Submission on financial assistance for foster and kinship carers

To the Social Development Committee of the Parliament of South Australia

Inquiry into the adequacy of existing financial assistance provided to formal and informal foster and kinship carers by the Department for Child Protection (DCP) - October 2026

Executive summary

Grandcarers SA asks the Committee to recommend a funded South Australian payment and support scheme for children in **informal kinship care or the subject of Family Court Orders (FCO)**.

Approved 'formal' family based carers receive DCP payments intended to reimburse day to day costs. A grandparent, aunt, uncle, older sibling or other relative providing the same primary care under a private arrangement or FCO does not receive that DCP payment.

Only carers approved by DCP are recognised as 'formal' carers and are eligible for ongoing carer payments. In addition to informal caring arrangements, those carers who have obtained parental responsibility through the Federal Circuit or Family Court of Australia remain excluded, classified as informal carers and receive no equivalent financial support. The care provided and the needs of the children are the same; the only difference is whether DCP was involved.

Commonwealth assistance may be available, but it is subject to separate eligibility and does not close this state payment gap. The child's food, housing, transport, education and health costs currently depend on whether DPC has formalised the arrangement. [1, 2, 3]

We ask that the Committee examine Informal kinship carer/FCO groups separately from Formal/Foster carers and recommend an additional pathway outside statutory out of home care. [1, 2]

Recommendations

1. Create a recurring, indexed Informal Kinship Care Allowance for each eligible child in full-time primary care. Commission an independent cost of care assessment to set an adequate rate; use at least the WA Government's $1,000 per child per year (to Informal Grandparent Carers) as an immediate interim floor.

2. Provide an upfront establishment payment when a child enters or is placed in care, plus accessible needs-based assistance for school costs, health and disability related gaps, transport, family contact, respite and activities. Publish criteria, timeframes and review rights.

3. Ensure eligibility is based on who is actually caring for the child and the child's needs, not on whether formal legal or DCP arrangements are in place. Include grandparents, other relatives and culturally recognised kin. Prevent duplicate state care allowances for the same child and period.

4. Offer a simple application route through DCP or a funded independent community partner, with flexible evidence, provisional assistance in urgent cases, culturally safe help, privacy safeguards and an independent review mechanism.

5. Fund specialist navigation, legal advice and social work support for informal carers statewide, including regional access and Aboriginal community controlled design and delivery.

6. Improve approved foster and kinship carer payments and access in line with the 2025 AIFS review, including actual costs, higher needs, incidental expenses and timely, transparent decisions.

7. Collect deidentified data on informal kinship care/FCO's, commission direct consultation with carers and children, publish uptake and outcomes, and evaluate the scheme with carers, Grandcarers SA and Aboriginal support organisations.

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About Grandcarers SA and the limits of current data

Grandcarers SA supports about 1000 grandparents and other kin who provide primary care for almost 2000 children, when parents cannot. This is a service count, not a population estimate. A broader estimate of more than 7,000 children in informal grandparent and kinship care in SA was included in our 2025 submission. [3]

Our March 2024 submission to government reported that 85% of our clients were female and their average age was 65. In a 2023 Grandcarers SA client survey (reported in our 2025 submission), 68% reported significant financial stress and 54% chronic health issues. These are client survey results and should not be read as prevalence estimates for all SA carers. [3, 4]

These measures are imperfectly observed populations and should not be added or presented as an official current count. Informal arrangements are difficult to enumerate, especially in multigenerational households. DCP and the Committee should commission a defensible SA estimate. [3, 4]

Why informal care requires its own analysis

Informal kinship care commonly begins through a family agreement without a DCP approved placement or court order. Parents may retain legal guardianship while another adult makes day to day decisions and meets costs. Care may start overnight after family violence, illness, death, incarceration, substance use or other crisis. It may be long term even when described as temporary. A child's need for stable family care should not depend on entry into statutory care. [4, 5]

