peer support network Access to crisis support when required. | <p>Remuneration levels were never formally decided upon. However, consideration was given to either:</p> <ul style="list-style-type: none"> A waged model that was comparable with professionals working in the health or human services A hybrid model, comprising a retainer fee combined with reimbursements. | <p>The model explored a variety of employment options, including consideration of:</p> <ul style="list-style-type: none"> Classification of the carers as employees of the community sector organisation Independent contractors to the community sector organisation Carers retaining a volunteer status. <p>Issues with the design and intent of the model and these three forms of employment prevented the roll out of the model.</p> |
| Queensland Specific Response Care | | | | |
| <p>A professional foster care model designed to provide placement and support for children and young people with high needs and on long term custody and guardianship orders. Placements would be for up to six months and be designed to transition highly complex clients back into less intensive home-based care.</p> <p>The Specific Response Care model was put out to the Queensland non-government sector in 2009, but was not taken up by any non-government organisations.</p> | <p>Carers required to demonstrate either:</p> <ul style="list-style-type: none"> Experience in fostering complex clients Possession of a human services qualification and relevant experience in working with children and young people Previously or currently employed in a role which requires psychosocial or behavioural interventions based on theories of child development, attachment, trauma, and grief and loss. <p>Specific Response Carers would undergo assessment and ongoing training specific to the needs of the child placed with them.</p> <p>There would also be careful placement matching of carer skills to child needs.</p> | <p>Placement support would involve</p> <ul style="list-style-type: none"> supervision at a frequency and depth that reflects the increased demands placed on the carer review of the carer's progress, strengths, needs and supports therapeutic supports for the child or young person and the carer access to 24 hour crisis support planned and/or emergency respite. | <p>For the carer it was assumed to provide for a taxable wage plus access to the highest level of caregiver reimbursements. The wage was to be drawn from the unit price of the placement.</p> <p>The unit price for each placement was in the range of \$88,500 to \$100,000.</p> | <p>The model required the child or young person to be cared for on a full time basis. Carers were to be considered a paid employee of the non-government service provider, undertaking paid work from their own home.</p> <p>Responsibilities under relevant Workplace Health and Safety legislation and workers compensation, as well as those covering employee arrangements such as conditions, holidays, leave accrual and termination were to be determined by the non-government organisation.</p> |
| UnitingCare Burnside model | | | | |
| <p>A professionalised model of foster care designed to provide an intensive home-based care environment for adolescents with complex behaviours who had experienced multiple placements and were residing in high cost ad hoc residential care units.</p> <p>The model operated over the course of two years in the mid-2000s. It was discontinued following a lack of certainty over its funding stream from government.</p> | <p>Carers were not required to possess a minimum qualification, however, needed to demonstrate past experience in working with children and knowledge of issues related to child development.</p> <p>Opportunity for ongoing training was offered.</p> <p>Clear expectations with the potential carer about the long term nature of the placement.</p> <p>Matching of carer skills and experience with the young person.</p> | <p>Placement support included:</p> <ul style="list-style-type: none"> Involvement of the carer in care planning with the carer taking on case management responsibilities – supported by a case worker from the non-government organisation (supported by training) Planned and as needed respite options Clear expectations about the nature of support available and standards required to be met. | <p>A tax free \$70,000 pa of caregiver reimbursements for foster carers deemed non-assessable by the ATO through a private ruling.</p> <p>This incorporated the maximum caregiver reimbursements available for NSW foster carers.</p> | <p>Clear expectation that the child would be cared for on a full time basis.</p> <p>Carers were not employees of the agency but did enter into an agreement with the agency.</p> <p>There were no leave or superannuation entitlements.</p> |

Sources: Stakeholder consultation; Queensland Government Child Safety Services, Grant Funding Information Paper 2009: Placement Services - Specific Response Care

Other developments

Berry Street Victoria, a significant non-government organisation and OoHC provider, is in the process of developing a new model of foster care, commissioning research and advocating for a major overhaul of the entire foster care system in Australia, and seeking to put the foster care service system within a professional framework.

Their new *Integrated Funding Model* consists of four interlinked components, comprising: increased resources, enhanced placement support, carer family extended support and carer training. The model's remuneration package comprises: a carer allowance to cover everyday costs; a carer fee to acknowledge the skills, expertise and knowledge of the carer; and agency costs associated with providing the support necessary for the foster care program.

The model proposes treatment of foster carers as self-employed for legal purposes however the authors acknowledge continuing barriers to implementation in relation to industrial relations and taxation arrangements (McHugh 2012).

3.3 International models of professional foster care

Contrasting with the nascent professional foster care models in Australia, a number of other countries have implemented foster care models which feature payments designed to recognise the skills and experience of foster carers.

This trend is evident in a review of arrangements in place across Western Europe and North America, generally regarded to have the most developed systems of out-of-home care (Laklija, 2011). However, precise operation of professional foster care arrangements differs markedly across countries. Some of this variation can be linked to country characteristics, for instance, there is a tendency for countries with liberal democracies (such as the United Kingdom) to rely more on informal mechanisms, whereas in socio-democratic systems with a strong social policy (such as the Nordic countries) the government plays an important role in the promotion and professionalisation of foster care.

Comparison of international professional care models

Table 6 below provides an overview of the professional foster care arrangements in place in the United Kingdom, the United States of America, Canada, Finland, France, Denmark and Sweden. Comparison of these arrangements suggests that there are a number of common elements across each model.

- *Remuneration which splits the costs of caring and a fee for the carer.* Although rates of remuneration could be considered relatively low for a professional occupation, it is notable that each model splits remuneration to provide an allowance to cover the costs of providing care for the child, as well as a component to recognise the time, skill and effort involved in providing care. Another related common feature of each model is scope to provide for enhanced levels of remuneration where the child in care has complex needs or requires a greater intensity of care.
- *Access to pre-placement training.* In each model, training is available for foster carers pre-placement and in most cases undertaking training is mandatory. Most models also provide for ongoing training. However, this is often not compulsory and the duration and amount of training can vary.
- *Access to support services.* While the precise mix of available support services varies, some common elements can be identified, including support and / or monitoring from a social worker / clinician.

It is notable that these elements are also common to the proposed professional foster care models discussed in the Australian context. However, there are key points of contention and differences in some of the model dimensions.

- *Employment status and taxation arrangements.* For instance, in the United Kingdom foster carers are treated as self-employed for taxation purposes and receive a tax exemption on income from foster caring of up to £10,000. In Sweden, foster carers are not considered to be employees, yet income received from fostering is taxable. France arguably has the most developed arrangements in this respect, with formal legislative recognition of fostering as a profession and rights as for a general contract of employment, with an exclusion from maximum number of hours worked and tax on wages.
- *Level and intensity of qualification requirements and training arrangements.* All models examined have requirements in relation to carer suitability and training. However the extent of formal qualifications required and the level and intensity of training is variable. In Finland professional foster homes require at least one carer to have a post-graduate qualification in field such as social work, health or education, whereas in other models pre-placement training plus meeting general suitability criteria are the only requirements.
- *Mechanisms to calculate remuneration and level of remuneration.* As noted above, each model tends to focus on remuneration rates that move with the needs of the child. However, in France there is also scope to provide for additional payment based on seniority and level of experience.
- *Respite and leave arrangements.* For example, in the United States model examined, foster carers are provided with an additional allowance which can be used flexibly to pay for respite, whereas in the United Kingdom model a respite program enables foster carers up to 35 nights of respite and in the Canadian model respite is delivered through an external non-government organisation. France and Finland have more formal provision for annual leave.

Table 6 International models of professional foster care

| Description | Qualifications and training | Support services | Remuneration | Industrial arrangements |
|--|---|--|---|---|
| United Kingdom | | | | |
| <p>Barnados Breakaway Program</p> <p>Specialised foster care program for children with a disability, with a focus on providing careful placements and high levels of support to foster families.</p> | <p>Required to attend up to 8 training sessions during initial assessment and pre-placement process. Foster parents must attend ongoing training, the equivalent of three all day sessions a year.</p> | <p>Weekly visits for the first three months after a child is initially placed, then visits at least once a month.</p> <p>Sessional support workers to undertake leisure and recreation activities with the child.</p> <p>Emergency helpline.</p> | <p>Payments separated into:</p> <ul style="list-style-type: none"> Boarding allowance of between £110 to £220 per week, depending on age Fee to recognise that caring is a full time job of £256 per week. | <p>A national minimum allowance for foster carers applies in the UK, depending on location and age of child.</p> <p>Foster carers receiving a fee are regarded as self-employed for taxation purposes, with the first £10,000 of fee income not subject to taxation.</p> <p>Each year 35 nights of respite provided through a Short Break Program.</p> |
| United States of America, Rhode Island | | | | |
| <p>Groden Network Professional Family Living Arrangement</p> <p>Specialised foster care program for children with autism, intellectual disabilities and severe behaviour difficulties.</p> | <p>Pre-placement training provided specific to the child who has been placed with the carer. Common competencies expected of carers based on Parent Resources for Information Development, and Education (PRIDE) standards.</p> <p>Required to attend mandatory two hours of training per month, held by the program.</p> | <p>Supports include:</p> <ul style="list-style-type: none"> 24 hour on call system Clinicians develop a treatment plan and work closely with the children Clinicians visit at least monthly. | <p>Payment at a rate of US\$21,500 to \$30,000 per annum, depending on the needs of the child. This amount is not taxed and covers expenses associated with caring for the child.</p> | <p>Carers classified as consultants.</p> <p>Carers may work part time, but preference for at least one parent to remain at home if the child is under 5 years of age.</p> <p>Carers provided with \$7,000 each year to be used flexibly for respite (fee of \$100 per night or \$10 per hour).</p> |
| Finland | | | | |
| <p>Professional foster homes usually have around 6 children and the foster couple works full time in the role. Non-government organisations recruit, train and employ foster parents.</p> | <p>At least one foster parent required to have post-graduate qualifications, generally in social work, health, education or disability. Required to obtain a licence from the Regional State Administrative Agency and undertake Parent Resources for Information, Development and Education Training.</p> | <p>Support services and supervision provided through a mixture of non-government organisations and municipalities. Social worker assigned to the child to coordinate available services and support. Levels of supervision and support can vary across municipalities.</p> | <p>Paid a salary of approximately €36,000 to €47,040 per year, which will take into account the needs of the child. Also provided with allowance for living expenses.</p> | <p>Foster parents are paid by the municipality who placed the child and are treated as an employee of the municipality.</p> <p>Foster carers have rights to annual leave and pension.</p> |
| France | | | | |
| <p>Family Assistants</p> <p>In 2005 legislation enacted to professionalise foster care and create position of 'Family Assistant', defined as a new profession in social work. Foster care is organised and delivered through public and private local agencies.</p> | <p>Foster parents required to undertake initial and ongoing training, at the employer's cost:</p> <ul style="list-style-type: none"> 60 hours information and preparation prior to first placement 240 hours ongoing training over three years, including an optional diploma examination. | <p>Support generally includes:</p> <ul style="list-style-type: none"> Key social worker for child Psychologist Emergency support 24/7 by peers or management. | <p>Monthly wage calculated according to formula based on the minimum wage and amount of children in care. Rates approximately:</p> <ul style="list-style-type: none"> €950 per month for one child €1,200 for two children €1,400 for three children. <p>Receive additional allowances for expenses and children with complex needs.</p> <p>In private sector care seniority impacts favourably on the monthly wage.</p> | <p>Foster parents required to be licensed and sign a job contract. Wage components of payment continue for 3 months after a placement ends. Family Assistants have the same rights as in the Working Code, except there is no limitation in the number of working hours. Rights include:</p> <ul style="list-style-type: none"> Tax free wages 30 days holidays per year, or an extra month of salary if the child remains with the family during the holiday Sick leave Pension contributions and pension rights Unemployment rights Union rights and right to appeal if licence is withdrawn. |

