Adequacy of financial assistance to formal and informal foster and kinship carers

Connecting Foster and Kinship Carers South Australia Submission to the Social Development Committee

Max Reid and Russell Hooper | November 2026



In their words: the real cost of caring

What 15 South Australian foster and kinship carers told us about carer payments

Work reduction 10/15

> *I resigned from my $100,000+ job to care for my grandson to keep him with family.*
> — Kinship carer, metro

> *I have had to cut back to 2 days a week working, even this is a struggle due to appointments and needs.*
> — Foster carer, regional

> *I cannot work outside the home or study.*
> — Specialist foster carer, metro

Insufficient payment 10/15

> *Current foster care payments barely scratch the surface in the current climate.*
> — Specialist foster carer, regional

> *We live pay day to pay day and in 15 years, have not been able to save for big expenses like tyres for the car.*
> — Specialist foster carer, metro

> *I am left with debt after every fortnight.*
> — Kinship carer, metro

Complex needs costs 7/15

> *The amount of medication, including vitamins and food supplements due to [condition] consumes a large [portion] of my carer payment.*
> — Kinship carer, metro

> *I have a school aged child who is still in pull-ups and I am needing to pay for these, wipes and creams out of the allowance.*
> — Foster carer, regional

Super lost or spent 6/15

> *Every fortnight I have to withdraw from my superannuation to supplement the carer payment.*
> — Kinship carer, metro

> *I am jeopardising my own future as this all contributes to me having less superannuation.*
> — Specialist foster carer, regional

Fuel and running costs 5/15

> *The cost of fuel alone decides whether or not [the child] can attend social events.*
> — Specialist foster carer, regional

> *We have multiple hospital admissions, this is extra petrol and parking fees … petrol is killing us financially.*
> — Kinship carer, metro

Reimbursement processes 2/15

> *I have even been told no to things that are clearly on the who pays for what document as being DCP's responsibility.*
> — Foster carer, metro

Lack of preparation 2/15

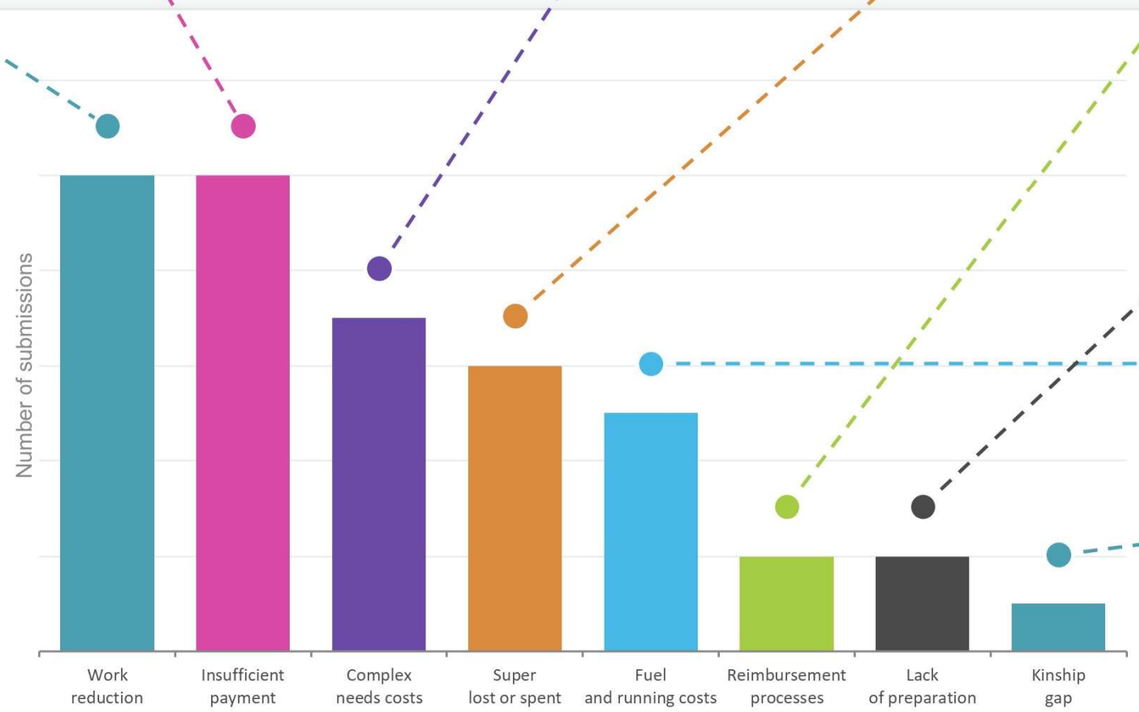
> *We have incurred many costs to be properly set up to receive the child into our home … This is not something we were able to prepare for.*
> — Kinship carer, regional

Kinship gap 1/15

> *Carers payment is really an insult for kinship carers.*
> — Kinship carer, regional

2 in 3
carers told us they had reduced or given up paid work to care

2 in 3
said payments do not cover the cost of caring



Source: CF&KC-SA member call for input, The human impact of carer payments (2026), n = 15. Each response was coded for every theme it raised, so totals exceed 15. Quotes are de-identified and lightly trimmed.

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Executive summary

Protecting children and young people where family and community is unable to is a core responsibility of the South Australian Government.

The government removes children and young people when they are deemed not safe with their parents. In doing so, the government has a duty to provide these children and young people with an alternative pathway which enhances their chances in life, where they are safe and supported, and their best interests are central. To protect them from the impacts of poverty, abuse and neglect, and to build opportunities to grow resilience, purpose and meaning.

In the child protection system, the government does this by placing children and young people with family members or other suitable carers while retaining legal guardianship.[1] For home-based care, this means foster and kinship carers undertake the everyday caring through which children's needs are met. This is done through love and dedication to children and young people, not for money. However, raising children and young people costs money.

Outside of the child protection system, parents and guardians are expected to ensure children and young people are fed, have clothing, accommodation, obtain necessary healthcare, and ensure they attend school.

Simply put, within the child protection system, this is the duty of the state. The state is responsible for facilitating appropriate care – best provided by family-based carers – and ensuring the best interests of the children and young people in their care is met.

CFKC acknowledged the recent work of the independent Australian Institute of Family Studies, which is particularly timely for this Inquiry. We have references many of the findings and recommendations in this submission. We complement them on their work which for the first time quantifies the gaps between the costs of raising children and young people in out of home care and carer payments.

Funding a more equitable system

With major systemic legislative reform commencing in 2027, there is both an essential need and a major opportunity to rebalance the child and family support system. If we don't invest now, society, government and, most importantly, children and young people in care will end up paying a much higher price.

Using economic terms and numbers is deeply uncomfortable when speaking about children and young people – there is a moral imperative to look after and have ambition for children and young people under the guardianship of the state.

However, there is a need to rebalance the investment in the child and family support system from one with an overreliance on residential care and statutory intervention, to one which reflects the new legislation's approach of the best interests of children and young people.

[1] A child placed under the Chief Executive's guardianship remains under that guardianship when placed with a foster or kinship carer. Even where some guardianship powers are delegated to a carer under section 76 of the Act, the Chief Executive retains guardianship and the ability to act in any matter (Children and Young People (Safety) Act 2017 (SA), s 68.).

Home-based care provides better outcomes and is considerably less expensive than residential care. Numerous reports have demonstrated that payment to carers in South Australia does not nearly meet the costs of raising a child (a single residential care placement costs on average $659,665,[2] and single foster or kinship placement currently costs $78,718).[3]

The majority of home-based care in South Australia is provided by kinship carers. These are grandparents, aunts, uncles and cousins who step in, often without warning, so a child can stay with family. Around six in ten children and young people in family-based care now live with kin, reflecting government's long-held preference to keep them with family.

Yet kinship carers receive the least support. They are typically older, on lower incomes and have little or no preparation, while managing their own grief and changed family relationships. They also tell CFKC they are less likely to receive discretionary payments, respite and higher allowance rates that help cover the cost of care. The shortfall described below falls particularly hard on them.

Recent modelling of household budgets by the Australian Institute of Family Studies (AIFS) has quantified the shortfall carers are experiencing in South Australia as between $142 and $402 per week in 2024.[4]

CFKC implores the Social Development Committee to recommend an immediate lifting of the base term rate by an average of $171.50 a week (a 54.4% increase in each age band, with ongoing CPI increases)[5] and an equivalent increase in the Capped Loading Rate. This would come at an estimated total cost to government of $33 million for the term base rate, and an additional $8.5 million for the capped loading rate.[6]

Rebalancing our investments in vulnerable children and young peoples' wellbeing

While protecting vulnerable children and young people is a core function of the government, CFKC also notes the fiscal context of all governments across Australia is often used as an inhibitor to rebalancing the system. CFKC proposes this be funded via a reinvestment approach which provides greater support for carers to care for children and young people with complex needs. While an upfront funding package to facilitate these changes is recommended, should funding not be available, a multi-year rebalancing process should still commence.

Were the government to facilitate the transfer of 25% of the children and young people in residential care into alternative, family-based care arrangements, up to $112 million in existing funds could become available to the system.[7] CFKC recognises that a portion of these funds would be needed for

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[2] Productivity Commission. (2025). *Report on Government Services 2025: Part F, Section 16, Child protection services* [Table 16A.23]. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/2025/community-services/child-protection.

[3] Ibid.

[4] Smart, J., Strawa, C., Quillinan, S., Fisher, S., & Thomas-Richards, B. (2025). *Review of payments for foster, kinship and permanent carers: Final report* (Table 16, p. 35). Australian Institute of Family Studies.

[5] AIFS identified at minimum a $142 gap in carer payments for the 5-12 age bracket. This equates to $155 in 2026 figures. $155 is a 54.4% increase in the 5-12 age bracket. Our calculation therefore uses this percentage across the system.

[6] Based on CFKC costing using available data to provide an approximation of costs. Further costing is recommended.