Approved (formal) carers receive automatic DCP payments for a child placed with them, with possible loadings and incidental assistance. DCP describes the payment as reimbursement of the child's costs rather than wages. Informal carers are outside that approved placement route. The difference is eligibility, access to a caseworker and practical support, and the ability to ask for additional child specific expenditure, as well as the base payment. [1]

The AIFS national review, finalised in December 2025 and published in August 2026, describes informal carers as performing comparable care while having limited access to state and territory payments. Recommendation 3 calls on governments to research, consult on and implement a financial support model for informal carers; it identifies New Zealand's Unsupported Child's Benefit as a possible model. Recommendation 6 calls for higher fortnightly allowances for approved carers, especially relevant to older, less financially secure kinship carers. Its consultation had no informal carers at the payment access workshops despite recruitment efforts, so direct SA consultation remains essential. [2]

Costs and harms borne by carers and children

Daily and exceptional costs

Food, clothing, utilities, a suitable bedroom, school uniforms and devices, medical and dental appointments, sport, counselling, disability related costs and travel arise immediately and recur. Siblings may arrive together. Regional carers face longer journeys and fewer service choices.

Grandcarers SA's charitable Education and Development Fund is funded through philanthropic grants and assists with some school and development expenses, but funding is unpredictable and very limited and cannot substitute for a public entitlement. [3, 4]

Income, retirement and housing

Care can require an older grandparent to reduce work, delay retirement or draw on retirement savings; a younger relative may defer education or employment. A survey of WA grandparent carers found a majority below the cited income threshold and reported housing changes, debt and superannuation withdrawals. It is evidence of mechanisms and lived experience in WA, not a SA prevalence estimate. Our 2024 submission cites a 335 person Australian survey in which 56% received a government pension or benefit and 66% described their finances as just getting along, poor or very poor. [4, 6]

Uncertain authority and access

Informal carers often need to establish care to Services Australia while lacking a written agreement or being unable safely to seek cooperation from a parent. They also have difficulty with school enrolment, health consent, identity documents and legal advice. Commonwealth Family Tax Benefit can cover eligible informal carers, however, many do not claim this in fear of the impact on their relationship with the child's parent(s) who may still be claiming it. Eligibility, care assessment and income rules still apply. Access to one Commonwealth payment must not be mistaken for reimbursement of the full cost of care or a reason to exclude a state allowance. [5, 7]

Child wellbeing and placement stability

Financial insecurity can affect a child's access to essentials, participation, and the carer's capacity to sustain placement. It is reasonable to expect a well designed payment to support stability and potentially avoid some formal care entries, but the number of prevented entries and net fiscal savings in SA has not been established. Government should model and evaluate those outcomes instead of claiming a quantified saving in advance. [2, 4]

A workable South Australian scheme

The entitlement should attach to the child's actual living and care arrangement. Eligibility should require substantial ongoing primary care because a parent cannot provide it, with clear treatment of temporary emergency care and changes in circumstances. Ordinary babysitting and regular family-based childcare should be excluded.

A family law order may help prove care, but should not be mandatory. Aboriginal kinship definitions and decision making should be developed with Aboriginal community controlled organisations, respecting cultural obligations and avoiding unnecessary child protection surveillance.

The state can verify care using a combination of statutory declarations, school or health records, Services Australia care assessments and evidence from a recognised service. No one document should be mandatory where it is unavailable. A short provisional period should allow an urgent establishment grant before complete verification. The state should share information only with informed consent or a clear lawful basis; safety concerns should be handled through ordinary child protection processes, not presumed from a claim for help.

Pay a regular per child allowance to the primary carer, indexed annually, with an age and needs component based on evidence of actual costs. An immediate $1,000 annual floor mirrors WA's existing informal grandcarer scheme and the interim proposal in our 2024 submission. At about $19.23 a week it plainly cannot meet ordinary costs; the Committee should require independent pricing and a timetable for a meaningful recurring rate. The floor would cost $2 million for 2,000 eligible children before administration and supplements. These are illustrations, not a budget forecast or estimate of the eligible population. [4, 8]

Establishment assistance should cover beds, clothes, uniforms and initial transport. Separate discretionary assistance should address verified therapy gaps, disability related expenses, school camps, contact travel and urgent housing adjustments. Clear schedules and written decisions would avoid a scheme dependent on a carer's confidence or ability to advocate.