| Description | Qualifications and training | Support services | Remuneration | Industrial arrangements |
|---|--|---|--|---|
| British Colombia, Canada | | | | |
| Foster care model which takes a structured approach to differentiating care levels, emphasising the knowledge, experience and care expectation offered at each level of care. Carers are approved at a level of expectation and placement which they are prepared to offer on an ongoing basis. | <p>Assessment of foster carers based on education and training, child related experience, knowledge and demonstrated skills and abilities.</p> <p>Mandatory training programs provided for foster carers, including:</p> <ul style="list-style-type: none"> ▪ Pre-service orientation training ▪ Integrated foster care training program is provided through the community college system, to be completed within 2 years of becoming an approved foster parent. | <p>Care plan for each foster child to outline the type of care required to meet their circumstances.</p> <p>Support organisations and non-government organisations provide services such as:</p> <ul style="list-style-type: none"> ▪ 24 hour support line ▪ Advocacy ▪ Insurance ▪ Support meetings ▪ Mentors ▪ Respite homes. | <p>Rates depend on the knowledge, expectations and experience required of foster carers at each level of care.</p> <p>In 2009 basic monthly family care rate per child of CAN\$910 applied, with additional skills fee per child of:</p> <ul style="list-style-type: none"> ▪ Level 1: CAN\$458 ▪ Level 2: CAN\$1,140 ▪ Level 3: CAN\$1,816 | <p>All payments to foster carers, including fees and allowances, are exempt from taxation.</p> <p>Foster carers receive a service payment to meet their expenses regardless of whether a child is placed with them.</p> |
| Sweden | | | | |
| Foster care system organised and delivered through a Social Welfare Committee and hired private agencies. | <p>Specific levels of education and skills required only for children with behavioural difficulties.</p> <p>Training is mandatory in some municipalities. However, this is not a legal requirement. Some municipalities use the Parent's Resource for Information, Development and Education model to provide training.</p> | <p>Monitoring takes place through a social welfare committee and hired private agencies. Depending on each municipality, supervision and/or networking may also be provided.</p> <p>Social worker responsible for each child is in charge of collecting documentation and reporting to the Social Welfare Committee each year.</p> | <p>Foster carers receive a fee for caring, in addition to an allowance for board and lodgings.</p> <p>If carer required to stay at home due to the child's special needs, the fee component is doubled as compensation for lost employment income.</p> | <p>Foster carers are not considered to be employees and no payments are made once placement ends.</p> <p>Fee provided to foster carers is regarded as taxable income. Amount paid for the child's expenses is not taxable.</p> <p>Duties and responsibilities of foster carers are laid down in a contract and an individual plan of care for the foster child.</p> |
| Denmark | | | | |
| 'Professional' foster parents run mini institutions (opholdssteder) and foster three or more children placed by a municipality in a domestic environment. | <p>Approximately one third of foster carers come from a relevant professional background (such as social pedagogy, social work or teaching).</p> <p>Training not a legal requirement and unevenly available. Some training highly developed – for example a training program for new and existing foster carers in conjunction with a 'social pedagogic seminarian'.</p> | <p>Social workers draw up and review actions plans every six months. Other supports include monthly visits, telephone support, formal therapeutic supervision and support network meetings, however, availability of these may be variable across locations.</p> | <p>Paid a two-part fee by the municipality:</p> <ul style="list-style-type: none"> ▪ one part (taxable) varies according to the demands of the placement and the child's needs, and is reviewed annually; ▪ the other part (non-taxable) covers 'board and lodging.' <p>Fee levels broadly equivalent to salary of an unqualified 'pedagogue'.</p> | <p>The majority of foster parents are self-employed with some paid holiday entitlement.</p> <p>Municipality staff inspect each foster home, on an annual basis. There is trade union support for the foster carers.</p> |

Sources: Dini 2007; Ramon 2011; Laklija 2011; McHugh 2012; Lawrence 2008; Petrie 2011

3.4 Summary

The increasingly complex and challenging needs of children in OoHC, coupled with difficulties in recruitment and retention of volunteer foster carers is driving increasing support from researchers and carers for models of professional foster care.

While Foster care in Australia is supported by well-developed policies and programs in each state and territory, which include a range of specialist or enhanced models of foster care, attempts to implement truly professional models of foster care in Australia to date have been less successful, due in the main to legislative barriers and frictions between the domains of 'work' and 'family'.

A number of other countries have developed models of foster care featuring payments designed to recognise the professional skills of carers. Some common features, including pre-placement training and access to support services, are found, however, these are accompanied by many points of difference.

Key differences across models include employment status and taxation arrangements, the level and intensity of qualification and training requirements, the level and mechanism for calculating remuneration and arrangements for paid leave.

4 Barriers and opportunities

This chapter outlines the key barriers and opportunities to implementing professional models of foster care in the Australian context. It draws on the literature and consultation with representatives from Australian, state and territory government departments, and non-government organisation stakeholders.

Key points

Key **barriers** to developing and implementing professional models of foster care include:

- Significant variation in OoHC legislation, policy and practice across jurisdictions
- Recruitment and retention of foster carers is an ongoing issue for all agencies involved in the delivery of foster care. Without accessing new markets of supply these issues are unlikely to be resolved. The absence of professional networking and membership of professional associations will need to be addressed
- Mandated minimum qualifications could exclude potential carers. The absence of nationally accredited foster care specific training limits the extent to which nationally consistent training can drive and underpin quality outcomes
- The modern award system is not applicable or appropriate to models of a professional foster carer. The independent contractor model appears a more natural fit, but fundamental issues around the degree of control exerted by the foster care agency or the state are not yet tested
- Competitive remuneration is an important aspect to a profession and would potentially increase the supply of potential foster carers. This constitutes a challenge to the traditional model of foster care, however, and carries significant implications for the tax and transfer system.

Key **opportunities** to develop and implement professional models of foster care include:

- The National Framework and National Standards for Out-of-Home Care have provided an important enabling environment. Progressing this policy issue provides an opportunity for the Australian Government to build on its leadership in coordinating and enabling action under the National Framework
- There is a clear and demonstrated need and demand for professional OoHC service system responses that address quality issues, maintain or grow home-based care options, and allow for flexible placement options that respond to identified need
- There are significant cost savings to be made by states and territories in the development and implementation of professional models of foster care that successfully transition children and young people out of residential care (or prevent them from entering) to stable home-based care placements.

4.1 Overview

As outlined in the previous chapter, to date, efforts to introduce professional models of foster care in Australia have largely been unsuccessful. These experiences and feedback from stakeholders consulted with during this project has led to the identification of a series of interrelated barriers hindering efforts to develop and implement professional models of foster care. These key barriers include:

- State and territory variation in legislation, practice and need
- Recruitment and retention
- Skills and quality of care
- Clarifying the nature of employment and coverage of the workplace relations framework
- Remuneration and interaction with the taxation system.

However, this review has also identified a number of key opportunities that could enable the development and implementation of professional models of foster care in the Australian context. These key opportunities include:

- National effort and collaboration
- Demonstrated need and demand for improved placement options (tipping point) and best outcomes for children
- Potential for significant cost savings.

Each of these key barriers and opportunities, and discussion about the unintended consequences of a professional model of foster care, are explored in further detail below.

4.2 Key barriers

Key barriers to the development and implementation of professional foster care are outlined below. They include barriers associated with:

- Significant state and territory variation in OoHC legislation, policy, practice, and need
- Recruitment and retention of foster carer issues that are likely to continue
- Skills and training requirements that could prevent some suitable individuals from becoming professional foster carers
- Clarifying the nature of employment of the professional foster carer is a key stumbling block to the development of professional foster care
- Remuneration and interaction with the taxation system will have significant implications for professional foster carers.

These opportunities are explored in more detail below.

State and territory variation

As outlined in previous chapters, there is significant variation across jurisdictions in the delivery of foster care. This includes differing legislation and OoHC policies, variation in the capacity and maturity of the non-government sector, significant inconsistency in the rates of caregiver reimbursements, and no uniform system of training and accreditation of foster carers.

These are not insurmountable barriers but any effort to drive national change needs to be mindful of the planning and implementation issues that different states may face in responding to change. It also highlights the importance of policy responses being adaptable to local environments and needs.

Key consideration

There is significant variation in OoHC legislation, policy and practice across jurisdictions. Any development of professional foster care policy will need to be adaptable to local circumstances and need.



Recruitment and retention

Jurisdictions and non-government service providers are all experiencing foster carer recruitment and retention issues. This is a continuing trend despite increasing innovation in the recruitment of potential foster carers. Key issues for the recruitment and retention of foster carers include:

- Ageing of the volunteer foster care base
- Increasing client complexity
- Financial and opportunity cost of caring for children and young people
- Dissatisfaction with the bureaucratic processes associated with assessment and quality of care investigations
- Lack of peer support and networking.

A core premise of professional foster care models is that higher levels of reimbursement or payment, and the opportunity to develop skills and access training will enable a new supply for foster care. This was the partial experience of the UnitingCare model. However, the issues identified above are unlikely to be completely resolved with the introduction of a form of professional foster care. Accordingly, they need to be examined and addressed as part of a continued, sustainable and significant foster care system in states and territories.

Another issue impacting on the recruitment and retention of foster carers is the absence of a professional network. While there are national and state and territory based associations of foster carers, they are like their membership, volunteer organisations, and while they act in a support and advocacy role they are limited in their reach and resources.

Key considerations

Recruitment and retention of foster carers is an ongoing issue for all agencies involved in the delivery of foster care. Without accessing new markets of supply these issues are unlikely to be resolved.

The absence of professional networking and membership of professional associations will need to be addressed.

A key question in the development and implementation of professional foster care is the extent to which a professional foster care model could open up new markets and increase the supply and retention of foster parents.

Skills and quality of care

Research has found that foster carers who are qualified and possess specialist skills can enhance the quality of care and future life outcomes for children in care (eg Barbell 2002). However, issues surrounding the level and type of skills and training needed to achieve optimal outcomes are finely balanced and can involve some cost/efficiency trade-offs. In the international models examined in Table 6, a requirement for university level qualifications is found only in Finland, suggesting a broad consensus internationally that setting 'entry' qualification levels too high may be both unnecessary and place too great a restriction on the pool of potential foster parents. It is notable that the value of both pre-placement and ongoing training is almost universally reflected, with training a feature in each model (albeit unevenly available in some locations).

In discussion with the non-government sector, this was a particularly important issue. There was frequent reference to the inappropriateness of a model that excluded carers who possessed demonstrated experience in the caring of traumatised children and young people but who did not necessarily have a formal qualification. This was considered particularly relevant to the recruitment of potential Aboriginal professional foster carers.

There is some available evidence that suggests the provision of appropriate training and accreditation of foster carers may help with satisfaction levels and long term recruitment. For example, in a Queensland survey of foster parents, Butcher (2005) found that it was important to foster parents that their skills and training be accredited and recognised through nationally accepted qualifications. This suggests that models such as that seen in France, which provides for an optional diploma examination, may be most effective. The training itself should be competency based and practically oriented, including integrating a cross cultural approach for both Indigenous and non-Indigenous carers (Butcher, 2005). Bowyer (2013) also highlights that skills/training should focus on putting in place structures to support and maintain high quality, stable relationships.