[7] Based on combinations of existing data. Key assumptions are that: Number of children and young people in care remains the same, Those aged under 12 make up ~90% of children in the system, 35% of all children and young people receive some form of SNL, 125% is the average SNL. All assumptions and data can be provided as a separate spreadsheet if required. Data available to government would increase the specificity of these figures.

funding alternative models, delivering successful transitions and planning and implementing facility closures.

While a 25% reduction sounds like a major challenge, it is possible. This reduction would mean South Australia continues to exceed the national average rate of children and young people in residential care. Over time, our ambition should be to further reduce the reliance on residential care.

Table 1: Rebalancing the child protection system.

	Current state — 30 June 2025	Model 1 — 25% transfer
Children in residential care	**772**	**579**
Children in family-based care	**3,710**	**3,903**
Annualised placement cost	**$801.3m**	**$689.2m**
Funding to reinvest in stronger supports for carers, prevention and early intervention	**-**	**-$112,122,771.00**

At June 30 2025 there were 3,710 children in home-based care and 772 in residential care.

This would mean that there need not be additional long-term cost to government for bringing equity to foster and kinship carers. Meanwhile the home environment provided by foster and kinship carers would improve outcomes for children, delivering additional savings to government in the form of avoided costs once children enter into adulthood.

CFKC has compiled existing findings and submissions from government enquiries on the carer payment, with contemporary case studies from our members and the broader caring system, to demonstrate the human and financial cost of the current payment amount.

Without increases to the payment, South Australia will likely see further pressure on carer recruitment and retention, reductions in children's access to extra-curricular activities (essential to psychosocial development) and increased entries to residential care where they are not needed.

Financial stability, and a household's economic wellbeing, play a crucial role in children's health, education, and self-esteem, and can significantly affect a child's educational and social opportunities in the short and long term.

Children and young people in out-of-home care, and the people who open their homes to them, deserve better. Lifting the carer payment is the most immediate, practical step the Committee can recommend giving every child in care the stable, supported family they are owed.

> **'I have done it despite the long-term harm I know it will have for me as an individual because I care too much about the children in my care to let them suffer or go it out when they're already been through so much in their short lives.'**
>
> Carer response to CFKC when asked about their experience of carer payments

List of Recommendations:

A summary of recommendations is provided in the table below. Further detail is within the body of this submission.

CFKC asks that the Social Development Committee recommend the South Australian government:

1	**Implement an immediate 54.4% increase to term base rate and capped loading rates for special needs.** Delivering immediate relief for many carers, noting that many will still be left out of pocket week-on-week.
2	**Require the Department of Child Protection to undertake regular reviews of the carer payment and other carer payments and make the findings of these reviews public** (See AIFS recommendation 21).
3	**Where a CAT reassessment identifies an increased level of need, the higher loading should be backdated to the date the annual review was due, or, for an earlier review, to the date the relevant change in need was reported.**
4	**Develop processes that guarantee the same eligibility and access to financial support is provided to carers, regardless of their care type (i.e. kinship carers).**
5	**Monitor and publicly report on the proportion of carers receiving each payment level and/or financial support across placement types** (See AIFS recommendation 22). CFKC suggests that in addition to this recommendation, Kinship carers who are not accessing their entitlements at the same rates as other placements, should be proactively identified and contacted by the Department, in line with the principle of active efforts.
6	**Ensure carers have access to regular reviews of the care payment rate, with the same criteria and processes used for foster and kinship placements** (See AIFS recommendation 12).
7	**Develop a scheme to pay superannuation, or superannuation-like payments, to South Australian foster and kinship carers**.
8	**Strongly advocate to the Federal government to ensure that foster and kinship carers have access to the family tax benefit.** Recognising that if FTB A+B cannot be funded there is an even greater shortfall in current carer payments than described throughout this report.
9	**Review and simplify financial policies and guidelines and provide support for staff to promote consistent decision making.** This may include the development of decision-making frameworks that balance the flexibility to meet the needs of individual children and young people with consistent criteria for decisions. (See AIFS recommendation 14).

10	**Require staff involved in approving discretionary payments to receive training and support to improve their cultural responsiveness.** (See AIFS recommendation 26).
11	**Produce clear, up-to-date information for carers about carer payments and financial supports. This should include information about eligibility, how payments can be accessed and what evidence is required.** (See AIFS recommendation 13).
12	**Strengthen case planning processes and include a financial component to the case plan. Where costs are identified and approved as part of the case plan, this should be considered approval for discretionary payments.** (See AIFS recommendation 15).
13	**Provide an allowance for regional carers that recognises the additional costs they incur due to their location.** This could be based on the remote carer allowance and will need updated costing to ensure it is tied ongoingly to contemporary cost pressures.

1. Background

Connecting Foster and Kinship Carers South Australia

Connecting Foster and Kinship Carers SA (CFKC) is the independent, peak representative body for approved foster and kinship carers across South Australia.

We provide direct individual advocacy to carers when they experience challenges with the system or their care team. We draw on these experiences, plus research and consultation, to inform systemic advocacy for policy changes that improve the lives of foster and kinship carers and the children and young people they care for.

CFKC's submission focuses on the adequacy of payments to approved foster and kinship carers; however, we recognise that more needs to be done to support people in informal care arrangements, who also deserve and need greater support.

Previous inquiries

The adequacy of carer payments has been investigated numerous times by both state and federal governments. The message throughout these inquiries has been consistent – carers are not adequately supported with the true costs of raising children and young people in their care, and they should be.

Table 2: Recent Enquiries that Considered Carer Payments

Jurisdiction	Year	Enquiry	Key themes or recommendation
South Australia	2016	Child Protection Systems Royal Commission (Nyland), *The life they deserve*	'The current level of reimbursement to foster parents should be reviewed to ensure equity across general and specialist models of care.' 'Review reimbursement rates to bring general foster rates with loadings for children with complex needs closer to rates payable to therapeutic carers.' (Rec 119) 'Develop a specific package of training for general foster parents which can lead to payment of additional skills-based loadings.' (Rec 120)
South Australia	2017	KPMG, *Foster and Kinship Care in South Australia: Final Report*, Department for Child Protection	'That the Department undertake a comprehensive review of the foster and kinship care financial support to: • Establish a clear policy position on the purpose of each of the elements of the payment system; • Quantify the cost of caring to inform base rates of payment for carers -- ensuring that the direct costs of caring are covered by financial support (including DCP and Commonwealth allowances and payments);

Jurisdiction	Year	Enquiry	Key themes or recommendation
			• Determine appropriate levels of compensation aligned to complexity; • Minimise the need for carers to seek reimbursement for other expenses; • Streamline payment and reimbursement processes' (Rec 18).' 'That carers are provided clear information on the financial support they can receive from DCP, from agencies, from other state government departments and from the Commonwealth' (Rec 19). 'That the existing and any revised policies are applied consistently across all offices.' (Rec 20)
South Australia	2023	Report of the Independent Inquiry into Foster and Kinship Care ('Arney report')	'The Department implement a new system of carer payments and reimbursements that reflects the true costs of caring, provides consistency and equity'
South Australia	2024	Economic and Finance Committee Inquiry into Home Care for Children and Young People	Report has not been made available to the public. Submissions consistently identified that carers were being left out of pocket.
Federal	2025	Review of payments for foster, kinship and permanent carers (Australian Institute of Family Studies)	'All states and territories to increase the fortnightly care allowance as soon as possible.' 'Payments and financial supports are seemingly intended to 'contribute to' rather than 'cover' the costs of caring for a child but this review identified consistent views that: – current payments are falling significantly short of a meaningful contribution to the cost – payments should more fully cover the costs of caring to avoid placing carers in financial hardship.'

Sector and economic context

In June 2025, 4,482 South Australian children and young people in care, and 3,710 of these (83%) were in family-based care placements. The remaining 772 children and young people (17 per cent) were living in residential care.

South Australia currently has the largest proportion of children in residential care aside from Queensland (who did not report numbers in 2025 but has recently committed shifting to more family-based care).[8]

Family based care is a more appropriate place for children and young people. Not only does it offer a home, there a significant social and economic benefits of foster and kinship care.

Studies have shown that young people who leave kinship and foster care are typically better off than those who leave residential care:[9,10]

Figure 1: Benefits of home-based care



1.9 times less likely to require homelessness services ($12,943 per annum in savings per young person).



1.6 times less likely to experience hospital admission ($9,123 per annum in savings per young person);



3.4 times less likely to be hospitalised for mental health conditions ($2,253 per annum in savings per young person)



3.7 times less likely to be hospitalised for alcohol and drug-related harm ($5,678 per annum in savings per young person).

A single residential care placement costs on average $659,665[11]. A single foster or kinship placement currently costs $78,718.[12] Consequently, at least 64% of DCP's expenditure (which represents 80% of DCP's care services funding) is allocated to less than 20% of children.[13]

Using economic terms and numbers is deeply uncomfortable when speaking about children and young people – there is a moral imperative to look after and have ambition for children and young people under the guardianship of the state.

However, using these terms illustrates the moral, social and economic imperative to rebalancing the current system to one which supports, retains and attracts foster and kinship carers and produces family-based environments for some of South Australia's most vulnerable children and young people.

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[8] Productivity Commission. (2025). *Report on Government Services 2025: Part F, Section 16, Child protection services* [Table 16A.23]. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/2025/community-services/child-protection

[9] Deloitte Access Economics. (2016). *Raising our children: Guiding young Victorians in care into adulthood: Socioeconomic cost benefit analysis*. Anglicare Victoria.

[10] Deloitte Access Economics. (2025). *Cost-benefit analysis of extending support for residential care leavers in South Australia: Final report*. Anglicare Victoria & Child and Family Focus SA.

[11] Productivity Commission. (2025). *Report on Government Services 2025: Part F, Section 16, Child protection services* [Table 16A.23]. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/2025/community-services/child-protection

[12] Ibid.

