

Out-of-home care adoption allowance

In March 2017 the NSW Government announced its commitment to provide more children and young people with a safe and stable home through open adoption, including the introduction of a means-tested adoption allowance.

This allowance aims to help people who are considering the adoption of a child in their care, but who might require financial support to meet the child's needs.

The adoption allowance acknowledges the higher costs associated with children in out-of-home care who require ongoing – and sometimes intensive – support to meet their educational, social, physical and emotional health needs.

How eligibility is determined

Eligibility will be determined based on:

- an adoption order made on or after 1 July 2017
- residence in NSW
- eligibility to receive all or part of Family Tax Benefit Part A.

Adoptions on or after 1 July 2017

The adoption allowance will be paid to eligible people who adopt a child or young person who was under the parental responsibility of the Minister in NSW on or after 1 July 2017.

Residence in NSW

The adoption allowance will only be paid to adoptive parent(s) while the child resides with them in NSW. The allowance will cease within 12 weeks of the child and their adoptive parent(s) residing outside of NSW.



Means-tested

The allowance will only be paid to adoptive parent(s) who are eligible to receive all or part of the Family Tax Benefit Part A. Once eligibility is established, the amount of the allowance will not be scaled on the basis of income.

If the adoptive parent(s) become ineligible for the Family Tax Benefit Part A in any year, they will not be eligible to receive the adoption allowance. On the other hand, if they become eligible in any year to receive the Family Tax Benefit Part A, they will be eligible to receive the adoption allowance for that year. A person can demonstrate that they are receiving all or part of the Family Tax Benefit Part A through documentation from Centrelink or their tax return.

How the allowance operates

Individualised

The allowance applies per adopted child. Adoptive parent(s) who have adopted more than one child will receive the adoption allowance for each child until they turn 18 years, as long as they remain eligible.

Exclusive

The adoption allowance is not offered in addition to current adoption payments (eg the transition support payment, annual adoption payment, or grandfathered payments), nor any additional financial support via contingencies (eg education, contact or health support) that may have been available when the child was under the parental responsibility of the Minister.

(In exceptional circumstances, and where approved by the Deputy Secretary, identified payments may be made in addition to the adoption allowance where the adoption would not proceed without this support.)

Adoption payments made prior to 1 July 2017 will continue to be paid at the same rate after this date.

Fortnightly

The allowance is paid each fortnight, just like the carer allowance.

Age-limited

The adoption allowance ceases on the young person's 18th birthday, or prior if the adoptive parent(s) becomes ineligible.

Allowance rates

The allowance is offered to eligible people at the following three rates, based on need:

- standard adoption allowance rate
- adoption allowance +1 rate
- adoption allowance +2 rate.

These three rates will be provided in place of the fortnightly carer allowances and paid at the rate set out in the table below (for 2017/18). The +1 and +2 payments represent a stepped payment rate increase matched to the child's identified support needs. This means that an eligible person adopting a child in their care is likely to retain their existing level of financial support.

Age range	Standard adoption allowance	+1 adoption allowance	+2 adoption allowance
0-4	\$484	\$728	\$962
5-13	\$546	\$819	\$1078
14-17	\$733	\$1097	\$1447

Annual Review

Adoptive parent(s) will be required to provide confirmation of their eligibility for Family Tax Benefit A annually in order for the adoption allowance to continue to be paid.

Adoptive parent(s) will receive an annual adoption allowance review letter from the NSW Department of Family and Community Services (FACS), which is responsible for payment of the allowance. Adoptive parent(s) will need to confirm in writing, within 21 days of receipt of the annual review letter from FACS, that:

- the child or young person remains in their primary care
- they remain eligible for Family Tax Benefit A (evidence from Centrelink or tax return documentation to be provided) and
- the adoption allowance payment rate should remain the same (evidence supporting ongoing requirement for +1 or +2 rate to be provided)
- they agree to inform FACS if the child leaves their care for longer than 21 days to reside elsewhere.

Adoptions prior to 1 July 2017

The new allowance will not apply to people who finalised their adoption prior to 1 July 2017. However, people in this situation will still be automatically entitled to receive the transition support payment (\$3,000) and annual adoption payment (\$1,500).

People who finalise their adoption on or after 1 July 2017 who become ineligible in any year to receive the Family Tax Benefit Part A, and cannot receive the adoption allowance for that year, will receive the annual adoption payment.

Existing financial commitments known as 'grandfathered payments' will still be honoured.

More information

For more information, visit the FACS webpage on [adoption](#) or contact the Open Adoption Hotline on 1800 003 227. The hotline operates between 9am and 4.30pm Monday to Friday. You can also submit an enquiry to the Open Adoption Hotline through the [online enquiry form](#). NGOs may also email OOHC.Adoption-HeadOffice@facs.nsw.gov.au