The absence of a nationally accredited foster care training program (as opposed to the current training package for residential care and OoHC more broadly) was identified as an issue by non-government sector stakeholders, and was seen as another feature of a nationally inconsistent systems approach.

Key considerations

Minimum qualifications and training are important determinants of quality. However, there is concern that the establishment of a professional foster care program that mandates minimum qualifications could exclude potential carers.

The absence of nationally accredited foster care specific training limits the extent to which nationally consistent training can drive and underpin quality outcomes.

Key questions in the development and implementation of professional foster care include:

- What are the cost impacts (including the level of remuneration required and cost of training) of requiring formal qualifications and training?
- Could tiered training/skill requirements provide for an appropriate match between skill levels and the needs of each child?
- What impacts do qualification and training requirements have on the supply of foster parents?
- What type and level of skills and training effectively equip foster parents to provide high quality care to children with complex needs?

Clarifying the nature of employment

Industrial relation issues were cited by nearly all state and territory and non-government stakeholders as a key barrier to the development of a professional model of foster care. The advice on the Victorian Specialised In-Home Model and the experience of the Queensland Specific Response Care demonstrated the difficulties associated with implementing a model where foster carers are deemed employees of the foster care agency.

Importantly this issue gives rise to the fundamental issue as to whether it is in fact appropriate to engage professional foster carers as employees.

In the examination of international models of professional foster care, the employment status of carers and associated rights and responsibilities is arguably the most problematic of the dimensions of professional foster care examined in this report. In the United Kingdom context, Kirton (2013) argues that, despite foster care being highly formalised and often paid work with contractual elements, the work regulation of foster care is weak and blurred:

Overall, there is no clarity as to the status of foster care vis-à-vis work, creating boundaries that are at best blurred, sometimes contradictory and almost invariably unstable and contested.

Kirton (2013) goes on to argue that despite a growing recognition of foster care as 'work' it remains significantly 'shaped by the familial.' This raises questions and tensions about appropriate boundaries, as well as clashes with legislative and regulatory frameworks which enshrine employee protections such as maximum working hours and health and safety.

In terms of the existing industrial relations environment, one relevant point of reference would be the Social, Community, Home Care and Disability Services Industry Award 2010 (SACS Award). This award applies to employers and relevant employees in the crisis assistance and supported housing sector, the social and community services sector, the home care sector and family day care sectors. The award incorporates the relevant national employment standards related to maximum hours of work, leave and other related workplace entitlements.

Given that the underlying concept of professional foster care is to address and support children and young people with significant personal, developmental and psychological needs in a 'simulated' home-based environment, there are significant incompatibilities between the expectations and requirements of professional foster carers and the standards in modern awards.

In addition, there are significant barriers to amendment of Commonwealth legislation and / or passing exemptions to enable an employment model of professional foster care within the Australian context. The most pressing is the appropriateness of changing national legislation for a specific policy challenge that could potentially be addressed successfully through other methods. There also appears to be little appetite or evidence at this stage to justify what would be significant change. The issue of precedence creates a further challenge.

If the nature of professional foster care is not one that can or should be likened to a traditional employment arrangement, the next most appropriate context is perhaps an individual contracting agreement between the carer and the foster care provider organisation.

This is actually a threshold issue for professional foster care. If the notion of a profession is one where payment is explicitly linked to skills and effort rendered, then the characteristics of an individual contracted arrangement appear to be an appropriate fit.

Table 7 outlines indicators used by the Fair Work Ombudsman to determine whether an arrangement can be considered one of employment of an independent contractor.

Table 7 **Indicators to determining an employment arrangement**

| Indicator | Employee | Independent contractor |
|---|---|---|
| Degree of control over how work is performed | Performs work, under the direction and control of their employer, on an ongoing basis | Has a high level of control in how the work is done |
| Hours of work | Generally works standard or set hours | Under agreement, decides what hours to work and to complete the specific task |
| Expectation of work | Usually has an ongoing expectation of work | Usually engaged for a specific task |
| Risk | Bears no financial risk (this is the responsibility of their employer) | Bears the risk for making a profit or loss on each task. Usually bears responsibility and liability for poor work or injury sustained while performing the task. As such, contractors generally have their own insurance policy |
| Superannuation | Entitled to have superannuation contributions paid into a nominated superannuation fund by their employer | Pays their own superannuation (noting that in some circumstances independent contractors may be entitled to be paid superannuation contributions) |
| Tools and equipment | Tools and equipment are generally provided by the employer, or a tool allowance is provided | Use their own tools and equipment |
| Tax | Has income tax deducted by their employer | Pays their own tax and GST to the ATO |
| Method of payment | Paid regularly (for example weekly / fortnightly / monthly) | Has obtained an ABN and submits an invoice for work completed or is paid at the end of the contract or project |
| Leave | Entitled to receive paid leave (for example, annual leave, personal / carer's leave, long service leave) or receive a loading in lieu of leave entitlements in the case of casual employees | Does not receive paid leave |

Source: Fair Work Ombudsman, *Independent contractors and employees*, accessed <www.fairwork.gov.au>

Of the indicators listed above, perhaps the most significant one for professional foster care is the degree of control exerted by the employer, in this instance the foster care agency, and through them the state.

At one level it would appear that foster carers do have a high level of control – they work in their own home and are trusted to make decisions about the child or young person in their care. However in practice there are significant legislative and policy requirements stipulating how a child or young person in OoHC should be cared for. By including the professional foster carer into the care planning and decision making process, it could be considered that the agency that has contracted the carer is exerting even greater control over the work that is being done for the child or young person. This issue is a key challenge that will need to be addressed if a contractor model of professional foster care were to be pursued.

There are also state and Commonwealth Occupational Health and Safety legislation and insurance issues that would need to be factored in for any professional foster carer system. Although significantly, for some representatives from states and territories these were seen as lesser order issues that could be quickly resolved once there was clarity from the Commonwealth on the industrial issues.

While attempts to establish professional foster care in Australia have already raised significant barriers due to tensions with the industrial relations regulatory framework, examination of models in place internationally suggests that these boundaries are not insurmountable. For instance, in France foster parents enjoy legislated status and protection of their industrial rights, subject to an exemption from limits on the maximum amount of working hours, while in Finland foster parents are treated as an employee of the municipality and enjoy annual leave and pensions.

Key considerations

The modern award system is not applicable or appropriate to the concept and model of a professional foster carer role. The independent contractor model appears a more natural fit, but fundamental issues around the degree of control exerted by the foster care agency or the state are not yet tested.

Providing clarity around the industrial issues associated with professional foster care would put significant onus on states and territories to address other issues like occupational health and safety and insurance premiums.

Key questions in the development and implementation of professional foster care include:

- How does current industrial relations regulation impact on the cost of professional foster care models?
- What level of control over foster carers is required to ensure care is delivered at the desired level of quality?
- Would entitlements such as annual leave and superannuation assist with foster parent satisfaction and recruitment and retention of foster carers?

Remuneration and interaction with the taxation system

Alongside industrial barriers, remuneration for professional foster carers and their interaction with the taxation system was seen as the other fundamental barrier to professional foster care.

Providing a competitive remuneration package is cited by most stakeholders as central to opening up supply to new foster carers with experience and qualifications outside of the current supply and demographic of volunteer foster carers. This was reinforced – to a degree – by the literature which found that the impact of economic incentives on the supply of foster carers (Peters, 2007) suggested that payments may be effective as a policy tool to

increase the supply of foster carers. However, this study found a positive relationship with the supply of foster parents up to a certain ceiling only. While the reasons for this are not clear, they may be related to the perceived conflict relating to incentives which can arise between 'professionalism versus altruism' (Colton, 2008). Kirton (2007) describes this as the 'complex relationship between love and money' and cautions that the 'vital elements to fostering that may be at risk if professionalisation is implemented in a way that encourages "calculative" approaches to care.'

Notwithstanding this issue, a recent survey of Australian tertiary students in health, education, arts and social sciences found a definite interest in paid, professional foster care, suggesting there is merit in further enquiry into a paid professional model (Habel, 2012).

Another central theme in the remuneration of professional foster carers debate relates to the level of payment and whether it is calculated based on the characteristics of the carer or the child. Kirton (2013) describes this as 'a pivotal clash between payment based on difficulty of placements and the skills, knowledge and experience of foster carers respectively'. Both approaches have their drawbacks. On the one hand the former has potential to create perverse incentives under which improvements to the child's situation may lead to reduced payments (Corrick, 1999), while on the other, payments according to skill levels may create difficulties matching payments to responsibilities (Kirton, 2013).

Examination of the models of professional foster care set out in Table 6 does not provide a clear answer to these issues. The needs and complexity of the child is a common feature, with the qualifications and experience of the carer considered less frequently. In addition, there are wide variations in the amount and method of calculating cost reimbursements and remuneration, which suggests this, is an area for further investigation.

In particular, the absence of an upper limit on cost reimbursements under current taxation legislation and the potential for a model with a mix of reimbursement and modest remuneration would form important elements of this further investigation.

In consultation with states and territories, it was acknowledged that there is no clear and explicit policy rationale that links allowances and reimbursements to skill and effort on the part of the foster carer.

Another key issue is the extent to which a change from caregiver allowances to wages or fees interacts with the tax system. This issue is an important one for many foster carers. A shift towards professionalisation of foster care brings to the surface tensions between altruism and monetary incentives (Testa, 1999), as well as a 'reconfiguration and negotiation of work/non-work boundaries' (Kirton, 2013). Foster care's position at what Kirton (2013) describes as a 'liminal' position between the domains of work and family raises deeper questions related to issues such as appropriate work life balance and friction with rights and obligations, leave and minimum health and safety requirements.

A further complexity arises from the current interaction of foster care with Australia's broader tax and transfer system. An example of this is set out in Table 8, showing that once Commonwealth allowances and benefits for families and carers are taken into account, the total government support that can potentially be provided to a foster carer is greatly enhanced – albeit the access to these allowances depends on the individual circumstances of the foster carers and the child and young person. Foster care allowances paid to volunteers are treated as non-assessable income for taxation purposes. However, the same status would not apply to payments to professional foster carers. This could create eligibility implications for other payments, highlighting that consideration of professional care models and the levels of reimbursement and remuneration needs to consider the complete policy mix and interaction with the broader tax and transfer system. Advice from the ATO on this issue, in a similar vein to the ruling on volunteer caregiver reimbursements, would be of

assistance in establishing the possible framework for professional foster care reimbursement and remuneration levels.

Table 8 **State and Commonwealth benefits available for volunteer foster carers, high-needs child, aged 10**

| Jurisdiction | State allowances | Commonwealth allowances | Total financial benefits |
|--------------|---------------------------------------|--|---|
| | \$/fortnight & extraordinary expenses | As at September 2010 | \$/fortnight & extraordinary expenses & FTB annual supplement |
| ACT | \$1,154 | FTB A | \$2,730 |
| NSW | \$917 | <ul style="list-style-type: none"> ▪ \$160/fortnight ▪ End of year supplement of \$726 | \$2,493 |
| NT | \$995 | FTB B | \$2,572 |
| QLD | \$585 | <ul style="list-style-type: none"> ▪ \$95/fortnight ▪ Annual supplement of \$354 | \$2,162 |
| SA | \$1,023 | Rent assistance | \$2,600 |
| TAS | \$1,413 | <ul style="list-style-type: none"> ▪ 1-2 FTB children \$135 ▪ 3+ FTB children \$152 | \$2,989 |
| VIC | \$847 | Carer payment | \$2,423 |
| WA | \$721 | <ul style="list-style-type: none"> ▪ \$1079/fortnight Carer allowance ▪ \$106/fortnight | \$2,298 |

Note: Maximum rates of Commonwealth payments are included in this analysis. Not all foster carers will receive maximum benefits.
Source: McHugh, M. & Valentine, K. (2011) *Financial & Non-Financial Support to Formal & Informal Out-of-Home Carers, Occasional Paper No. 38, Australian Government, Canberra: Department of Families, Housing, Community Services and Indigenous Affairs*

Concessional superannuation arrangements and co-contribution schemes specifically for foster carers are further issues that have recently been canvassed by the non-government sector. While they have been raised within the broader context of all foster care, they are another layer of interaction between a carer and the tax and transfer system that may need to be considered in the development of a professional model of foster care.