[13] The Department has suggested this number may be as high as 80% when staffing and other costs are precisely accounted for. This calculation considered the per placement cost of a residential care and home-based care placement along with the numbers of each type of placement at June 2025. The source of this data is ROGS 2025 Table 16A.39 and 16A.23.

We know children and young people in residential care may have very complex needs and there is an ongoing part required for therapeutic residential care. But this should not be the ambition – the ambition should be children and young people in out of home care are in family environments.

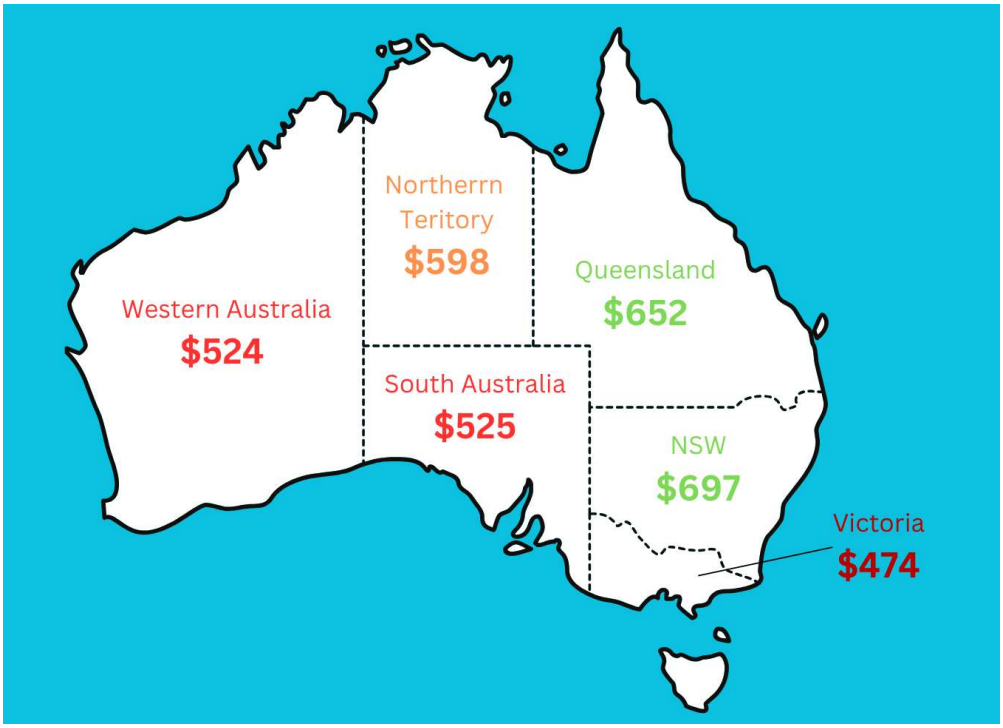
South Australia has an over reliance on a program of care that is more expensive and less likely to deliver positive outcomes for children and young people. South Australia continues to see a decline in the number of foster carers, which is not being made up for by equivalent growth in kinship carers.[14]

We need an urgent rebalancing of this system, shifting the investment of residential care into family-based care, early intervention and prevention.

The current carer payment

South Australia currently provides one of the lowest carer payment rates in Australia, around equal second with Western Australia[15]. Only Victoria provides significant lower amounts to carers.

Figure 2: Carer payments across Australia (2026)



The structure and purpose of carer payments in South Australia

For children and young people in foster and kinship care, the government funds case management support, reimbursing approved expenses, delivering standardised grants, and providing a fortnightly

[14] Productivity Commission. (2025). *Report on Government Services 2025: Part F, Section 16, Child protection services* [Table 16A.23]. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/2025/community-services/child-protection

[15] Base rate compared for youngest children and young people.

carer payment (including needs loadings), 'to help cover the day-to-day, ordinary costs of caring for a child or young person in an OOHC placement.'[16]

This system is complex. For ease of understanding, we have amalgamated available payments into 5 categories as seen below in Table 3. The major contributor to any carer payment is the Basic Subsidy, and then for many carers, the Special Needs Loading that is added to that. This submission primarily focuses on these two payments while also covering reimbursements.

Table 3: Carer Payment Types in South Australia

Payment Category	Components
1. General Carer Payments An age group specific contribution toward the daily costs.	• **Basic Subsidy**: the base carer payment. • **Remote Allowance**: an additional 10% of the Basic Subsidy received. • **Post 18 Payments**: the Basic Subsidy for carers of a young person aged 18 to 20 who is in the Family-Based Care Program or Education Initiative until they move out of the family home, receive wages that surpass the Basic Subsidy, or turn 21 years old. • **Respite Rates**: a daily respite rate for approved respite carers.
2. Specialist Carer Payments Payments for approved specialist carers to cover daily costs of children and young people in specialist placements only.	• **Specialist Subsidy**: for approved specialist carers of children and young people with higher needs in lieu of general carer allowances, grants, and loadings. • **Specialist Respite Subsidy**: for specialist carers providing respite to children and young people in specialist placements.
3. Grants Payments automatically paid to carers to cover costs not covered by carer allowances.	• **Placement Start-Up Payment**: helps cover the initial or immediate costs of a child being placed with a carer. • **Education Grant**: paid once per term to eligible carers. • **Activity Grant**: paid annually to eligible carers to support the child's cultural, recreational and social activities. • **Flexible Respite Support Payment:** a quarterly payment for eligible carers to help access a range of respite-like supports.
4. Loadings An additional sum to balance a child's extra needs.	• **Special Needs Loading**: for children and young people with behavioural and special needs measured by the Complexity Assessment Tool that scores needs as a percentage between 25 and 300 percent.

[16] Department for Child Protection. (2025, July). *Carer support payments carer handbook* (Version 2.8). Government of South Australia. https://childprotection.sa.gov.au/support-and-guidance/foster-and-kinship-care/caring-basics/carer-support-payments/Carer-Support-Payments-Carer-Handbook-V2.8.pdf

Payment Category	Components
	• **Capped Loading Rates**: a fixed pay rate according to each age group and used to calculate the Special Needs Loading sum by multiplying the special needs loading percentage by the capped loading rate. • **Respite Loadings**: double the nightly respite rate for respite carers with placements lasting less than 7 continuous nights. • **Refugee Loading**: for carers of unaccompanied humanitarian minors in family-based care for the first six months of the placement.
5. Additional Payments Extra payments carers can request.	• **Additional DCP funding assistance ('column 3 expenses'):** pre-agreed expenses not covered by the carer payment may be covered by DCP directly or paid as a reimbursement to the carer as set out in *Carer Reference One: Carer Support Payments Who Pays For What?* • **Travel reimbursement:** for 'non-everyday' travel, such as recurring specialist appointments and family contact, Reimbursed at rate of $1.14 per kilometre for the first 25 kilometres and $0.40 per kilometre after that.

While each state has different payment categories and types, all approved carers have a basic subsidy. This subsidy differs by child age bracket and age brackets differ between state.

The below table compares the rate paid for Children in the 0+ age bracket (first age care allowance). As can be seen, South Australia has consistently had one of the lowest payments in the country.

Table 4: Carer payment base rates by State

Jurisdiction	First age care allowance (f/night)		
	2026/2027	2025/2026	2024/2025
New South Wales	$697.00	$581.00	$581.00
Victoria	$473.66	$457.64	$446.48
Queensland	$652.40	$623.00	$611.94
Western Australia	$523.88	$460.55	$460.55
South Australia	**$524.60**	**$511.80**	**$499.40**
ACT	*Not set*	$657.12	$639.54
Northern Territory	$598.14	$531.30	$531.30
Tasmania	*Not available*	*Not available*	$451.00

Cost of living

Earlier this year, CFKC undertook a pulse survey of foster and kinship carers that provides urgent insights to the impacts of the cost-of-living crisis on family-based carers. The survey was open for 24 April to 1 May 2026[17].

Every carer that responded to the survey indicated an impact on their households, with an average score of 8.2 out of 10 (with ten being the highest rating).

"…Will have to stop doing everything fun if it get worse…"

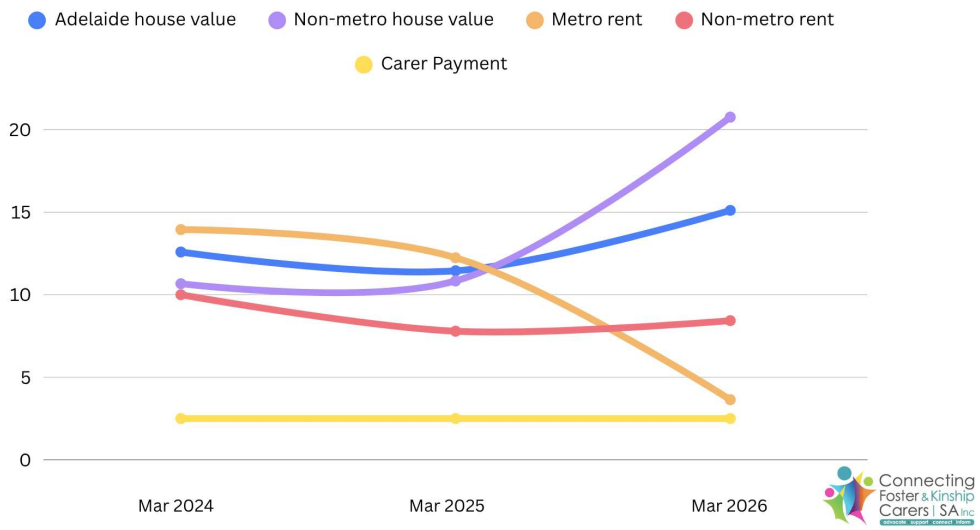
"…We live on the aged pension and we are using our pension money to cover the shortfall…"

Individual responses from carer survey (2026)

Rents in Regional SA recently hit a record high, increasing 4.7% in a single quarter, and 12.5% since last year.[18] Since 2024, housing and rental costs across both metropolitan and regional areas increased by around 25%.

