Press Release

ACWA RESPONSE TO 2025 - 26 NSW BUDGET - MIXED PROGRESS FOR THE CHILD AND FAMILY SECTOR

Tuesday 24th June 2025

The Association of Children's Welfare Agencies (ACWA) welcomes the NSW Government's continued focus on reforming the out-of-home care (OOHC) system as part of the 2025–26 Budget.

The commitments to improve stability, oversight, and capacity in the child protection system are important steps in the right direction, particularly the ban on unaccredited emergency accommodation and the investment in more foster carers and caseworkers.

Welcome Investments

ACWA acknowledges the government's $1.2 billion reform package as a vital response to a system under pressure. Key allocations include:

- **$797.6 million** to support children and young people in OOHC during the transition and reform period.
- **$191.5 million** for the recruitment and retention of 2,126 caseworkers, including the creation of 100 new leading caseworker roles.
- **$143.9 million** for a long-overdue 20% increase in the foster care allowance.
- **$49.2 million** to upgrade or build 44 residential homes for children over 12 with high and complex needs.
- **$10 million** to support the Office of the Children's Guardian.

These measures are critical for stabilising the system, particularly following years of rising emergency placements and workforce shortages. The foster care allowance increase is especially welcomed after two decades without adjustment and will help recognise the essential role foster carers play in keeping children safe.

Missed Opportunity on Early Intervention

While ACWA supports the continued investment in OOHC reform, we are disappointed that this Budget does not include new investment in early intervention and prevention services.

ACWA, CEO Simone Czech said: "A robust child protection system must not only respond to children in crisis but also proactively support families before they reach breaking point. Investment in early intervention helps to reduce entries into care, strengthen family functioning, and achieve better long-term outcomes for children."

ACWA urges the Government to prioritise this area in future budgets to ensure a truly holistic approach to child and family wellbeing.

Impact on the Sector

The child and family sector continues to face immense pressure, with workforce retention, placement shortages, and increasing complexity in child needs.

We are pleased that the Government has recently backed this goal through its investment in the Secure Jobs and Funding Certainty Roadmap, launched by Minister Kate Washington.

This initiative, which supports over 240,000 community sector workers across the state, is an important step toward delivering the stability our workforce and sector need to succeed.

To meet the scale of reform and demand, the sector also needs:

- **Co-designed implementation** with the sector to ensure reforms are responsive to frontline realities.
- **Clear metrics and timelines** for reform outcomes, including restoration rates, placement stability, and child wellbeing.

ACWA welcomes the direction of the Government's reforms and appreciates the clear commitment to building a world-class OOHC system. We also value the ongoing collaboration between government and the community sector to drive these changes.

As implementation progresses, continued clarity, sustained investment, and early intervention focus will be essential to achieving meaningful, lasting outcomes for children, young people, and families across NSW.

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Notes to Editors:

- *The Association of Children's Welfare Agencies (ACWA) is the peak body representing nongovernment organisations providing services for vulnerable children, young people, and families in NSW.*
- *ACWA's training arm, the Centre for Community Welfare Training (CCWT), delivers professional development and capacity-building programs across the sector.*
- *As of March 31, 2024, there were 12,352 children and young people in out-of-home care (OOHC) in NSW.**
- *Between 2018 and 2023, the number of authorised carers in NSW fell by 14.9%, with annual new carer applicants declining by 9.7%. This downward trend has persisted into 2024 and 2025.**
- *Aboriginal and Torres Strait Islander children continue to be significantly overrepresented in the OOHC system in NSW. As of June 30, 2024, there were 6,312 Indigenous children in OOHC placements in NSW, accounting for 45% of all children in care in the state. ***

Visit acwa.asn.au for more information.

* *Office of the Children's Guardian*
** *Na8onal Indigenous Times*