From an efficiency perspective, key considerations revolve around how the employment status of carers and payments made to them interact with the broader industrial relations framework and the tax and transfer system. For example, payments treated as exempt for the purposes of taxation and other benefits, will in effect create higher financial benefits for foster parents and potentially increase effectiveness of recruitment and retention efforts. However, net costs of this approach are high and the same objective could arguably be achieved more cheaply and equitably through direct payments.

Blanket exemptions from taxation on income earned by professional foster carers are an unlikely development. Similar to the issues canvassed around employment and industrial relations issues, there is a legitimate question over the appropriateness of change to national legislation to effect an outcome that potentially could be achieved through other methods (for example further examination and ruling on the use of caregiver reimbursements). Issues of precedent, and the extent to which the exemption could be appropriately ring-fenced and monitored, make Commonwealth support for such a change unlikely.

Key considerations

Competitive remuneration is an important aspect to a profession and would potentially increase the supply of potential foster carers.

There is considerable tension associated with a move to a more highly remunerated model of professional foster care. At a very basic level it challenges some of the fundamental aspects of the traditional foster care model, specifically the voluntary altruistic aspects.

The relationship between the level of remuneration and other features associated with paid work, namely leave entitlements, as well as the implications of the interaction with the tax and transfer system are other fundamental issues and potential barriers to a professional foster care model.

Key questions in the development and implementation of professional foster care include:

- What level of remuneration strikes the appropriate balance between providing incentives to increase the supply of foster carers and avoiding erosion of altruistic motives?
- How does the industrial status of carers interact with the broader tax and transfer system?
- How does the cost of remuneration under professional foster care compare to the cost of alternatives, such as commercial or residential care?
- What is the net impact of remuneration on the recruitment and retention of foster parents?
- What is the relationship between the level and method of remuneration and the quality of care provided?

4.3 Key opportunities

Key opportunities for the development and implementation of professional foster care are outlined below. They include opportunities associated with:

- National efforts to improve the quality and consistency of OoHC
- Demonstrated need for professional service responses to:
 - meet the needs of children with complex needs;
 - maintain capacity to meet demand; and
 - provide a range of placement options best suited to the needs of children
- Significant cost savings by constraining or reducing the use of residential care and achieving greater placement stability and improved transition to family based care.

These opportunities are explored in more detail below.

National effort

The 2009 endorsement of the National Framework for Protecting Australia's Children was a watershed moment in Australian child and family welfare policy.

While the provision of statutory child protection and OoHC remains the responsibility of the states and territories, the development of the National Framework and the subsequent National Standards for OoHC provides a rationale for national collaboration on efforts to improve the quality and consistency of OoHC.

It also provides a context for research and evaluation and the sharing of information and good practice among jurisdictions.

There is significant ownership of the National Framework by the non-government sector. Given the role of the sector in the delivery of foster care, this policy issue is a particularly important one to them. Nationally led policy development in this area to address issues, such as taxation and industrial relations, could contribute to the development and implementation of professional foster care and would be consistent with the Australian Government's overall support for the National Framework.

Key considerations

The National Framework and National Standards for Out-of-Home Care provide an important enabling environment in which to address national level issues impacting on states and territories and bring about collaborative policy responses to issues spanning all jurisdictions.

As an issue, there is a developing body of research on the need and potential of professional foster care, but self-evidently, there is little on the efficiency and effectiveness of professional foster care models in the Australian context. Dedicated research and evaluation of professional foster care models that may be developed and implemented in the future would build the evidence and worth of the concept.



Demonstrated need and demand

In discussion with stakeholders across the government and non-government sector there was consistent agreement on the need for a professional model of foster care sitting within the suite of OoHC placement options currently available.

This view was based on a number of perspectives.

The first was a *quality* perspective. Stakeholders involved in the delivery of OoHC are realistic about the poor quality of care and client outcomes that the current OoHC service responses can generate or to which they can contribute.

The inadequacy of the current OoHC service system to respond to increasing client complexity, combined with the growing body of evidence and experience about the impact of trauma and how best to respond, is driving the current quality reform agenda of OoHC. Introduction of a professional model of foster care is viewed by the sector and supported by the evidence as the next incremental development in improvements to the overall quality of the OoHC system.

The second was a more *pragmatic* perspective and was closely related to the challenges facing OoHC systems and foster care that are canvassed earlier in this report.

Currently, growth in OoHC is being absorbed by kinship care and residential care. While kinship care can often provide a more appropriate form of OoHC there will continue to be children and young people in the OoHC system with challenging behaviours, who are not suitable to place in a family environment. As foster care placements diminish, jurisdictions will lose capacity to provide home-based care placements for these children and young people. This could mean recourse to residential care with the associated quality of care and cost issues.

Without at least maintaining current foster care supply, jurisdictions will lose the service response most appropriate for children and young people who are too challenging for kinship carers but not so challenging that they need to be placed in residential care.

The third perspective was related to the *flexibility* a professional model of care afforded jurisdictions to target particular groups of children and young people within the OoHC population.

Among stakeholders, considerable thought has gone into the targeting of particular client groups who would benefit most from a professional home-based response. These client groups included:

- Children between 8 to 12 years of age who are either already in residential care, or at risk of entering residential care. There was a view that this was a particularly important age for children and young people in OoHC, and if they could be settled in a stable

OoHC placement they would have a far better experience of OoHC than if they cycled through residential care

- Adolescents who have had a long history of trauma and placement instability and who are residing in ad hoc, emergency or contingency placements, and who will continue to do so in the absence of any kind of established intensive and professional home-based response
- Complex sibling groups who are too challenging for the current foster care system, and who are placed in ad hoc and costly living arrangements or broken up.

Key consideration

There is a clear and demonstrated need and demand for more professional and higher quality OoHC service system responses.

The quality of care provided within OoHC can be poor. Professionalisation of foster care provides an opportunity to drive quality improvements to a key component of the OoHC system.

The future of the voluntary foster care model is in doubt over the medium to long term. Professional foster care could provide the framework to maintain or potentially grow the pool of foster carers.

Within the OoHC population there are identified client groups that could benefit from a professional foster care service response. This could be targeted at young children in residential care or at risk of entering residential care, or adolescents who have experienced multiple placement breakdowns and who are residing in high cost, poor quality emergency or contingency placements.

Potential for significant cost savings

In addition to the points outlined above, there are cost savings and gains to be made by states and territories in the successful implementation of professional models of foster care that lead to sustainable home-based care placements, regardless of whether the child or young person remains in a professional foster care placement or transitions back to a less intensive home-based care placement.

By way of illustrating this point, Table 9 outlines the differences between expenditure on residential care placements and non-residential care placements.

Table 9 **Expenditure per child in OoHC by residential and home-based care, 30 June 2012**

| | NSW | VIC | QLD | WA | SA | TAS | ACT | NT |
|-----------------------------|-----|-----------|-----|-----------|-----------|-----------|-----------|-----|
| Residential OoHC | N/A | \$358,385 | N/A | \$619,393 | \$257,240 | \$357,556 | \$326,121 | N/A |
| Non-residential OoHC | N/A | \$31,704 | N/A | \$33,603 | \$35,660 | \$21,164 | \$30,241 | N/A |

Note: NSW, QLD and NT data not available

Source: SCRGSP (Steering Committee for the Review of Government Service Provision) 2013, Report on Government Services 2013, Productivity Commission, Canberra Table 15 A.4

At one level the comparison is a crude one, as non-residential care placements comprise all home-based care options including statutory kinship care placements that may be in receipt of minimal support and allowances. Nevertheless the difference is stark, and the potential for an intensive and professional home-based care placement that delivered a higher quality of one-on-one care purchased at a lower cost than a residential care placement, was a consistent theme and identified opportunity raised in discussion with states and territories.

In addition to these direct savings, including those from greater placement stability, there are the potential broader and longer term savings arising from improved educational, health and lifestyle outcomes for children and young people.

Key consideration

There are significant cost savings to be made by states and territories in the development and implementation of professional models of foster care that successfully transition children and young people out of residential care (or prevent them from entering) to stable home-based care placements.



4.4 Unintended consequences

In discussion with stakeholders it is clear that there are a number of unintended consequences that could arise if a professional model of foster care is developed and implemented.

From a Commonwealth perspective, concerns principally centred on precedence and the possible impacts arising from significant change to national policy and legislation. There was also discussion on the appropriateness of legislative amendment to a policy issue, when other responses or approaches have not yet been fully explored or developed.

Concerns about unintended consequences raised by states and territories, included:

- The potential for professional foster care rates of payment to drive inflationary pressure across the rest of the volunteer foster care and kinship care base. Jurisdictions recognise that currently, volunteer foster carers and kinship carers already care for extremely complex clients. There is potential for significant disquiet among the volunteer base if significantly higher rates of payment are introduced for select caregivers
- Managing expectations among current foster carers, and the extent to which they may be able to qualify as professional foster carers. There is concern that if professional foster care cannot recruit from outside the current supply, the cost of providing OoHC will increase, but the number of placement options will remain static

From a non-government sector perspective there was concern over how the establishment of a professional form of foster care would be viewed by the volunteer foster care base. The importance of valuing and respecting the role of volunteers was a consistent theme from non-government organisation stakeholders.


The extent to which establishing too strict a training regime (either at entry and / or during placement) would potentially exclude some individuals from foster care, particularly Aboriginal and/or Torres Strait Islander carers or culturally and linguistically diverse carers – who may have the requisite life experience and resilience to care for children and young people with highly challenging behaviours, but not the formal qualifications – was a consequence that non-government providers were keen to see avoided.

Concerns common to the jurisdictional and non-government organisation stakeholders was the extent to which professional foster care would enable or inhibit the development of an attached and stable relationship between carer and child. This relationship could be impacted once the child or young person determined that the carer was being paid to care for them.

Ensuring that recruitment and assessment processes were appropriate and rigorous enough to screen for the right skills and aptitudes and motivations to care for traumatised and highly complex children and young people, was another key point of discussion.

Key consideration

Beyond the key barriers and opportunities canvassed in this report, there are a range of complex issues that will need to be managed in the design and operation of professional foster care. These include:

- system wide inflationary cost pressures;
 - management of expectations and views of volunteer carers;
 - ensuring recruitment of professional foster carers from beyond the current supply of volunteers;
 - providing the right training and assessment regimes to attract the most appropriate carers to the role; and
 - enabling the relationship and attachment aspects of foster care.
- 

4.5 Summary

Barriers to the development and implementation of models of professional foster care are considerable, but not insurmountable. There is scope and opportunity to progress this policy issue.

The fundamental issues remain the taxation and industrial relations issues. The impact of these two issues on the Victorian and Queensland models prevented them from progressing beyond a policy design level. From consultations with representatives from states and territories it is clear that those experiences have become a major stumbling block inhibiting any major developments at a jurisdictional level.

Providing clarity around the fundamental issues of taxation and industrial relations is likely to lend considerable impetus to this policy issue.