Notably regional SA, which already experiences higher prices for general goods and needs to consume more fuel than those in metro areas, has seen the sharpest rise. Although figures are unavailable publicly, CFKC understands around 40 per cent of carers are in regional, rural or remote areas.

Figure 3: Comparison annual increases in housing costs compared to carer payment

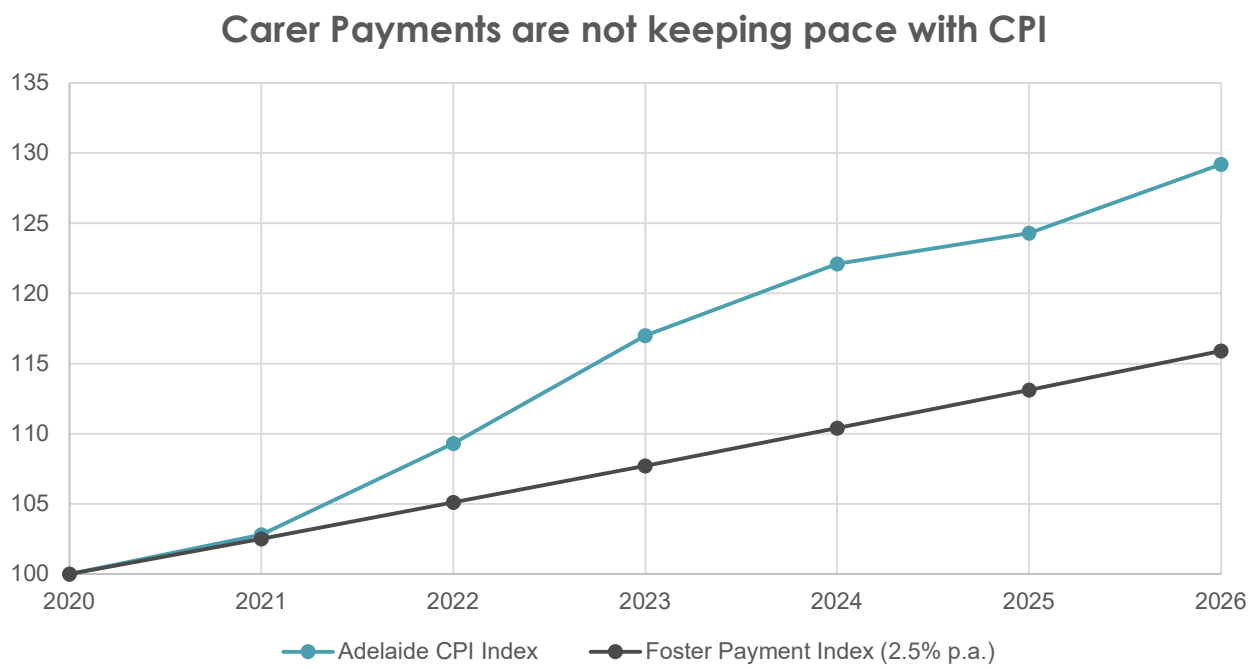


Inflation continues to impact foster and kinship families. The Consumer Price Index for Adelaide shows that the State has seen higher inflation than the national average all of 2026. However, carer

[17] CFKC (2026) Foster and Kinship Carer Survey on Cost of Living, https://cfc-sa.org.au/wp-content/uploads/2026/05/Member-survey-Cost-of-Living-May-2026.pdf
[18] Brown, J. (2026, April 23). *SA rents hit new record high as regional prices soar*. realestate.com.au. https://www.realestate.com.au/news/sa-rents-hit-new-record-high-as-regional-prices-soar/

payment indexation is not tied to CPI and wages are also not keeping pace with inflation, meaning that real wages are declining across the state.[19]

Figure 4: Comparison of CPI and Carer Payment Index



Finally, the shift to Thriving Kids as the primary intervention for children and young people with developmental delays and autism presents a serious fiscal and time challenge for carers. As noted by Deloitte Access Economics in an October 2026 report, with no replacement currently named for the '$5,000 reduction in average social support payments for all participants,'[20] carers are likely to reduce their workforce participation further than they already have, to make up for reduced supports.

[19] Susan Stone. (2026, August 30). *Snapshot: Warning signs as govt construction spending drives SA growth*. InDaily. https://www.indailysa.com.au/news/business/2026/08/31/snapshot-warning-signs-as-govt-construction-spending-drives-sa-growth

[20] Deloitte Access Economics. (2026, October 23). *South Australian business outlook: Shifting gears*. Deloitte. https://www.deloitte.com/content/dam/assets-zone1/au/en/docs/services/economics/south-australia-business-outlook-shifting-gears.pdf

2. Carer payments

Working to build self-esteem, provide love, attachment and new possibilities for a child who has experienced abuse or neglect, and then the subsequent trauma of removal from their birth family, is an enormous task.

Deep emotional, relational, administrative and intellectual work is required. This work can often not be done alongside a full-time job. Meeting these needs can require carers to reduce their working hours or stop work, despite not holding guardianship of the children and young people in their care.

Most carers are motivated by a desire to open their homes and hearts to children and young people in need. Financial pressures, however, make caring harder, can undermine placement stability and limit children and young people's access to everyday activities.

Sadly, many carers subsequently find themselves struggling to make ends meet, missing family holidays and activities, delaying healthcare and facing poverty in their retirement. This is sadly a common case of the true cost of caring.

Case study: Single Metropolitan Kinship Carer



Alex* is a kinship carer raising her grandson Sam*, who is in primary school and has additional needs.

She tells us that school hours are not necessarily hours when she can work uninterrupted. She describes having to keep paid work small enough to remain available for Sam. There may be a call to collect him, a meeting to attend or a difficulty that needs an immediate response from someone who understands Sam's needs.

Alex explains that there are jobs she simply cannot take on. Even when there is time to work, she cannot always promise to be available when someone else needs her. The income lost through those decisions does not appear on a receipt, but Alex describes it as one of the biggest financial costs of caring.

Much of Alex's time is spent arranging the support that helps Sam get through everyday life: speaking with school, coordinating appointments, communicating with services and planning for situations that might become difficult. Alongside that is the need to be ready when those plans do not work.

Alex also describes the care involved in choosing things other families might be able to buy without much thought. Sam needs clothing and shoes that can be tolerated, food that meets particular preferences, and activities where participation is manageable. Making home life work can mean buying sensory items or suitable technology, as well as replacing belongings that have been damaged or lost.

Getting Sam to appointments, school and activities means regular driving. Alex explains that even where a service is funded, some transport costs and gaps in support still fall back on the household.

Taking a break is not simply a matter of booking childcare or using an available respite service. Alex describes the difficulty of finding someone suitable who can safely care for Sam. Funding may exist on paper without there being someone appropriate to provide the care.

> *"The financial contribution should recognise both the direct expenses of the child and the economic impact on the person providing that care. I do not expect caring for Sam to make me financially better off. But I do believe carers should be able to provide children with a safe, stable and ordinary family life without being financially disadvantaged for doing so."*

*Name has been anonymised

Children and young people in OOHC have additional needs

Raising children and young people who are unable to live safely with their birth families is more expensive than children not in out-of-home care. Children and young people in out-of-home care often have additional medical, belonging, psychological and self-actualisation needs,[21] and 35.4% have NDIS plans, compared with 5.2% of children and young people in the general South Australian population.[22]

Meeting these needs means spending more than a comparable household on food, personal care, clothing and footwear, recreation, household goods and services, health, transport, education, housing and discretionary items.[23]

Some Australian studies have placed these additional costs at between 36% and 52%.[24] The most recent estimate, from AIFS, is lower although not inconsiderable depending on household type: 7–18%.[25] AIFS describes its approach as conservative: it costed a 'frugal minimum budget' and adjusted it for children and young people in care by shortening how long items last, increasing quantities and adding items.[26] It also left out specialist medical, therapeutic, dental, childcare and family contact costs.[27]

CFKC notes it cannot be assumed that DCP will cover these excluded costs. Most fall into discretionary categories that DCP covers only with prior approval.[28] As explained below, the reimbursement and pre-approval processes have problems with both timing and what is provided. Some categories also hide extra costs even when approved. For example, travel to a family contact visit is covered, but only at the DCP rate, which, as detailed below, is less than the actual cost of travel. Specialist medical appointments are discretionary, and when they are urgent there is not always time to seek approval before paying.

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[21]Yang, O., Fisher, R., Saxby, K., Yong, J., & Zhang, Y. (2024). *IPART out-of-home care review: Cost of caring*. Melbourne Institute: Applied Economic & Social Research, prepared for the Independent Pricing and Regulatory Tribunal, p. 11.
[22]Department for Child Protection. (2026). *Department for Child Protection disability access and inclusion plan 2026–2030*. Government of South Australia.
[23]Smart et al. (2025), p. 31.
[24]Smart et al. (2025), p. 34, summarising McHugh (2002), Davis et al. (2013) and Yang et al. (2024).
[25]Smart et al. (2025), pp. 32, 34.
[26]Smart et al. (2025), pp. 30–31.
[27]Smart et al. (2025), pp. 31–32, 34.
[28]Department for Child Protection. (n.d.). *Who pays for what?*. Government of South Australia. See also Smart et al. (2025), p. 66.

Carers describe the costs that follow: specialist and allied health appointments paid upfront, special diets that are not covered, specialist schooling and respite that may be partially covered, long-distance travel that is underfunded, and replacing belongings and household items out-of-pocket that are damaged or lost.[29] Costs like these have only been partially measured in the research, so the AIFS figure is best read as the minimum extra cost, not the full cost.

Even if children and young people in OOHC did not cost more to raise, the current payer payments would not cover the cost. Accepting this means that any consideration of the adequacy of carer payments must be tied to the increased costs that they face, and not to ideas of general household purchasing.

