

# Ombudsman Victoria

## Investigation into financial support provided to kinship carers 2017

### Executive Summary

1. There are over 8,000 children in Victoria who are unable to live with their parents owing to economic disadvantage, family violence, drug and alcohol abuse and mental health issues in the family. These children are supported by the Department of Health and Human Services' (the department's) out-of-home care system.

2. Kinship carers are the back-bone of this system. They are relatives or people in the child's social network who care for the child. Alternatively, children may be supported by a trained and accredited foster carer or approved lead tenant, or they may live in a community-based residential facility. Aboriginal and Torres Strait Islander children are significantly over-represented; being 12.9 times more likely to be in out-of-home care than non-Aboriginal and Torres Strait Islander children.

3. The Child Protection system has significantly evolved over the last two centuries. Different approaches to supporting children in need of protection have been tried and tested. It is now widely accepted, and reflected in legislation, that kinship care is the best placement option for the most vulnerable children in the state.

4. The demand for kinship placements has more than doubled in the past five years. Foster carers in Victoria cannot meet this demand. The department relies on kinship carers for the current Child Protection system to remain sustainable.

5. Kinship placements, like foster care placements, also save the State money. The majority of these placements cost the department up to \$14,812 per year in care allowance payments, which partially reimburse the carer for the cost of providing for the child. In comparison, residential care placements cost the department \$279,808 per year.

6. Many kinship carers experience financial hardship. This is further exacerbated by their responsibility to provide food, shelter, furniture, education, child care and healthcare to the child or young person in their care.

7. To minimise the financial burden on kinship carers, the department provides a fortnightly care allowance and access to client support funding for one-off recurring expenses such as counselling, petrol or child care. The financial support provided by the department contributes to these costs and is not a full reimbursement.

8. Since 2015, the Ombudsman has received many complaints from kinship carers about financial support and eligibility for a higher care allowance. In response, the Ombudsman commenced an investigation to determine whether the department considers a child's best interests and individual needs when deciding applications for financial support; processes applications and makes payments in a timely manner, and ensures kinship carers are not disadvantaged by departmental delays; and provides accurate information to kinship carers on their eligibility for financial support.

9. The investigation identified significant concerns with the administration of financial support to kinship carers. Twelve complaints examined during the investigation resulted in more than \$170,000 being reimbursed to kinship carers owing to departmental errors. An additional two complaints led to the department waiving over \$37,000 in debt. This is likely to reflect only a fraction of the issues experienced by the 5,577 kinship carers in Victoria.

### Best interests

10. When making decisions that affect a child, the department is required to consider the child's best interests. The *Children Youth and Families Act 2005* (Vic) sets out best interests principles and provides that the best interests of a child must always be paramount.

11. In addition, the Victorian *Charter of Human Rights and Responsibilities Act 2006* (Vic) makes it unlawful for a public authority to act in a way that is incompatible with a human right, or in making a decision, fail to give proper consideration to a relevant human right.

12. Kinship carers are automatically eligible for a level one (base level) care allowance. If the child has additional

needs, a Child Protection Practitioner may initiate an application for a higher care allowance. The needs of the placement are identified through a three-part kinship assessment process.

13. The investigation found that Child Protection Practitioners do not always complete the necessary kinship assessments that identify the individual needs of the placement. When these assessments are completed, very few result in the Child Protection Practitioner initiating an application for a higher care allowance.

14. Failure to complete assessments and, when necessary, initiate applications for a higher care allowance means that a child's best interests are not reflected in the care allowance level awarded. A failure to adequately support the placement can lead to the placement breaking down.

## Inequity

15. Foster and kinship carers provide the same service in our community. They take in children or young people who cannot live with their parents. It stands to reason that the financial support provided by the State should be similar.

16. The investigation found that kinship carers receive less financial support than foster carers. The main reason is that the process for determining a care allowance level for foster carers is different. The level afforded is not automatic; it is determined after a negotiation process and in consideration of the child's needs. The inequity is demonstrated by the statistics which reveal 96.8 per cent of kinship carers receive a level one allowance compared with only 40 per cent of foster carers.

17. In addition, foster carers are supported by community-based organisations funded by the department (funded service providers). Funded service providers are given \$1,000 per child to support the placement. Foster carers can also access high-cost placement support through Placement Support Brokerage for which kinship carers are not eligible. In 2016-17, over \$3 million was spent on high-cost placement support for foster and lead tenant placements.

18. The inequity is particularly striking given the vulnerability of kinship carers, who are more likely than foster carers to experience greater welfare dependency, lower levels of education and employment, and poorer health.

## Delay

19. The investigation found that kinship carers were disadvantaged by departmental delays between the placement starting and care allowance payments commencing, with 50 carers waiting more than 50 days for their care allowance to commence.

20. Kinship carers were further disadvantaged by the failure of Child Protection Practitioners to apply for a higher allowance and by the department's process of escalation of requests for a higher allowance. Requests go through the divisions to central office and, in some cases, took many months to resolve.

## Information provision

21. The Child Protection system is complex. Kinship carers receive information on their eligibility for financial support in many ways including from publications produced by the department, kinship carer support groups, and information and advice services delivered by funded service providers.

22. The investigation found that while there are many useful publications, there is a lack of information available to kinship carers about the application process and eligibility for a higher care allowance.

## Recommendations

23. Addressing the current inequity in the system will require significant change and investment. A failure to address these issues may compromise the stability of kinship placements and the wellbeing of kinship carers and children who need support and protection.

24. The Ombudsman recommends the department review the administration of financial support to kinship carers, so kinship and foster carers receive equitable financial support. The transparency of decisions relating to higher care allowance levels for kinship carers should be improved.

25. The Ombudsman has also made several recommendations to ensure timely completion of assessments so the best interests of children are met.