5 Options

This chapter outlines policy options for consideration by Australian Community and Disability Services Ministers.

Options for consideration

The two options outlined for consideration by Ministers comprise:

- **Option 1** – National agreement on the policy parameters for foster care in Australia, including agreement on a suitable model, with a Framework for Professional Foster Care to be developed and finalised under the Second Action Plan
- **Option 2** – Development of a nationally consistent set of skills, competencies and (over time) accreditation for professional foster carers, underpinned by national workforce development and planning.



5.1 Overview

Two options are presented here for consideration by Australian Community and Disability Services Ministers. The first option includes obtaining consensus on a model(s) of professional foster care to be progressed in Australia. The second option could progress independently but would be more clearly defined if option 1 proceeds.

Further detail on each of the options is provided in the following sections.

5.2 Options for consideration

Option 1 – National agreement

Australian Community and Disability Services Ministers should seek national agreement on the policy parameters to enable professional foster care in Australia, and the subsequent development and endorsement of a Framework for Professional Foster Care under the Second Action Plan.

There is a demonstrated need for a more professional home-based OoHC option that delivers an improved quality of care for children and young people with complex needs. The development of professional foster care service models is likely to impact on other issues associated with the recruitment and retention of foster carers and OoHC placement capacity more broadly.

As a first step, governments need to agree on a set of policy parameters that will underpin the development of professional foster care in Australia.

Once agreement on policy parameters is reached, work should commence on a nationally agreed policy framework to enable professional foster care in Australia. Given the focus on greater national consistency and the intersection of the Commonwealth and state and territory responsibilities on this issue, the development of the *Framework for Professional Foster Care* requires national leadership, that is outcomes and child focussed, and potentially, independent of Commonwealth and state agencies.

The purpose of the Framework for Professional Foster Care will be to provide absolute clarity on the roles and responsibilities between the Commonwealth Government, states and territories, and the non-government sector in the delivery of professional foster care, that is, achievable and practical in the short to medium term, and outline possible areas for work in future.

Policy parameters for the Framework

Australian Community and Disability Services Ministers should seek national agreement on the policy parameters that will enable professional foster care in Australia.

There are significant barriers to the development and implementation of professional foster care in the Australian context. As canvassed earlier in this report these key barriers include:

- Variation in the legislation, policy and practice of OoHC across Australia
- Ongoing issues around recruiting and retaining foster carers, that are likely to also relate to professional foster carers
- Determining appropriate skills and qualifications of professional foster carers, and the training requirements that should accompany the role
- A lack of clarity around the nature of engagement or employment of professional foster carers
- Determining a remuneration package or allowance appropriate to the role of foster carer, and its subsequent interaction with the taxation system.

Table 10 provides an overview of each these key barriers and their implications for the development and implementation of professional foster care in Australia.

Appropriate policy parameters that respond to these barriers and implications are also provided for consideration. If agreed these parameters would inform the development of the Framework for Professional Foster Care.

Table 10 Policy parameters for professional foster care

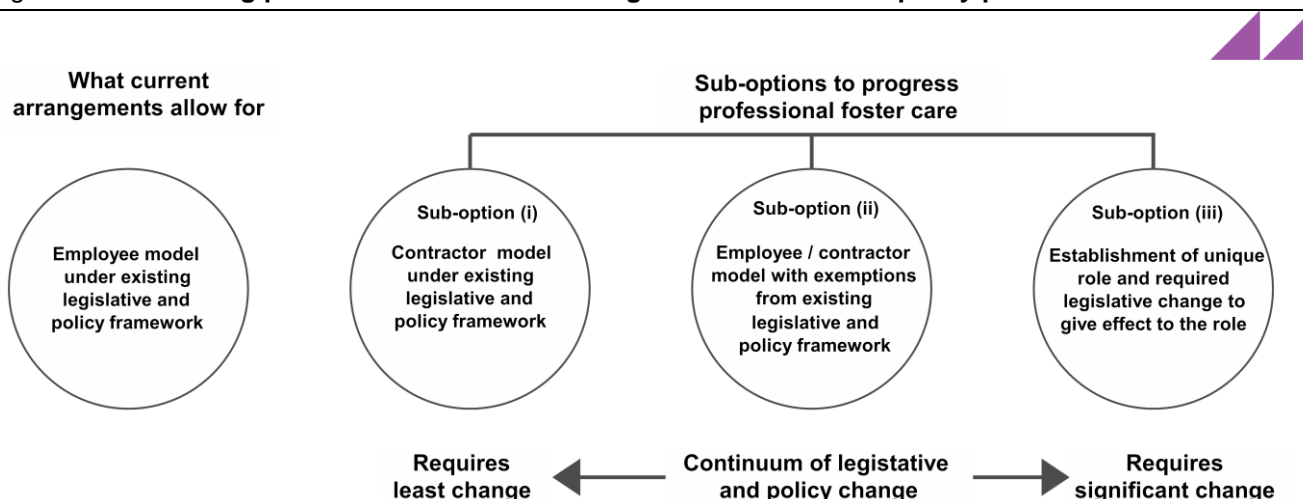
| Implications | Policy parameters for consideration |
|---|---|
| Key barrier – variation in legislation, policy and practice of OoHC | |
| <p>There is significant variation in OoHC legislation, policy and practice across jurisdictions.</p> <p>The development of professional foster care policy will need to be adaptable to local circumstances, environment and need.</p> | <p>Key policy parameters for national agreement</p> <ul style="list-style-type: none"> ▪ The National Standards for OoHC should be used to underpin the development of the Framework for Professional Foster Care. ▪ Implementation of the Framework should be staged and incremental. |
| Key barrier – recruitment and retention | |
| <p>All jurisdictions are facing foster care recruitment and retention issues.</p> <p>Contributing factors have included: an ageing of the volunteer foster care base; increasing client complexity; financial and opportunity costs of caring for children and young people; dissatisfaction over relationship with child protection agencies; and a lack of peer support and networking.</p> <p>These are issues that may spill over into a professional model of foster care.</p> | <p>Key policy parameters for national agreement</p> <ul style="list-style-type: none"> ▪ While noting that some current volunteer foster carers may be suitable candidates for professional foster care, a key parameter for this model of care needs to be the extent to which new markets of supply are enabled. ▪ Recruitment and marketing activities should be targeted at individuals who may not have considered foster care in the past. ▪ Establishment of a professional association, at either a national or state level should also be considered. |
| Key barrier – skills and qualifications | |
| <p>Professional foster care will be designed for clients with high and complex needs. Accordingly, the balance between skills and qualifications is an important one.</p> <p>From the literature, and consultation with the non-government sector it is evident that formal qualifications are not necessarily a requirement of good holistic parenting.</p> <p>In overseas models, minimum qualifications are generally not a requirement, however, pre placement training and opportunities for further training and skill development are. They are also a feature of many of the Australian models of therapeutic and specialist foster care.</p> | <p>Key policy parameters for national agreement</p> <ul style="list-style-type: none"> ▪ Given the need to target this model of care at highly complex clients, an expectation of appropriate skills and / or qualifications should be required of potential candidates. ▪ While existing qualifications should be looked upon favourably, a mandated minimum qualification may be too limiting. ▪ Pre placement and ongoing training should be mandated however. This would be supported by the development of nationally consistent training regime (see option 2 for further detail). |
| Key barrier – nature of employment | |
| <p>The nature of employment or engagement of professional foster care is cited by all jurisdictions as the major barrier to progressing professional foster care. The employment status of professional foster carers gives rise to discussion of rights and responsibilities that are not possible to clarify without Commonwealth Government involvement.</p> <p>Models of professional foster care are not a natural fit with the current modern awards industrial system. There appears to be a closer alignment between the concept of professional foster care and an individually contracted arrangement. However there is a fundamental issue around the degree to which they have control over the how the work is performed that requires further clarification.</p> <p>There are examples of overseas models of professional foster care have been enabled through specific legislative change or exemption.</p> | <p>Key policy parameters for national agreement</p> <ul style="list-style-type: none"> ▪ There is a clear role for the Commonwealth Government in informing this aspect of professional foster care. ▪ The nature of employment of professional foster carers needs to be one consistent with the delivery of a home-based care model that promotes a therapeutic care environment. ▪ Employment arrangements need to: <ul style="list-style-type: none"> ♦ Establish clear client outcomes to be achieved. ♦ Provide an appropriate monitoring regime to ensure the quality of care provided. ♦ Allows the professional carer the scope and flexibility to use their skills and expertise to achieve the client outcomes. |
| Key barrier – remuneration and taxation | |
| <p>Competitive remuneration is an important aspect to any profession. Accordingly the establishment of a professional foster care model requires an appropriate remuneration package that reflects the skills, qualifications and efforts of the carer.</p> <p>The nature of payment needs further consideration. There is a lack of clarity about the extent to which caregiver payments (non-assessable income) can be utilised.</p> <p>There are implications associated with the payment of fees and wages (assessable income). These include possible implications for Australian Government payments the carer may receive, resulting in a higher effective marginal tax rate. However the payment of assessable income would also allow professional foster carers to claim a range of deductions that may be associated with the costs involved in caring for the child.</p> | <p>Key policy parameters for national agreement</p> <ul style="list-style-type: none"> ▪ There is a clear role for the Commonwealth Government in informing guidance on this aspect of professional foster care. ▪ Remuneration or allowances should be competitive with other human services professions. ▪ Remuneration or allowances should be structured in a manner that reflects a combination of time and effort expended by the carer, skills and qualifications, and complexity of placement. ▪ Remuneration or allowances should be clear and transparent for potential professional foster carers. |

Source: ACIL Allen Consulting, 2013

Building on the discussion and key findings of this report, and informed by agreed policy parameters for professional foster care, three mechanisms or sub-options are presented in Figure 6 that progress professionalisation beyond the limited approach that could be implemented now. The following sub-options are presented as a continuum ranging from a

sub-option that requires least change within the existing legislative and policy environment, through to a sub-option that would require significant reform to existing industrial and taxation legislation. An assessment of each of the sub-options and their suitability at this point of time follows the diagram.

Figure 6: Advancing professional foster care as agreed under national policy parameters



Source: ACIL Allen Consulting 2013

Status quo: Employee model under existing legislative and policy framework

The purpose of including this arrangement is to highlight the limitations of trying to establish a professional model of foster care whereby professional foster carers are engaged as employees within the existing industrial and income tax framework.

As employees of a foster care agency, carers would pay income tax and receive annual leave, sick leave and long service leave. Due to the National Employment Standards (NES), which stipulate that workers must not be unreasonably required to work more than 38 hours per week, this sub-option would require 4.4 full time equivalent staff to cover all the hours in a week and would see the introduction of a rostered staffing model of care.

The per carer and per client costs of this sub-option to state or territory governments are set out in Table 11. It assumes a per carer wage of \$90,000 before tax (built on a blend of related professions). The respite care cost covers the cost of employing a replacement carer to cover annual, sick and long service leave breaks.

Table 11 Costing of status quo – unit price for the employee model under the existing national legislative and policy frameworks

| | Gross income | Income tax | Net carer income | Respite care | Workers' comp. | Placement support | Carer training | Total |
|---|--------------|------------|------------------|--------------|----------------|-------------------|----------------|-----------|
| Per professional foster carer | \$90,000 | \$18,250 | \$71,750 | \$11,885 | \$1,432 | \$8,509 | \$317 | \$112,142 |
| Total cost for 4.4 FTE professional foster carers | \$397,895 | \$80,684 | \$317,211 | \$52,543 | \$6,332 | \$37,617 | \$1,400 | \$495,786 |

Note: See Attachment B for data sources and assumptions.