Table 5: Sufficiency of current carer payments for raising an 8 year old girl (single households) or 8 year old girl and an 11 year old boy (couple households) in OOHC in South Australia

Employment Circumstance	Cost to raise	Carer payment	Maximum Family Tax Benefit (not guaranteed)	Weekly Shortfall	Percentage of cost covered by payment
Single carer working full time (FT)	**$850**	$271	$177	**$402**	53%
Single carer unemployed (UE)	**$766**	$271	$177	**$318**	58%
Single earner couple (FT, NILF)	**$690**	$271	$177	**$242**	65%
Dual earner couple (FT, PT)	**$690**	$271	$177	**$242**	65%
Unemployed couple (UE)	**$590**	$271	$177	**$142**	76%

Source: Smart, J., Strawa, C., Quillinan, S., Fisher, S., & Thomas-Richards, B. (2025). *Review of payments for foster, kinship and permanent carers: Final report*. Australian Institute of Family Studies.

Special Needs Loadings are undermined by delayed assessments

The Child Protection system uses the Complexity Assessment Tool (CAT) to identify behavioural and other special needs. Where additional needs are identified, a Special Needs Loading assessment can be undertaken that determines the loading paid to the carer to meet the associated costs.

The Arney Inquiry raised concerns about whether this process measures children and young people's needs reliably and cost-effectively[30]. Carers also report a more immediate administrative problem: annual reassessments are delayed, leaving payments based on an outdated assessment even where a child's needs have increased. When the reassessment is eventually approved, the higher loading is paid only from the approval date rather than from the date the review was due. The cost of delay therefore falls on the carer, even though the child's additional needs existed throughout that period.

The *Carer Support Payments Carer Handbook* states that the CAT and Special Needs Loading should be reviewed annually, or earlier where a child's placement or health condition changes. The case worker must complete the loading score sheet, attach it to the current CAT assessment and

[29]Connecting Foster & Kinship Carers SA. (2026). *The human impact of carer payments* [Unpublished member survey].
[30] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). Report of the Independent Inquiry into Foster and Kinship Care (p. 141). Government of South Australia.

obtain approval before the applicable loading is paid. The Handbook also states that loadings are paid only from the approval date of a CAT assessment completed within the previous 12 months.

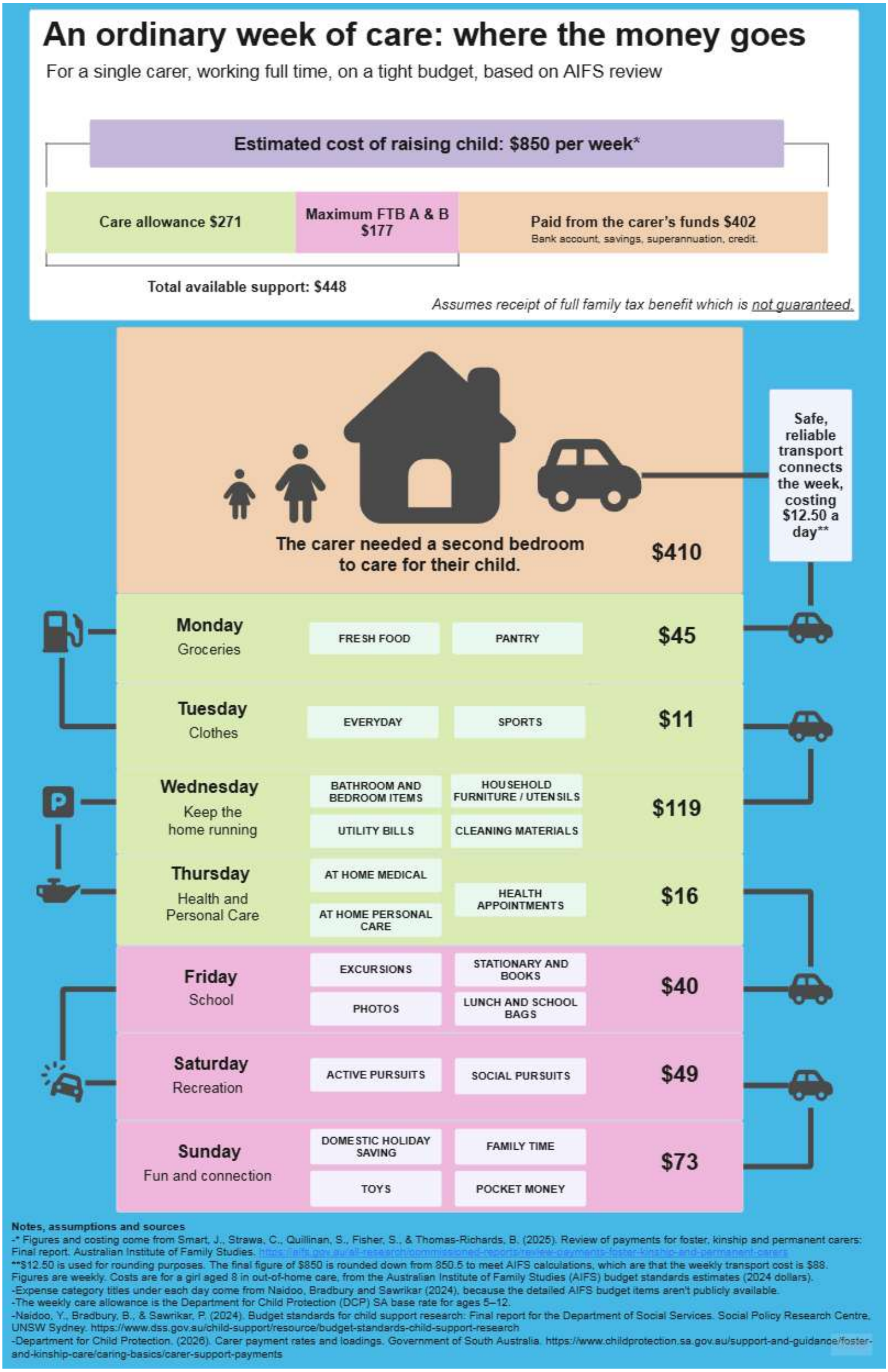
This creates a clear inequity. Carers cannot complete or approve these assessments themselves, yet they bear the financial consequences when departmental processes are delayed.

A week in the life of…

Carers and the children and young people in their care live complex lives, and the complexity of carer payments reflects this. With a range of payment types and modifications, it can seem at a glance that the current system is significantly delivering on its mission to 'to help cover the day-to-day, ordinary costs of caring for a child or young person in an OOHC placement.'[31]

[31] Department for Child Protection. (2025, July). *Carer support payments carer handbook* (Version 2.8). Government of South Australia. https://childprotection.sa.gov.au/support-and-guidance/foster-and-kinship-care/caring-basics/carer-support-payments/Carer-Support-Payments-Carer-Handbook-V2.8.pdf

Figure 5: Illustrating carer payment shortfall in a week of a carer's life, drawing heavily on the recent AIFS review (Smart et al, 2025)



Notes, assumptions and sources

-* Figures and costing come from Smart, J., Strawa, C., Quillinan, S., Fisher, S., & Thomas-Richards, B. (2025). Review of payments for foster, kinship and permanent carers: Final report. Australian Institute of Family Studies. https://aifs.gov.au/all-research/commissioned-reports/review-payments-foster-kinship-and-permanent-carers

**$12.50 is used for rounding purposes. The final figure of $850 is rounded down from 850.5 to meet AIFS calculations, which are that the weekly transport cost is $88.

Figures are weekly. Costs are for a girl aged 8 in out-of-home care, from the Australian Institute of Family Studies (AIFS) budget standards estimates (2024 dollars).

-Expense category titles under each day come from Naidoo, Bradbury and Sawrikar (2024), because the detailed AIFS budget items aren't publicly available.

-The weekly care allowance is the Department for Child Protection (DCP) SA base rate for ages 5–12.

-Naidoo, Y., Bradbury, B., & Sawrikar, P. (2024). Budget standards for child support research: Final report for the Department of Social Services. Social Policy Research Centre, UNSW Sydney. https://www.dss.gov.au/child-support/resource/budget-standards-child-support-research

-Department for Child Protection. (2026). Carer payment rates and loadings. Government of South Australia. https://www.childprotection.sa.gov.au/support-and-guidance/foster-and-kinship-care/caring-basics/carer-support-payments

In practice, when one steps through a week in the life of a carer and their child, they find that these payments are exhausted part way through the week, and carers are spending significant amounts of their own money to meet guardianship needs that Government is responsible for.

'The carer payment I receive is important and I am grateful that it exists, but I do not believe current payments reflect the actual financial cost of raising a child with additional needs in out-of-home care.'

Carer response to CFKC when asked about their experience of carer payments

Funding a solution

Home-based care provides better outcomes and is considerably less expensive than residential care. Numerous reports have demonstrated that payment to carers in South Australia does not nearly meet the costs of raising a child (a single residential care placement costs on average $659,665[32], and single foster or kinship placement currently costs $78,718[33]).

Recent modelling of household budgets by the Australian Institute of Family Studies (AIFS) has quantified the shortfall carers are experiencing in South Australia as between $142 and $402 per week in 2024[34].

CFKC implores the Social Development Committee to recommend an immediate lifting of the base term rate by an average of $171.50 a week (a 54.4% increase in each age band, with ongoing CPI increases)[35] and an equivalent increase in the Capped Loading Rate.

We estimate this would be an additional $33 million for the term base rate, and an additional $8.5 million for the capped loading rate, based on available data.

While protecting vulnerable children and young people is a core function of the government, CFKC also notes the fiscal context of all governments across Australia is often used as an inhibitor to rebalancing the system. CFKC proposes this be funded via a reinvestment approach which provides greater support for carers to care for children and young people with complex needs. While an upfront funding package to facilitate these changes is recommended, should funding not be available, a multi-year rebalancing process should still commence.

