

**Chris Minns**  
Premier of New South Wales

**Daniel Mookhey**  
Treasurer

**Kate Washington**  
Minister for Families and Communities

## Media Release

Tuesday, 24 June 2025

### Rebuilding services for young people in out-of-home care

The Minns Labor Government is delivering the largest investment in out-of-home care (OOHC) and child protection in NSW history, with a commitment to rebuild the neglected system and keep our most vulnerable children safe.

A landmark **\$1.2 billion** Child Protection Package in the 2025-26 Budget will increase support and protection for children and young people in out-of-home care, significantly increase allowances for carers and deliver reforms that ensure every dollar spent delivers better outcomes for vulnerable families.

Significantly, the package includes the first real increase to the Foster Care Allowance in 20 years, with **\$143.9 million** budgeted to recognise the critical role of foster carers to keep NSW children safe.

The tax-free allowance will rise by 20 per cent, meaning the carer of a typical 14-year-old will receive an increase from \$880 to \$1056 per fortnight, equating to \$4,576 more per year.

For the carer of a typical 5-year-old child, the tax-free allowance would rise from \$656 to \$787.20 per fortnight, meaning a \$3,411.20 increase per year.

A record **\$1 billion** investment to rebuild the out-of-home care system also includes:

- **\$797.6 million** to continue supporting children and young people in out-of-home care as reforms are designed and implemented, while also setting aside investment for a reformed OOHC program. This will improve the out-of-home care system and ensure all children and young people can thrive in supportive and stable environments
- **\$49.2 million** for 44 government owned, purpose-built or upgraded residential care homes that will deliver safe and stable housing for children over 12 years of age with complex needs
- **\$10 million** to support the Office of the Children's Guardian to continue to oversee organisations and uphold children's rights to be safe.

In addition, **\$191.5 million** will ensure we can recruit more than 200 new caseworkers and retain 2,126 caseworkers with higher pay and more specialised training, including 100 new leading caseworker roles.

This record investment provides stable funding for the child protection system for the first time in at least a decade.

It underscores the Minns Labor Government's commitment to improve the lives of children and young people in a system that was neglected under the Liberals and Nationals for too long.

We know we have more to do, but this announcement builds on strong foundations. In our first two years, the Minns Labor Government has:

- Ended unaccredited emergency accommodation for vulnerable children – meaning no children are living in places like hotels and motels as of April this year
- Reduced the number of children placed in all types of High-Cost Emergency Arrangements (HCEA) by 35 per cent since November 2023
- Restarted the recruitment of foster carers in the Department of Communities and Justice (DCJ), a critical program which was disgracefully abandoned by the Liberals and Nationals more than a decade ago
- Recruited more than 240 emergency carers so far, who have kept hundreds of children out of emergency arrangements
- Delivered a record \$350 million investment for family preservation programs delivered by Aboriginal Community Controlled Organisations
- Created DCJ-managed Waratah Care Cottages to better support children and sibling groups who would otherwise be stuck in emergency placements
- Redeployed our best and brightest casework specialists back to the frontline. Already this means more than 300 additional vulnerable children have been given support
- Insourced 300 family time workers, directly employing staff to keep children in OOHC connected to their parents.

The Minns Labor Government has released a comprehensive roadmap for reform.

This includes a commitment to overhaul the former government's failed Permanency Support Program (PSP), a model that outsourced the care of our most vulnerable children to non-government providers, without the oversight or accountability needed to keep children safe.

As part of these reforms, key services will return to direct government delivery through the Department of Communities and Justice, restoring public accountability and responsibility for children's care.

With reform underway and historic funding now secured, the NSW Government is focused on building a system that delivers the care, stability and support that every child deserves.

**MEDIA: Steph McGann | Premier | 0437 833 159**