Source: ACIL Allen Consulting 2013

In practice, the issues associated with an employee option push the model into a residential care type environment, preventing the establishment of a rich attachment between the carer and the child or young person.

This is not a suitable arrangement to advance professional foster care. The existing industrial arrangements inhibit the relational and attachment aspects of foster care. As set out in the table above, costs associated with staffing the model would be prohibitive on the potential scale envisaged.

The 'status quo' arrangement demonstrates the need to consider other methods with which to engage professional foster carers, and / or seek change to the existing industrial relations and taxation frameworks.

Key characteristics of status quo approach – employee model under existing legislative and policy frameworks

Professional carers employed under existing legislative and policy frameworks. One child placed with carer.

Recruitment: carers recruited from related human services professions.

Skills and qualifications: expectation that carers have minimum qualifications. Pre training and training provided throughout course of employment.

Remuneration and taxation implications: carers paid:

- an assessable wage that reflects skills, qualification and effort; and
- reimbursement for the cost of raising child or young person incorporated in salary.

Employment status: carers employed under modern industrial award with pay, conditions and entitlements consistent with the NES.

Sub-option (i): Contractor model under existing legislative and policy framework

This sub-option would see professional foster carers engaged as independent contractors to the non-government organisation providing foster care support.

This sub-option would potentially avoid many of the issues associated with the employee model (status quo). It also allows a greater degree of flexibility in how work should be undertaken. However, the issue of degrees of control needs further examination in the context of professional foster care. A balance will need to be struck that provides jurisdictions with the appropriate levers for accountability and quality, but that also respects the professional skills and ability of the carer to deliver agreed upon outcomes for the child or young person.

Under this sub-option it would be envisaged the independent contractor would receive a payment consisting of two elements: reimbursement for estimated costs which would be the major element given the significant needs of the child or young person and a smaller 'retainer' at or around the tax-free income threshold. The former would not be assessed as income, while the latter would be assessable income.

The per carer cost of this sub-option is set out in Table 12. As this sub-option would be outside the NES, only one carer per child would be needed. Carers would have no leave entitlements, though planned respite option costs are incorporated. The costs set out in Table 12 presume a payment or net carer income of \$71,750, equivalent to the after tax income of each carer in sub-option (i).

Table 12 **Costing of sub-option (i) – unit price for the contractor model under the existing national legislative and policy frameworks**

| | Gross income | Income tax | Net carer income | Respite care | Workers' comp. | Placement support | Carer training | Total |
|-------------------------------|--------------|------------|------------------|--------------|----------------|-------------------|----------------|------------------|
| Per professional foster carer | \$71,750 | \$0 | \$71,750 | \$9,475 | \$0 | \$37,617 | \$317 | \$119,158 |

Note: See Attachment B for data sources and assumptions

Source: ACIL Allen Consulting 2013

This sub-option will require significant collaboration between Commonwealth and state and territory agencies.

However, if the principal issue of the extent of control and at the same time being an independent contractor can be resolved (in conjunction with obtaining greater clarity and consistency on the extent to which non-assessable income can be incorporated into a remuneration package) then this sub-option would appear the most suitable and pragmatic model with which to progress professional foster care. The total cost implications as scoped, for the state are less expensive than the status quo arrangement, the outcomes for the child from a more stable carer relationship should be improved and the payment arrangements for the carer and support agency simplified.

Key characteristics of sub-option (i) – contractor model under existing legislative and policy frameworks

Professional carers engaged through an individual contract. One child placed with carer.

Recruitment: carers recruited from related human services professions, without excluding the possibility of people with a history of volunteer foster care being engaged as professional foster carers.

Skills and qualifications: no minimum qualification required. Pre training and training provided throughout course of employment.

Remuneration and taxation implications: carer paid a combination of:

- reimbursement (non-assessable income) reflecting costs associated with caring for a complex client; and
- fee for service (assessable income) reflecting carer skills, qualification and effort, with consideration to current tax free threshold.

Employment status: engagement of carer consistent with expectations associated with independent contracting.

Under this sub-option, there will need to be a clarification on:

- the extent to which caregiver reimbursements for a professional contractor can be deemed non-assessable, enabling an appropriate remuneration package for the carer; and
- agreement on the degree and extent of control to be exerted on the carer, incorporating an outcomes-based case practice framework with appropriate quality and accountability measures, without directing day-to-day care activities.

Sub-option (ii): Employee / contractor model with exemptions from existing legislative and policy frameworks

This sub-option would see professional foster carers engaged as independent contractors or employees of the non-government organisation that provides foster care being exempted from all or part of the industrial relations or income tax frameworks. This option stems from the approaches adopted in a number of overseas countries as outlined in Chapter 3.

It would need to be enabled by the granting of exemptions from existing national legislation. This would include the exempting of parts or all of the income received by professional foster carers from the taxation system and the exempting of the profession from parts or all of the *Fair Work Act* (such as the National Employment Standards relating to working

hours). These exemptions are premised on recognition of the unique features of professional foster care that differentiate it from other forms of employment.

The per carer cost of this sub-option is set out in Table 13. As with sub-option (i), sub-option (ii) would sit outside the NES meaning only one carer per child would be needed. Carers would, however, still have normal leave entitlements. The costs set out in Table 13 also presume a payment or net carer income of \$71,750, equivalent to the after tax income of each carer in the status quo arrangement.

Table 13 **Costing of sub-option (ii) – unit price for the employee / contractor model with exemptions from national legislative and policy frameworks**

| | Gross income | Income tax | Net carer income | Respite care | Workers' comp. | Placement support | Carer training | Total |
|-------------------------------|--------------|------------|------------------|--------------|----------------|-------------------|----------------|------------------|
| Per professional foster carer | \$71,750 | \$0 | \$71,750 | \$9,475 | \$1,432 | \$37,617 | \$317 | \$120,591 |

Note: See Attachment B

Source: ACIL Allen Consulting, 2013

This could prove a difficult sub-option to progress in the short-term, particularly if the issues such exemptions would seek to overcome could be addressed through other measures, for example, through independent contracting of professional foster carers and transparent use of non-assessable payments. The matter of precedent would also need to be established.

Given the potential of the independent contractor model (sub-option (i)), this sub-option is unlikely to gain the traction needed to give effect to the granting of the necessary exemptions. However, this sub-option could be revisited depending on the findings arising from outcomes of any evaluation of the independent contractor sub-option.

Key characteristics of sub-option (ii) – employee / contractor model with exemptions from national legislative and policy frameworks

Professional carers engaged under existing national legislative and policy frameworks but with exemptions granted on key industrial and taxation considerations. One child placed with carer.

Recruitment: carers recruited from related human services professions, without excluding the possibility of some current foster carers being engaged as professional foster carers.

Skills and qualifications: under an employee model there would be an expectation of a minimum qualification. Under a contractor model, no mandatory minimum qualification required. Pre training and training provided throughout course of employment.

Remuneration and taxation implications: exempting of part or all of the wage / fee from being considered assessable income.

Employment status: under the employment model, exempting of the profession from specific aspects of the NES to reflect the unique features of professional foster care and enable employee relationship. No exemption required for contractor model.

Under this sub-option, there will need to be a clarification on:

- the extent to which all or part of the carer's salary can be exempted from taxation; and
- the extent to which certain features of employment of the carer can be exempted from the NES.

Sub-option (iii): Establishment of a unique role and required legislative change to give effect to the role

This option is essentially a greenfield option, with a model developed on good practice both here and overseas, before considering the required amendments to relevant national legislation to enable the role.

Building on the experience of European models, the sub-option would allow:

- Tax free remuneration
- Legislatively enshrined rights and expectations about industrial arrangements with concessions made to maximum hours worked.

If such a model was pursued it would give rise to issues around precedent, potential market distortion, and the appropriateness of national taxation and industrial legislation as levers to address particular public policy issues.

The per carer costs of sub-option (iii) are set out in Table 14. The costs are identical to sub-option (ii).

Table 14 **Costing of sub-option (iii) – unit price for the establishment of a new model of care, accompanied by significant national legislative and policy change**

| | Gross income | Income tax | Net carer income | Respite care | Workers' comp. | Placement support | Carer training | Total |
|-------------------------------|--------------|------------|------------------|--------------|----------------|-------------------|----------------|------------------|
| Per professional foster carer | \$71,750 | \$0 | \$71,750 | \$9,475 | \$1,432 | \$37,617 | \$317 | \$120,591 |

Note: See Attachment B

Source: ACIL Allen Consulting, 2013

This sub-option would require major legislative amendment. Without a clear and demonstrated case for change, this sub-option is unlikely to gain the traction needed to give effect to the significant legislative change required. However, this sub-option could be revisited depending on the findings arising from outcomes of any evaluation of the independent contractor sub-option or the feasibility of pursuing sub-option (ii), which envisages partial exemptions.

Key characteristics of sub-option (iii) – a new model of professional foster care

Professional carers employed by foster care agency. One child per carer.

Recruitment: carers recruited from related human services professions, without excluding the possibility of people with a history of foster care being engaged as professional foster carers.

Skills and qualifications: no minimum qualification required. Pre training and training provided throughout course of employment.

Remuneration and taxation implications: carers paid a combination of:

- reimbursement reflecting costs associated with caring for a complex client; and
- fee for service (assessable income) reflecting carer skills, qualification and effort.

All income received from this profession considered non-assessable.

Employment status: legally enshrined industrial rights and expectations particular to professional foster care.

Under this sub-option, there will need to be agreement on:

- exemption of all or part of the carer's salary from taxation; and
- appropriate rights and responsibilities particular to professional foster care, and the appropriateness of framing them in legislation.

Recommended sub-option to progress professional foster care

At this stage the independent contractor model, sub-option (i), operating under the existing legislative and policy framework is the recommended sub-option to progress professional foster care in the short to medium term.

Pending resolution of critical issues associated with the degree of control exerted on professional foster carers, and clarity about the amount of non-assessable income allowed, it offers the most pragmatic sub-option for jurisdictions to pursue.

The way forward

In terms of addressing the two signature issues of clarity around taxation and the nature of employment of foster carers with a community sector agency, the first key activity in the development of the Framework for Professional Foster Care should be involvement of the ATO and DEEWR to provide clear advice and guidance on these two issues. Given that the independent contractor model is the most pragmatic model to pursue at this stage, the ATO and DEEWR role will be to inform the drafting of initial guidance on what will be considered assessable and non-assessable income, and provide clarity on the issue of control and accountability associated with contracting professional foster carers.

Clarity on these two issues should provide the enabling environment for jurisdictions to operationalise professional models of foster care particular to their OoHC environment. In terms of key considerations in the development of the models and any accompanying evaluation of their effectiveness, the Productivity Commission definitions of effectiveness and efficiency (see Box 3) have been adapted to build a picture of what efficiency and effectiveness can mean in the context of professional models of foster care.

Box 3 Definitions of effectiveness and efficiency

Effectiveness: A measure of how well the outputs of a program or service achieve the stated objectives (desired outcomes) of that program or service.

Efficiency: A measure of how well inputs (such as employees, cars and computers) are converted into service outputs (such as hospital separations, education classes or residential aged care places).

Source: Steering Committee for the Review of Government Service Provision 2013

Based on the definitions in Box 3, the effectiveness of professional foster care models can be construed as dependent on how well particular model elements support objectives. Drawing on the key drivers of professional foster care discussed earlier, a model would be considered effective if it advanced the core objectives to:

- increase the skills and capacity of foster carers to provide high quality care to children with complex needs; and
- increase the supply of foster parents through enhanced recruitment and retention.