Were the government to facilitate the transfer of 25% of the children and young people in residential care into alternative, family-based care arrangements, up to $112 million in existing could become available to the system.[36] CFKC recognises that a portion of these saved funds would be needed for

[32] Productivity Commission. (2025). *Report on Government Services 2025: Part F, Section 16, Child protection services* [Table 16A.23]. Australian Government. https://www.pc.gov.au/ongoing/report-on-government-services/2025/community-services/child-protection
[33] Ibid.
[34] Smart et al. (2025), p 35.
[35] AIFS identified at minimum a $142 gap in carer payments for the 5-12 age bracket. This equates to $155 in 2026 figures. $155 is a 54.4% increase in the 5-12 age bracket. Our calculation therefore uses this percentage across the system.
[36] Based on combinations of existing data. Key assumptions are that: Number of children and young people in care remains the same, Those aged under 12 make up ~90% of children and young people in the system, 35% of all children receive some form of SNL, 125% is the average SNL. All assumptions and data can be provided as a separate spreadsheet if required. Data available to government would increase the specificity of these figures.

funding alternative models, delivering successful transitions and planning and implementing facility closures.

While a 25% reduction sounds like a major challenge, it is possible. This reduction would mean South Australia continues to exceed the national average rate of children and young people in residential care.

Table 6: Rebalancing the child protection system.

	Current state — 30 June 2025	Model 1 — 25% transfer
Children and young people in residential care	**772**	**579**
Children and young people in family-based care	**3,710**	**3,903**
Annualised placement cost	**$801.3m**	**$689.2m**
Funding to reinvest in stronger supports for carers, prevention and early intervention	**-**	**-$112,122,771.00**

Recommendations

CFKC asks that the Social Development Committee recommend the South Australian government:

1	**Implement an immediate 54.4% increase to term rates and capped loading rates for special needs.** Delivering immediate relief for many carers, noting that many will still be left out of pocket week-on-week.
2	**Require the Department of Child Protection to undertake regular reviews of the care allowance and other carer payments (including Special Needs Loading) and make the findings of these reviews public.** (See AIFS recommendation 21).
3	**Where a CAT reassessment identifies an increased level of need, the higher loading should be backdated to the date the annual review was due, or, for an earlier review, to the date the relevant change in need was reported.**

Kinship Carers are less supported

Kinship care is the preferred placement for children and young people who cannot live safely at home, and kinship carers are entitled to the same payments and financial supports as foster carers.[37]

In reality, equal entitlement has not delivered equal support.

Nationally, AIFS found that kinship carers are likely to receive less financial support than foster carers, because they have more limited access to discretionary payments and less often receive higher rates of the care allowance. AIFS attributed this to more limited access to information, different procedures and less support to claim, and described the result as a significant inequity in the out-of-home care system.[38]

Kinship carers are usually older and on lower incomes than foster carers.[39] They take on care of family members often with little notice, and limited to no preparation.

Research cited by the Inquiry found kinship carers may be as much as seven times less likely than foster carers to have respite care.[40]

Case study: Single Regional Kinship Carer



*Ali recently moved from full-time to part-time work so they could better meet the needs of the two children in their care. As a single-income household with reduced hours, they have no savings and do not expect to be able to build any.

They are aware that working less also means less superannuation and a harder retirement, but have accepted that long-term cost because the children have already been through so much. They believe single-carer households need additional consideration.

> *"Current foster care payments barely scratch the surface in the current climate."*

*Name has been anonymised

CFKC's 2024–25 Annual Foster and Kinship Carer Survey supports these findings. Kinship carers were less familiar with the Department's payment documents and fewer had used the flexible respite payment when compared with foster carers.[41]

[37]Smart et al. (2025), pp. 23–24, 77.
[38]Smart et al. (2025), p. 77.
[39] Smart et al. (2025), pp. 23–24
[40]Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (p. 141). Government of South Australia.
[41]Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data]. Kinship-only (n = 65) compared with foster-only (n = 117) respondents.

Table 7: Kinship and foster carer knowledge and use of payments, 2024-25

Survey measure	Kinship carers	Foster carers
Know the Carer Payment Rates and Loadings document	49%	64%
Know the Carer Support Payments Carer Handbook	38%	50%
Have used the flexible respite payment	14%	26%

Aboriginal and Torres Strait Islander children and young people make up 43% of kinship placements in South Australia, despite First Nations people making up just 2.4% of the state's population.[42,43] Around 26% of all kinship placements are Aboriginal children and young people placed with Aboriginal families.[44]

Kinship care is the preferred placement for Aboriginal children and young people, so the additional pressures on kinship carers fall heavily on the very placements government has committed to growing and protecting. Those commitments are explicit. Under the National Agreement on Closing the Gap (Target 12) and Safe and Supported: the National Framework for Protecting Australia's Children 2021–2031 and the incoming South Australian *Children and Young People (Safety and Support) Act 2025*.

Because the stability of kinship placements often depends on the practical and financial support available, these commitments (especially that of active efforts) can't be met by placing children and young people with family and leaving carers to manage alone. Government should deliver on them by improving the support, skills and training available to kinship carers.

In the meantime, the consequence of the system is borne by children and young people. AIFS found that more limited access to payments increases the risk that children and young people in kinship placements go without essential items, and that their carers experience financial hardship.[45]

A family's willingness to step in should not be the reason it is supported less.

[42] Productivity Commission. (2026). *Report on Government Services 2026: Part F, Section 16 – Child protection services* [Data tables]. Australian Government. https://www.pc.gov.au/rogs
[43] Australian Bureau of Statistics. (2022, July 1). *South Australia: Aboriginal and Torres Strait Islander population summary*. https://www.abs.gov.au/articles/south-australia-aboriginal-and-torres-strait-islander-population-summary
[44] Productivity Commission. (2026). *Report on Government Services 2026: Part F, Section 16 – Child protection services* [Data tables]. Australian Government. https://www.pc.gov.au/rogs
[45]Smart et al. (2025), p. 77.

Recommendations

CFKC asks that the Social Development Committee recommend the South Australian government:

4	**Develop processes that guarantee the same eligibility and access to financial support is provided to carers, regardless of their care type.**
5	**Monitor and publicly report on the proportion of carers receiving each payment level and/or financial support across placement types (AIFS recommendation 22).** CFKC suggests that in addition to this recommendation, Kinship carers who are not accessing their entitlements at the same rates as other placements, should be proactively identified and contacted by the Department, in line with the principle of active efforts.
6	**Ensure carers have access to regular reviews of the care allowance rate, with the same criteria and processes used for foster and kinship placements. (AIFS recommendation 12)**

Carers are sacrificing their superannuation in more than one way

As noted above, meeting the needs of children and young people in care often cannot be done alongside full-time work. In CFKC's 2024–25 Annual Foster and Kinship Carer Survey, 81% of carers had reduced or ended their employment to provide the care their child needed: 45.7% had stopped work and 35.4% had reduced their hours.[46]

Each year out of the workforce is a year without employer contributions. AIFS showed that a carer working half-time rather than full-time for 20 years on a $60,000 salary would retire with around $121,000 less in superannuation.[47] This is an illustrative example, but it shows how quickly the gap compounds.

When payments and reimbursements fall short, carers draw on the superannuation they have already built for their retirement. This is not uncommon. 22% of carers tell CFKC they have accessed their superannuation to cover an out-of-pocket cost for their foster or kinship child, and approximately 46% of retired carers have done so.[48]

This has a further disproportionate impact on women, and the reality is that costs are deferred, not removed.[49]

Carers are aware of what this means for their future. 82% are concerned about their financial security in retirement, and carers ranked superannuation as their second highest priority for systemic advocacy (79%), behind only carer payments.[50]

[46]Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey summary 2024–25* (p. 14).
[47]Smart et al. (2025), p. 118.
[48]Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey summary 2024–25* (p. 14).
[49] See later sections of this submission for detail.
[50]Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey summary 2024–25* (pp. 12, 14).

Four years ago, the Arney Inquiry recommended a scheme through which the South Australian Government makes superannuation contributions for carers while they provide care (Recommendation 26).[51] More recently, AIFS heard strong support from carers for a payment model that recognises lost income and superannuation, and noted that costing it would need better data on carers' incomes, reduced hours and length of caring.[52]

> **'[I shouldn't] be using my super to support my grandkids.'**
>
> Kinship carer response to CFKC when asked about their experience of carer payments

No scheme has been introduced. In 2023, the Minister for Child Protection said a change to Commonwealth law would be needed and that the matter should be discussed nationally.[53] Responsibility has since sat between the two levels of Government.

Recommendations

CFKC asks that the Social Development Committee recommend the South Australian government:

7	**Develop a scheme to pay superannuation, or superannuation-like payments, to South Australian foster and kinship carers**.
8	**Strongly advocate to the Federal government to ensure that foster and kinship carers have access to the family tax benefit.** Recognising that if FTB A+B cannot be funded there is an even greater shortfall in current carer payments than described throughout this report.

[51]Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (p. [ ]). Government of South Australia. [find page number for Recommendation 26]
[52]Smart et al. (2025), pp. 50, 102.
[53]Richards, S. (2023, March 27). Super push for SA foster carers. *InDaily*. https://www.indailysa.com.au/news/archive/2023/03/27/super-push-for-sa-foster-carers

3. Reimbursement and other expense processes

Additional DCP funding support, or 'column 3 expenses' allow the Department to meet the needs of children and young people that sit outside the carer payment, including therapy, specialist health care, glasses and travel to see family. Ideally these are prepaid or directly paid by DCP, however CFKC is aware that carers routinely rely on reimbursements to meet the needs of the children and young people they care for.

Case study: Coupled Metropolitan Foster Carer



Daniel and his partner Melissa are foster carers for young Ezekiel.* Melissa has reduced her work to part time to care for Ezekiel, while Daniel is still able to attend full-time work.

Ezekiel receives Special Needs Loading based on the Department's assessment of his needs, and so Daniel and Melissa receive a little extra each fortnight to pay for additional therapies and appointments.