As in the WA model, an independent community delivery option can help families who distrust statutory services; DCP remains responsible for funding, governance and reporting.

A caregiver receiving a DCP foster, kinship or guardianship allowance for that child during the same period should not receive the equivalent informal allowance. Commonwealth payments should be considered in careful program design, with published advice about tax, social security and interaction effects, rather than assumed to disqualify families. No blanket means test should punish carers for modest retirement savings; targeted higher needs assistance can respond to differing capacity.

Interstate and international precedents

Western Australia funds an annual $1,000 per grandchild for eligible full time informal grandparent carers who do not receive other WA departmental care payments. Its scope is narrower than the SA scheme proposed here because it is confined to grandparents and administered by Wanslea (now Uplyft).

New Zealand offers the Unsupported Child's Benefit to eligible non-parent carers, showing a child focused ongoing payment route outside an Australian statutory placement. The weekly rate per child is between NZ$301.53 to NZ$350.38 depending on the age of the child. They are also eligible for additional settlement, clothing and school start up allowances.

These are design precedents, not direct estimates of SA costs or proof that either model alone is adequate. [8, 9]

Questions the Committee should put to government

- How many children live with primary informal kin, by age, region, Aboriginal status and relationship to carer, and what are the limits of each data source?
- What are the current DCP payments and incidental expenditure per child for approved foster and kinship care, and how often are requests refused or delayed?
- What would indexed informal payments at several evidence based rates cost, including establishment assistance, administration and take up?
- How will government prevent duplicate payment without requiring an informal family to enter statutory care?
- What measures will assess child access to essentials, carer financial stress, placement continuity and any formal care entries avoided?

Conclusion

We ask the Committee to recognise that the current state system distributes support by formal status despite similar child costs. The practical answer is a separate, accessible and adequately funded entitlement for informal primary kinship care, together with better support for approved carers. The Committee should hear directly from informal carers and children, including Aboriginal and regional families, and recommend a timetable and budget for implementation.

References

[1] SA Department for Child Protection, Carer support payments. Carer support payments | Department for Child Protection

[2] Australian Institute of Family Studies, Review of payments for foster, kinship and permanent carers, final report (December 2025; published 14 August 2026), especially sections 3.4 and 9.4, recommendations 3 and 6. Review of payments for foster, kinship and permanent carers | Australian Institute of Family Studies

[3] Grandcarers SA, Submission for the SA Government Social Statement, 2 June 2025 Submission-for-the-SA-Government-Social-Statement-_-2-June-2025.pdf

[4] Grandcarers SA, Submission to the SA Inquiry into Home Care for Children and Young People, 27 March 2024 Grandcarers-SA-submission-to-SA-Inquiry-into-Home-Care-for-Children-and-Young-People-27-March-2024.pdf

[5] Meredith Kiraly, Submission to the Inquiry into the recognition of unpaid carers, 18 August 2023 Submission-to-the-Inquiry-into-the-recognition-of-unpaid-carers-18-August-2023.pdf

[6] Wanslea, A Fairer Future for Grandchildren, survey report Fairer-Futures-Report.pdf

[7] Services Australia, Support for foster carers and other non parent carers; Support for grandparent carers. Support for foster carers and other non-parent carers - Child health and safety - Services Australia

[8] WA Department of Communities, Support and resources for grandcarers, updated 20 May 2026. Support and resources for grandcarers

[9] New Zealand Work and Income, Unsupported Child's Benefit. https://www.workandincome.govt.nz/products/a-z-benefits/unsupported-childs-benefit.html

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