In contrast, consideration of efficiency needs to take into account how well resources are converted to outputs (technical efficiency). However, the broader concept of economic efficiency also entails issues of resource allocation (or allocative efficiency), which encompasses consideration of whether resources are being used appropriately in a manner that supports the community's ongoing well-being.

Many of the considerations involved in the effectiveness and efficiency of professional foster care models are finely balanced and can involve trade-offs. A high level overview of models

of professional foster care that could be piloted, and the key considerations and trade-offs in designing them, is provided in Table 15. It draws on the agreed policy parameters and the key dimensions of professional foster care outlined earlier in the report, and the assumption that the independent contractor approach is used.

Table 15 **Overview of possible models with which to implement professional foster care**

| PROFESSIONAL FOSTER CARE MODELS | |
|---|---|
| Children under the age of 12 in residential care or at risk of entering care | High risk adolescents residing in residential care |
| Purpose Key consideration – The purpose and expectation of the model needs to be clearly defined | |
| This model will specifically target children under the age of 12 who are in residential care or at risk of entering residential care. Professional foster carers will provide a therapeutic response to children over the course of 12 to 24 months with the intent to address trauma related behavioural issues and over that time transition the child to a less intensive form of home-based care. Expectation that the carer will take on one child, and care for them in a full time capacity | This model will specifically target complex and high risk young people aged 14 or older who currently live in residential care. Professional foster carers will take on the placement with the expectation that the young person will reside in placement until they age out of the OoHC system. Expectation that the carer will take on one young person, and care for them in a full time capacity. |
| Skills and training Key consideration – Qualification and training requirements to provide high quality care, without restricting supply of professional foster carers | |
| Demonstrated experience in parenting or child related employment (such as social work, psychology) but no mandated minimum qualification required. Pre-placement training in child and adolescent development, trauma and therapeutic care. Requirement to participate in at least Certificate IV training in nationally agreed competencies, with an emphasis on how to address behaviours associated with trauma and its impact on transition from childhood to adolescence. Opportunity to obtain diploma qualification. | Demonstrated experience in parenting or child related employment (such as social work, psychology) but no mandated minimum qualification required. Pre-placement training in child and adolescent development, trauma and therapeutic care. Requirement to participate in at least Certificate IV training in nationally agreed competencies, with an emphasis on how to address behaviours associated with high risk adolescents. Opportunity to obtain diploma qualification. |
| Support Key consideration - Placement support mechanisms to provide an appropriate level and intensity to meet the needs of professional foster carers and children and young people | |
| Placement support to be tailored to the needs of children under the age of 12. Likely to include wrap around support comprising: <ul style="list-style-type: none"> ▪ Clinical assessment at commencement of placement ▪ Ongoing access to therapeutic and mental health support ▪ Access to intensive educational services ▪ Respite options ▪ Access to 24/7 emergency support. | Placement support to be tailored to the needs of high risk adolescents. Likely to include wrap around support comprising: <ul style="list-style-type: none"> ▪ Clinical assessment at commencement of placement ▪ Ongoing access to therapeutic and mental health support ▪ Respite options ▪ Access to 24/7 emergency support. |
| Remuneration Key consideration – To strike an appropriate balance between providing incentives to increase supply while avoiding the erosion of altruistic motives | |
| Remuneration to comprise both a fee commensurate with skills of the professional carer, and caregiver reimbursements. <ul style="list-style-type: none"> ▪ Fee to be linked to carer's skills and qualifications once agreed national competencies are established (assessable income) ▪ Payment of increased caregiver reimbursements (non-assessable income) | Remuneration to comprise both a fee commensurate with skills of the professional carer, and caregiver reimbursements. <ul style="list-style-type: none"> ▪ Fee to be linked to carer's skills and qualifications once agreed national competencies are established (assessable income) ▪ Payment of increased caregiver reimbursements (non-assessable income) |
| Industrial arrangements Key consideration – The model needs to interact clearly and appropriately with the broader industrial relations legislative framework, as well as the tax and transfer system | |
| Independent contractor model with associated protections and responsibilities. Contract to be entered into with each placement, clearly outlining expected outcomes, quality and accountability mechanisms. | Independent contractor model with associated protections and responsibilities. Contract to be entered into with each placement, outlining expected outcomes, quality and accountability mechanisms. Depending on expected length of placement, provision for review of contract at agreed times. |

Source: ACIL Allen Consulting, 2013

As described earlier, advice and clarity from the Commonwealth Government on the appropriateness of the contractor model and the taxation implications will be required before the models of professional foster care can commence. These will be the critical enablers to jurisdictions and non-government organisations developing the operational elements of the

pilots. They will also be important to the marketing and recruitment of potential professional foster carers.

Development of the Framework for Professional Foster Care

Given the focus on greater national consistency and the intersection of the Commonwealth and state and territory responsibilities on this issue, the development of the Framework for Professional Foster Care should be outcomes and child focussed. There may be merit in independent management of the development of the framework, such as by the National Commissioner for Children.

The development of the Framework for Professional Foster Care should draw on the advice and input of key Commonwealth agencies such as the ATO and DEEWR, representation from states and territories, as well as the non-government sector.

The purpose of the Framework for Professional Foster Care will be: to provide absolute clarity on the roles and responsibilities between the Commonwealth, state and territory governments, and the non-government sector in the delivery of professional foster care; to identify what is achievable and practical in the short to medium term; and to outline possible areas for work in future.

The Framework for Professional Foster Care should be finalised within the current timeline of the Second Action Plan (by 2015).

Costs and benefits associated with developing the Framework for Professional Foster Care

This section sets out the costs and benefits associated with developing the Framework for Professional Foster Care.

The policy scoping and development of the Framework is likely to be an intense piece of work requiring the involvement of a range of Commonwealth government agencies, as well as representatives from jurisdictions and the non-government sector. Leadership in the development of the Framework will require adequate resourcing. It is anticipated that once agreement on the need for a Framework is established by Ministers, the work would take between 12 to 18 months to complete (with the first major output to be the advice and guidance required to support jurisdictions develop appropriate models of professional foster care).

The potential benefits of this option are considerable.

By way of example, the implementation of a model of professional foster care that targets children less than 12 years of age currently placed in residential care has been used to examine associated costs and benefits.

Assuming sub-option (i) is used to operationalise the model, each placement would likely cost the jurisdictions involved around \$120,000 per annum.

While the exact scale and scope of the models would be determined by jurisdictions this analysis has been applied to each jurisdiction and their reported number of children under the age of 12 years residing in residential care on 30 June 2012.

Table 16 sets out the likely cost of running the pilot in each state and includes an estimated fiscal saving if they transition their spending on children under the age of 12 years from residential care to a professional foster care placement.

Table 16 **Costs and saving estimates for a pilot model targeted at children less than 12 years of age in residential care (or at risk of entering a residential care placement)**

| | NSW | VIC | QLD | WA | SA | TAS | ACT | NT |
|---|--------------------|--------------------|---------------------|---------------------|---------------------|--------------------|-------------------|--------------------|
| Children under 12 in residential care 30 June 2012 | 55 children | 77 children | 144 children | 164 children | 159 children | 15 children | 3 children | 47 children |
| Direct cost of transitioning children under the age of 12 from residential care to a professional foster care placement (\$ millions) | \$6.5 | \$9.2 | \$17.2 | \$19.5 | \$18.9 | \$1.8 | \$0.4 | \$5.6 |
| Savings estimates for transitioning this population to a professional foster care placement (\$ millions) | \$13.9 | \$19.5 | \$36.5 | \$41.5 | \$40.3 | \$3.8 | \$0.8 | \$11.9 |

Note: Savings estimate based on sub option (i) costs as set out in Table 12. Method used to calculate direct unit costs set out in Attachment B. Not all state and territories report the cost of residential care (separate from the overall cost of OoHC). As a result, the analysis uses an average of the 'cost per child in residential care' of jurisdictions that report that figure, weighted for the number of children in residential care in each jurisdiction.

Sources: ACIL Allen Consulting analysis. Data on children under 12 in residential care and the per child cost of residential care from SCRGSP (2013)

Presuming all children under 12 years of age currently in residential care (664 children as at 30 June 2012) were placed with a professional foster carer under sub-option (i), this would lead to a direct fiscal saving of around \$168 million to the states and territories. Carers would not be paying income tax under sub-option (i) and the fiscal cost to the Commonwealth government in potential revenue foregone would be \$12 million. It is not clear, however, that the need for a residential care option would be entirely replaced by professional foster carers. The estimated fiscal savings, therefore, represent a best case scenario.

In addition to these immediate savings, there are other benefits associated with the successful transition of children from residential care to stable home based care placements.

There is evidence that children in professional foster care arrangements would benefit from greater placement stability and better educational, health and personal development outcomes. Increases in placement stability save governments money by reducing the need for additional (and unplanned) placement capacity in the OoHC system to deal with children moving between types of OoHC. Improved educational, health and personal development outcomes in children can lead to reduced government spending on health, family services, the justice system income support and employment services. While the exact cost savings to government of improved child outcomes are difficult to quantify, national research commissioned by FaHCSIA has found they are likely to be substantial (Morgan Disney 2006).

There would be a cost associated with evaluating the Framework for Professional Foster Care. While this would be in the order of \$350,000, the benefits arising from the results and evidence would be the extent to which they inform the potential future development and refinement of professional foster care in Australia. A key research aim of the evaluation would be the extent to which the enabling of professional foster care has improved the skills and supply of foster carers and determined whether this model of care can contribute to foster care remaining a viable and ongoing component of OoHC systems into the future.

Table 17 **Summary of Option 1 – agreement on policy parameters and development of the Framework for Professional Foster Care option**

| Activity | Responsibility | Timeframe |
|--|--|---|
| Agreement on the policy parameters to enable professional foster care in Australia | Community and Disability Services Ministers | Immediate |
| Agreement to develop a Framework for Professional Foster Care under the Second Action Plan | Community and Disability Services Ministers | Immediate |
| Development of the Framework for Professional Foster Care | Led by an independent chair with the support of all levels of government High level representation on the project to comprise: <ul style="list-style-type: none"> ▪ Commonwealth agencies, ATO, DEEWR and FaHCSIA. ▪ States and territories | Commencing 2014 |
| National clarity and advice on the independent contractor sub-option (or other preferred models) and levels of non-assessable income (as an interim output arising from the development of the Framework for Professional Foster Care) | Independent chair leading the development of the Framework; DEEWR; ATO; representation from states and territories; and the non-government sector | Within 6 months of commencement of the development of the Framework |
| Endorsement and release of the Framework for Professional Foster Care | Community and Disability Services Ministers | 2015 |
| Evaluation of the Framework and the extent to which it has enabled professional models of foster care across jurisdictions, including examination of recruitment of carers and client outcomes achieved | FaHCSIA and relevant states and territories | Post endorsement of the Framework |

Source: ACIL Allen Consulting, 2013

Option 2 – National skill set and competencies

Australian Community and Disability Services Ministers should agree to the development of a nationally consistent set of skills, competencies and (over time) accreditation for professional foster carers, underpinned by national workforce development and planning.

Accompanying the development of the Framework for Professional Foster Care, work should commence on the development of a nationally consistent set of skills, competencies and (over time) accreditation for foster carers.

Across the non-government sector there is considerable work underway to develop accredited therapeutic training modules for OoHC. There is also a recently developed *Community Services Training Package CHC08: Foster Care Skill Set* available to all foster carers. Throughout the project there was considerable disquiet about the adequacy of this training package in addressing issues such as trauma and attachment theory, sexualised and other disruptive behaviours, child development, and working with traumatised Aboriginal children and young people.