The couple still has several appointments and expenses that sit outside of the base payments and must utilise the reimbursement process to recoup spending on Ezekiel's needs. They find the reimbursement process to be a 'nightmare'

> *"It's a nightmare to get them, and I have even been told no to things that are clearly on the who pays for what document as being DCPs responsibility."*

*Names have been anonymised

Carers need a reimbursements process that is:

- clear on what eligible expenses are;
- timely in its decision making; and
- prompt in making payments once approved.

The Independent Inquiry into Foster and Kinship Care found that carers were not experiencing this in 2022.[54] CFKC hears the same from carers today.

Who (is meant to) pay for what?

The Department's *Who pays for what?* resource lists several costs the Department may fund: optical costs, counselling and therapy, specialist and allied health services that are not available in the public

[54] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.

system, family contact travel, and travel to recurring specialist appointments.[55] The guide itself says that 'the number one issue raised by carers about the Carer Payments system is inconsistency'.[56]

Despite this, each item is described as funding that 'may be available', and every purchase needs pre-approval from both the case worker and their supervisor. Neither the guide nor the *Carer Support Payments Carer Handbook* sets timeframes for reimbursement decisions, requires reasons for refusals, or provides a way to have a refusal reviewed; the Handbook simply refers carers back to the guide and their local office. The Arney Inquiry found that this conditional language leaves the Department's obligations open to interpretation and allows funding to be denied. It also leads to different decisions between offices and between case workers.[57]

A document meant to deliver consistency therefore leaves each outcome to individual discretion.

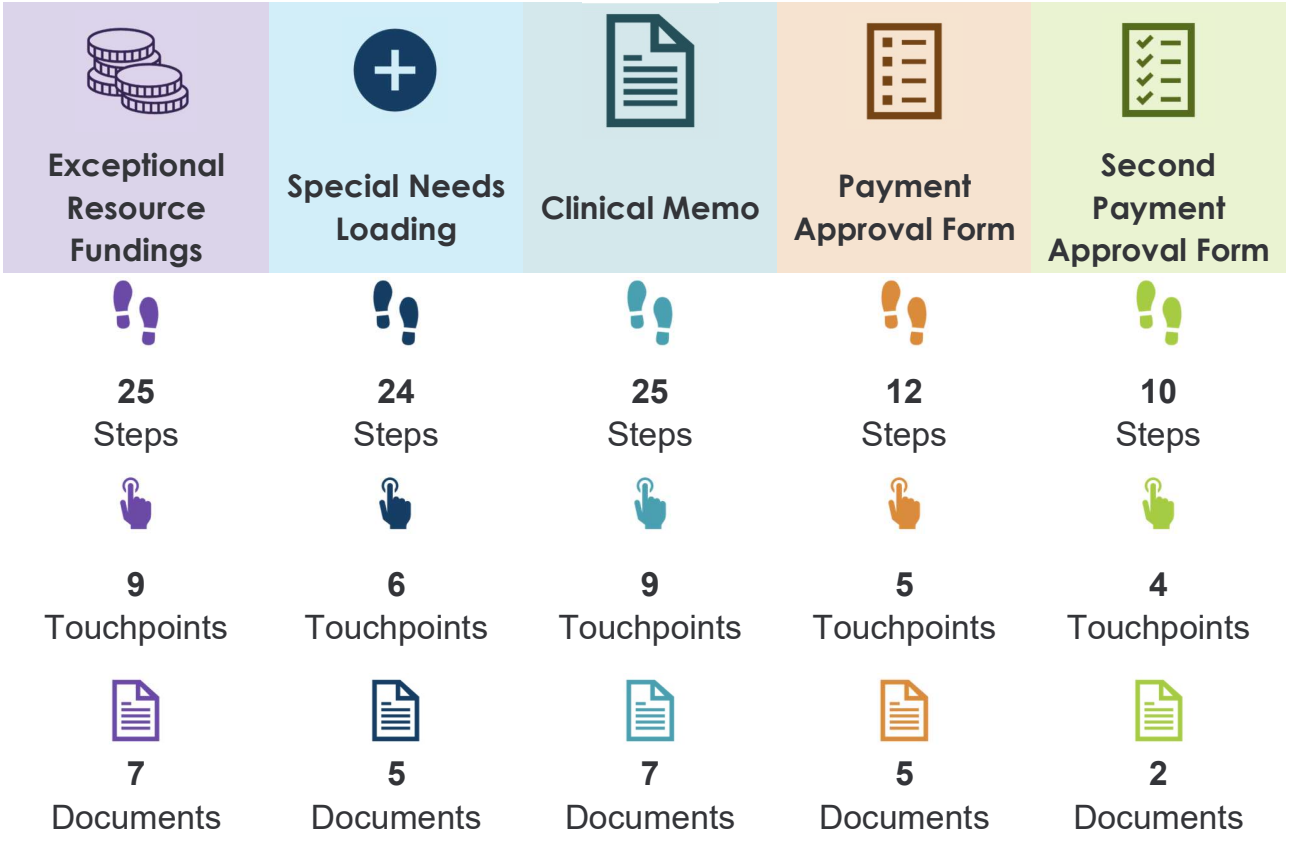
Who (actually) is paying for what and when?

CFKC is aware that even where policy seems clear, the reality of obtaining payments for carers is more complicated.

The below figure demonstrates some of the steps, touchpoints and forms involved in common request types. As can be seen, just because someone may be entitled to a payment, without the time and skill to undertake the required process, carers and children and young people can be missing out.

[55] Department for Child Protection. (n.d.). *Carer support payments: Who pays for what? Carer reference one*. Government of South Australia.
[56] Department for Child Protection. (n.d.). *Carer support payments: Who pays for what? Carer reference one*. Government of South Australia.
[57] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.

Figure 6: Excerpt from 2025 DCP Presentation on Payment Processes



Even where these processes are followed, CFKC's 2024-25 Annual Foster and Kinship Carer Survey found that carers continued to have issues with pre-approvals and reimbursements over the previous 12 months.[58]

Table 8: Carer experience of pre-approvals and reimbursements, 2024-25

Survey finding	Result
At least one pre-approval request for an expense under $500, of a type listed in the Department's column of *Who pays for what?*, was declined	28%
Not reimbursed for all pre-approved out-of-pocket costs	37%
Unsure whether they had been reimbursed for all pre-approved costs	21%

[58] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].

Survey finding	Result
Of carers who sought medical pre-approval, at least one request was declined	29%
Of carers who sought medical pre-approval, not reimbursed for medical expenses the Department had already approved	28%

More than one in three carers were not repaid for costs the Department had already approved.

Carers described delays going for months. One carer said approved Column 3 expenses were paid only after four or more months of phone calls, emails and text messages. Another said an approved counselling request sat with a supervisor for six months.[59] The Inquiry heard the same: reimbursements took several months and repeated reminders, and some carers ran up bills of more than $5,000 before being repaid.[60]

Carers were also refused items the guide lists as available for reimbursement. One member was refused things 'clearly on the who pays for what document'.[61] Others describe the Department questioning payment for a child's glasses, and a case worker refusing about $40 a month in sibling contact travel.[62]

Even when an expense is approved, carers often pay first and wait. One kinship carer pays up to $190 upfront for each allied health appointment. Because the child's Medicare card is not linked to the carer, both the Medicare rebate and the Department's reimbursement take 21 days or more, so two to four payments are often outstanding at once.[63]

Some carers have stopped asking altogether: 'It's just too hard dealing with DCP and getting things approved. So I just don't bother any more.'[64] The Inquiry found the same pattern, with carers giving up on seeking financial support because it was so hard to obtain.[65]

'There needs to be consistent, faster and more reliable carer reimbursements.'

Carer response to CFKC when asked about their experience of carer payments

[59] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].
[60] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.
[61] Connecting Foster and Kinship Carers SA. (2026). *The human impact of carer payments* [Unpublished member submissions].
[62] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].
[63] Connecting Foster and Kinship Carers SA. (2026). *The human impact of carer payments* [Unpublished member submissions].
[64] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].
[65] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.

How does this impact children and young people?

When reimbursement is not forthcoming, carers are left with two options: they pay themselves, or children and young people go without. Carers have reported both scenarios to CFKC.

One carer paid school fees from their superannuation on the understanding that the Department would reimburse them and was never repaid. Another paid more than $1,000 for private paediatrician visits for a very unwell child after the Department declined to pay.[66] The Inquiry found carers paying privately because public waiting lists ran to 12 to 18 months. Where carers could not pay, children and young people missed out.[67]

Children and young people also bear the consequences of delayed or denied reimbursements. A paediatrician recommended that a five-year-old see a psychologist. Three and a half months later there was still no appointment, and the child's behaviour had worsened at home and at school.[68] The Inquiry found that delayed or denied assessments cost children and young people early intervention and allowed their conditions to worsen. It also found that when the Department didn't pay suppliers, children and young people went without equipment or had services cut off.[69]

As outlined earlier in this submission, the Department retains guardianship of children and young people in home-based care. That includes responsibility for ensuring they receive necessary health care.[70] As can be seen, ineffective reimbursement processes are directly impacting on the Department's delivery of that responsibility.

CFKC recognises that the department is working on a new ICT system that may help address this (KidSafe Connect and its included carer portal) and is supportive of this important change.

However, in the meantime, South Australia's reimbursement system continues to add to carer financial stress and delay children and young people's access to services the Department has said it will fund.

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[66] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].
[67] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.
[68] Connecting Foster and Kinship Carers SA. (2025). *Annual foster and kinship carer survey 2024–25* [Unpublished survey data].
[69] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care* (pp. 176–183). Government of South Australia.
[70] *Children and Young People (Safety) Act 2017* (SA), s 8. See also note **Error! Bookmark not defined.**.

Recommendations

CFKC asks that the Social Development Committee recommend the South Australian government:

9	**Review and simplify financial policies and guidelines and provide support for staff to promote consistent decision making.** This may include the development of decision-making frameworks that balance the flexibility to meet the needs of individual children and young people with consistent criteria for decisions. (See AIFS recommendation 14).
10	**Require staff involved in approving discretionary payments to receive training and support to improve their cultural responsiveness.** (See AIFS recommendation 26).
11	**Produce clear, up-to-date information for carers about carer payments and financial supports.** This should include information about eligibility, how payments can be accessed and what evidence is required. (See AIFS recommendation 13).
12	**Strengthen case planning processes and include a financial component to the case plan.** Where costs are identified and approved as part of the case plan, this should be considered approval for discretionary payments. (See AIFS recommendation 15).