In light of the development of the Framework for Professional Foster Care, the expertise of the non-government sector should be harnessed to revisit the training package, to ensure it aligns with the intent and purpose of the framework, and that suitable opportunities for advanced and accredited training are developed and available.

Consideration of a diploma level training package should also be pursued. It would be informed by the experience of the piloted models and then incorporated into a training requirement ideally for all professional foster carers to undertake once a professional foster care placement has been established.

The development of a nationally consistent set of skills, competencies and (over time) accreditation for foster carers should be underpinned by national workforce development and planning.

Changes to training packages in Australia, from small modifications to new qualifications, must follow the National Skills Standards Council's 'Training Package Development & Endorsement Process Policy', as set out in Box 4. Industry Skills Councils (ISCs) play a central role in this process.

Box 4 **Process for development and endorsement of training packages**

There are eight steps in the process of developing or modifying VET training packages.

1. ISCs produce annual Environmental Scans that identify changing industry skills needs.
2. ISCs produce an annual Continuous Improvement Plan (the Plan) that sets out the changes that need to be made to the training packages to enable them to meet the skills needs of industry.
3. The ISC briefs Commonwealth, each state and territory government and VET regulators on the changes needed.
4. National consultations on the proposed changes.
5. Changes are validated by a representative sample of industry stakeholders as reflecting accepted industry practice.
6. Final independent review of the training package components against the Standards for Training Packages. This is provided to the National Skills Standards Council (NSSC) prior to submission.
7. Submission of 'Case for Endorsement' to the NSSC outlining changes to be made and stakeholder views.
8. The NSSC considers the Case for Endorsement and if the modifications are endorsed, they are recorded on the National Register.

Source: NSSC 2012

The relevant ISC, the Community Services and Health Industry Skills Council (CS&HISC), is currently undertaking a major review of the CHC08 Community Services and HLT07 Health Training Packages. The review began this year and training that deals with 'direct client care and support', the area most relevant to foster care, has been 'identified as requiring significant change and extensive development work'. As a result, the review process on this training will run until December 2015.

There is an opportunity for the Department, CS&HISC and the non-government sector to work together within the current training package review process to develop a training package suited to professional foster care.

Costs and benefits associated with developing a national skillset and competencies

There will be a cost to developing the new training package.

Based on the experiences of similar industries (including volunteer industries) the development of a training package for appropriate Certificate IV and diploma level training could cost between \$400,000, to \$500,000. This would include the costs associated with developing the curriculum, resources, program, communication and marketing, as well as the costs incurred by the CS&HISC in working with non-government sector organisations to have the training fully accredited.

The benefits of developing the training course will include access to consistent and high quality training for professional foster carers, which will enable improved levels of quality home-based professional care for highly complex children and young people, to contribute to improved client outcomes. As discussed above, high quality and stable OoHC placements can lead to health, educational and well-being improvements in children, resulting in lower government spending over time in areas such as health, justice and income support.

Table 18 Summary of national skill set and competencies option

| Activity | Responsibility | Timing |
|--|---|-----------|
| Agreement on the development of a nationally consistent set of skills, competencies and accreditation for professional foster carers | Community and Disability Services Ministers | Immediate |
| Development of the nationally consistent set of skills, competencies and accreditation for professional foster carers | Collaboration between DEEWR, Community Services and Health Industry Skills Council, and non-government sector | By 2015 |
| National workforce development and planning | Community Services and Health Industry Skills Council and the non-government sector | From 2015 |

Source: ACIL Allen Consulting, 2013

5.3 Summary of options

Two options for consideration have been outlined in this report. A summary of these options is outlined in Table 19.

Table 19 Summary of options for consideration

| Activity | Responsibility | Timing |
|--|--|---|
| Option 1 – Australian Community and Disability Services Ministers should seek national agreement on the policy parameters to enable professional foster care in Australia, and the subsequent development and endorsement of a Framework for Professional Foster Care under the Second Action Plan. | | |
| Agreement on the policy parameters to enable professional foster care in Australia | Community and Disability Services Ministers | Immediate |
| Agreement to develop a Framework for Professional Foster Care under the Second Action Plan | Community and Disability Services Ministers | Immediate |
| Development of the Framework for Professional Foster Care | Led by an independent chair with the support of all levels of government High level representation on the project to comprise: <ul style="list-style-type: none"> ▪ Commonwealth agencies, ATO, DEEWR and FaHCSIA. ▪ States and territories | Commencing 2014 |
| National clarity and advice on the independent contractor sub-option (or other preferred models) and levels of non-assessable income (as an interim output arising from the development of the Framework for Professional Foster Care) | Independent chair leading the development of the Framework; DEEWR; ATO; representation from states and territories; and the non-government sector | Within 6 months of commencement of the development of the Framework |
| Endorsement and release of the Framework for Professional Foster Care | Community and Disability Services Ministers | 2015 |
| Evaluation of the Framework and the extent to which it has enabled professional models of foster care across jurisdictions, including examination of recruitment of carers and client outcomes achieved | FaHCSIA and relevant states and territories | Post endorsement of the Framework |
| Option 2 – Australian Community and Disability Services Ministers should agree to the development of a nationally consistent set of skills, competencies and (over time) accreditation for professional foster carers, underpinned by national workforce development and planning. | | |
| Agreement on the development of a nationally consistent set of skills, competencies and accreditation for professional foster carers | Community and Disability Services Ministers | Immediate |
| Development of the nationally consistent set of skills, competencies and accreditation for professional foster carers | Collaboration between DEEWR, Community Services and Health Industry Skills Council, and non-government sector | By 2015 |
| National workforce development and planning | Community Services and Health Industry Skills Council; Standing Council on Community and Disability Services Advisory Council; and the non-government sector | From 2015 |

Source: ACIL Allen Consulting, 2013

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Attachment A Stakeholder consultation

Table A1 Stakeholders consulted

| Stakeholder | Title | Organisation |
|---|---|--|
| Non government organisation stakeholders | | |
| Andrew McCallum | Chief Executive Officer | Association of Children's Welfare Agencies |
| Sandie de Wolf Julian Pocock Anita Pell | Chief Executive Officer Director Public Policy Senior Adviser Home Based Care | Berry Street Victoria |
| Muriel Bamblett Connie Salamone Julie Toohey Julie English | Chief Executive Officer Executive Director Executive Manager Out-of-Home Care Director Client Services | Victorian Aboriginal Child Care Agency (VACCA) |
| Brian Babington | Chief Executive Officer | Families Australia |
| Bev Orr | Chair | Australian Foster Care Association |
| Angela Webb | Chief Executive Officer | Aboriginal Child, Family and Community Care State Secretariat |
| Bruce Mercer | Previously Out-of-Home Care Manager at Burnside Uniting Care | |
| State and Territory Government stakeholders | | |
| Austin Kenney | Senior Manager, Care and Protection Services | Australian Capital Territory Community Services Directorate, Office for Children, Youth and Family Support |
| Lisa Alonso Love | A/Director OOHC Service Improvement, Policy, Programs & Strategy Directorate | NSW Department of Family and Community Services, Community Services |
| Alana Cole-Munro Simone Jackson | Director Child Protection Policy, Policy and Partnerships Division, Office of Children and Families Director Out-of-Home Care, Policy and Partnerships Division, Office of Children and Families | Northern Territory Department of Children and Families |
| Russell Loos John Morrison Paula Cumner Bradley McCoy Carol Strawbridge Temi Oladapo | Director, Program Development and Investment, Child Safety Programs and Client Services Manager, OoHC Programs, Program Development and Investment, Child Safety Programs and Client Services Principal Program Officer, Quality OoHC, Client Service and Practice Reform Senior Program Officer, Quality OoHC, Client Service and Practice Reform Manager, Quality OoHC, Client Service and Practice Reform Child Safety Strategic Policy and Intergovernmental Relations | Queensland Department of Communities, Child Safety and Disability Services |
| Marj Ellis Shirley Smith | Acting Director Statewide Services Manager, Service Development and Accountability | Families SA, Department for Education and Child Development |
| Mr Bruce Kemp Leonie Watson Jane Fleming Andrea Sturgess | Acting Director - Strategy, Program Development & Evaluation Acting Area Director, Children and Youth Services North Acting Area Director Children and Youth Services North West Area Director Children and Youth Services South | Tasmanian Department of Health and Human Services |
| Simone Fullerton | Senior Program Officer, Out-of-Home Care Unit, Statutory and Forensic Services Design Branch (written feedback) | Victorian Government Department of Human Services |
| Andrea Nixon | Director, Fostering and Adoption Services | Western Australian Department for Child Protection and Family Services |
| Australian Government stakeholders | | |
| Michelle Dowdell | Manager, Individuals Tax Unit, Personal and Retirement Income Division | The Treasury |
| Peter Cully Angela Wallbank | Branch Managers, Industry Liaison Branch | Department of Education, Employment and Workplace Relations |

Attachment B Data sources and assumptions for costing analysis

Table B1 Data sources and assumptions for 1 FTE professional foster carer

| Field | Assumption | Description | Source |
|---|------------|--|--|
| Professional foster carer pre-tax income | \$90,000 | Assumed gross annual income of professional foster carer under the reforms recommended by this report. This figure includes superannuation. It is designed to provide both the everyday costs associated with caring for a child or young person, and recompense for the skills and effort of the carer. | Derived from an average of advertised salaries in professions with skill sets similar to that required for professional foster care Professions included: Health and Community Psychologists, senior Mental Health Nurses, and senior Maternal & Child Health Nurses. |
| Income tax | \$18,250 | The amount of income tax paid by the carer based on the \$90,000 gross income figure. | ATO Tax Calculator |
| Net carer income | \$71,750 | Pre-tax income minus income tax. This figure includes superannuation. | See above. |
| Respite care | \$11,885 | The cost of employing a replacement professional foster carer earning \$90,000, to cover annual leave (20 work days a year), sick leave (presumed to be 10 work days a year) and long service leave (annualised as four work days a year). | Gross income multiplied by (6.87 weeks of leave entitlements / 52). |
| Workers' compensation | \$1,432 | The cost of paying for workers' compensation insurance for one professional foster carer. | Estimated using ABS Labour Costs data for the Health Care and Social Assistance sector. |
| Placement support per child and placement | \$37,617 | Placement support includes the cost of recruitment and assessment, a clinician, CSO management, and education for the child. Managed by the foster care agency. | Placement support costs are taken from estimates by McHugh (2012) made in regards to the Berry St model. |
| Carer training | \$317 | The cost of a Certificate IV relevant to foster caring, spread over six years (assuming the average carer engagement is for this length). | The costs of the similar Certificate IV in Child, Youth and Family Intervention at TAFES around Australia. |
| Children under 12 in residential care 30 June 2012 by jurisdiction | Varies | Number of children under 12 in residential care on 30 June 2012 by state. | SCRGSP (2013). |
| Per child cost of residential care by jurisdiction | Varies | 'Spending of each jurisdiction on residential care' divided by 'the number of children in residential care in that jurisdiction'. | SCRGSP (2013). |
| Direct cost of transitioning children under the age of 12 from residential care to a professional foster care placement | Varies | 'Number of children under 12 in residential care' multiplied by 'the unit cost of sub-option 2'. | See above. |
| Savings estimates for transitioning under 12 residential care population to a professional foster care placement | Varies | 'Cost of providing residential care for children aged under 12' minus 'the direct cost of transitioning children under the age of 12 from residential care to a professional foster care placement'. | See above. |

Source: ACIL Allen Consulting, 2013