4. Structural challenges

Gender inequity

The South Australian Government is committed to gender equity. The *Women's Equality Blueprint 2023-26* sets women's economic wellbeing as one of its priorities.[71] The 2026-27 State Budget committed to advancing gender equality by removing structural barriers that limit women's participation in work, study and public life.[72]

This commitment is not being delivered for foster and kinship carers.

Case study -Single Metropolitan Kinship Carer



Orla* is a grandparent who left a well-paid full-time job to care for their grandchild so the child could stay with family. The child has additional needs, including a [removed for anonymity] disorder, and medication, vitamins and food supplements take up a large part of the carer payment.

Every fortnight the carer withdraws from their superannuation to top up the carer payment and Centrelink income. Even so, they end each fortnight in debt, and spending on anything fun for the child or for themselves is out of the question. They want to give their grandchild the experiences they deserve but the money does not stretch that far.

> *"My superannuation is being eaten away on caring for my grandson when it was supposed to provide for me in my retirement."*

*Name has been anonymised

As noted earlier in this submission, caring for a child who has experienced abuse, neglect and removal often can't be done alongside full-time work. Many carers reduce their hours, turn down more demanding roles or leave work altogether.[73]

When carer payments don't meet the cost of raising a child, carers are hit twice: their income falls and their household costs rise. This burden falls mostly on women.

[71] Office for Women. (2023). South Australia's Women's Equality Blueprint 2023–2026. Government of South Australia. https://officeforwomen.sa.gov.au/womens-policy/sa-womens-equality-blueprint
[72] Government of South Australia. (2026). Women's Statement, State Budget 2026–27. https://www.statebudget.sa.gov.au/our-budget/womens-statement
[73] Comments by Minister Rolls on Australian Broadcasting Corporation. (2026, August 20). *Mornings* [Radio broadcast]. ABC Radio Adelaide. https://www.abc.net.au/listen/programs/adelaide-mornings/mornings/107044424

Nationally, women are far more likely to take primary responsibility for unpaid care. More than 70% of people who leave paid work to provide intensive care are women.[74,75] 87% of carers who were able to make time to respond to CFKC's 2024-25 Carer Survey were female.

The consequences are well documented: broken work histories, slower career progression, lower lifetime earnings and much lower superannuation. Women currently retire with less superannuation than men and are more likely to live in poverty in retirement.[76]

The *Report of the Independent Inquiry into Foster and Kinship Care* found that many carers are already financially disadvantaged by reducing their work, and that the effect on their superannuation is significant.[77] Foster and kinship carers have also told CFKC they are drawing on their superannuation and savings to meet the costs of the children and young people in their care.[78]

A carer payment that falls short of the cost of caring is therefore contributing to gender inequity.

Regional inequity

Regional foster and kinship carers face costs that metropolitan carers do not. Distances to schools, specialist appointments, therapy, family contact and recreation are longer. Fuel also costs more with the median price of unleaded petrol in regional South Australia recently reaching 17 cents per litre higher than in Adelaide.[79]

Regional carers have also told CFKC that some services have reduced their travel to regional areas. In practice, this means carers drive children and young people to appointments in larger towns or Adelaide at their own expense.

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[74] Super Members Council. (2026, June 23). Fix the gap: Paying super to carers could make them $45,000 better off in retirement [Media release]. https://smcaustralia.com/media/fix-the-gap-paying-super-to-carers-could-make-them-45000-better-off-in-retirement/ Note: this figure relates to recipients of the Commonwealth Carer Payment, not foster and kinship carers specifically.

[75] Workplace Gender Equality Agency. (n.d.). Women's economic security in retirement (Insight paper). Australian Government. https://www.wgea.gov.au/sites/default/files/documents/Women's%20economic%20security%20in%20retirement.pdf

[76] Workplace Gender Equality Agency. (2020). *Women's economic security in retirement*. https://www.wgea.gov.au/publications/womens-economic-security-in-retirement

[77] Arney, F., Schutz, C., Hawkes, M., Bevan, K., & Barnes, M. (2022). *Report of the Independent Inquiry into Foster and Kinship Care*. Government of South Australia.

[78] Connecting Foster and Kinship Carers SA. (2026, May 18). "…[we] will have to stop doing everything fun if it gets worse…" [Media release]. https://cfc-sa.org.au/news/media-release-18may26/

[79] FuelNow. (2026). Petrol prices in SA – Adelaide vs regional SA (based on SA Fuel Pricing Information Scheme data). Retrieved 29 October 2026, from https://www.fuelnow.com.au/petrol-prices/sa

Case study: Single Regional Kinship Carer



Amy* cares for two kin and cannot currently work because one child is not yet in full-time school.

Her current fortnightly budget leaves about $400 for allied health appointments paid upfront (up to around $190 each); property damage not covered by DCP or insurance, such as holes in walls, blocked drains and broken furniture or devices; babysitting not covered by respite payments; home maintenance; replacing appliances; the children's birthday parties; and small items like bedding and night lights.

As she is currently unable to work due to caring responsibilities, Amy must also find a way to pay for her own needs from this remaining money.

Fortnightly household income (carer-reported)	**Approx. $**
DCP carer payments (two children)	1,140
Centrelink payments	1,590
Total income	**2,730**
Regular fortnightly outgoings	**Approx. $**
Household bills (mortgage, power, water, rates, internet, car registration, servicing and insurance, home insurance)	1,540
Food (minimum)	300
Fuel (minimum)	200
Extracurricular activities (one per child)	100
Children's clothing and shoes	50
Toys, books and other items	50
Outings, takeaway and school holidays	50
Friends' birthday parties	40
Pocket money	25–30
School incidentals	10
Medications	6
Left for everything else	**350–400**

Figures are carer-reported and rounded. Itemised outgoings total approximately $2,330–$2,380 a fortnight.

*Name has been anonymised

The Department pays a Remote Allowance of an extra 10% of the Basic Term Rate. It is only available to carers living in areas the Australian Bureau of Statistics defines as remote or very remote.[80] Only 57,000 South Australians live in these areas.[81,82]

Carers in regional South Australia receive no extra payment, even though many regularly travel long distances to meet children and young people's needs. Even where it applies, the Remote Allowance is small. For a child aged 5–12, it is worth $28.50 a week.[83]

Travel reimbursement does not close this gap. Under departmental guidance, carers are expected to fund travel to and from routine, everyday activities out of the carer payment. That includes school, child care, sport and leisure, and one-off medical appointments. Only 'non-everyday' travel can be reimbursed, such as recurring specialist and therapy appointments, family contact and cultural connection activities.[84] Even then, the reimbursement does not reflect the real cost of running a vehicle.

CFKC has been informed by carers that they are paid the following mileage rates:

- $1.14 per kilometre for the first 25 kilometres
- $0.40 per kilometre after that.[85]

Note, this data is not public information and not included in Who Pays for What or other documentation, rather it is a DCP policy position. It should also be noted the South Australian Government's own reimbursement rate for public sector employees using their private vehicles is $1.22 per kilometre.[86]

Using these figures, the gap on a single 150-kilometre round trip to an approved appointment works out as:

$$\textbf{Carer reimbursement} = (25 \times \$1.14) + (125 \times \$0.40) = \$78.50$$

$$\textbf{Government rate} = 150 \times \$1.22 = \$183.00$$

[80] Department for Child Protection. (2025, July). Carer support payments: Carer handbook (Version 2.8), s 1.6.4. Government of South Australia.
[81] Australian Bureau of Statistics. (2022). *Remote Australia (SA): 2021 Census all persons QuickStats*. https://abs.gov.au/census/find-census-data/quickstats/2021/RA43
[82] Australian Bureau of Statistics. (2022). *Very Remote Australia (SA): 2021 Census all persons QuickStats*. https://abs.gov.au/census/find-census-data/quickstats/2021/RA44
[83] Calculated from Department for Child Protection. (2026). Carer payment rates and loadings, effective 1 July 2026: $570.00 per fortnight × 10% ÷ 2 = $28.50 per week. https://childprotection.sa.gov.au/support-and-guidance/foster-and-kinship-care/caring-basics/carer-support-payments/carer-payment-rates-loading.pdf
[84] Department for Child Protection. (n.d.). Carer Support Payments: Who pays for what? (Carer Reference One), pp. 5–6. Government of South Australia.
[85] Rates as supplied to CFKC by a private foster carer. CFKC has not been able to locate a published departmental schedule of carer mileage rates.
[86] As at June 2026. Office of the Commissioner for Public Sector Employment. (2025). Determination 3.2: Employment Conditions – Remuneration – Allowances and Reimbursements (effective 1 July 2025), Motor vehicle. Government of South Australia. https://www.publicsector.sa.gov.au/__data/assets/pdf_file/0009/1099980/1.-2025-Version-Determination-3.2-Employment-Conditions-Remuneration-Allowances-and-Reimbursements-Effective-ffpp-1-July-2025.pdf [confirm the $1.22/km rate on p. 22 before submitting.]

The carer is about $104.50 out of pocket on each approved trip compared to a government employee. Travel that isn't approved is not reimbursed. Remote carers are minimally compensated through their allowance, and regional carers are not compensated at all.

When children and young people's access to activities and services depends on how far a carer can afford to drive, children in regional placements are receiving fewer opportunities than children and young people in Adelaide.

Recommendations

CFKC asks that the Social Development Committee recommend the South Australian government:

13	**Provide an allowance for regional carers that recognises the additional costs they incur due to their location.** This could be based on the remote carer allowance and will need updated costing to ensure it is tied ongoingly to contemporary cost pressures.