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Foster carers for high-needs children have support slashed by \$100 a day



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Victorian children in foster care with high-level medical, psychological or physical needs are at risk of losing their stable homes as some carers have state support allowances cut by three-quarters.

Foster carers living with children deemed to be at the [highest need level](#), requiring extensive and specialised support, have reported their state government cost allowances being slashed without explanation.



Victorian children foster, kinship or permanent care already receive the lowest support subsidies in the country

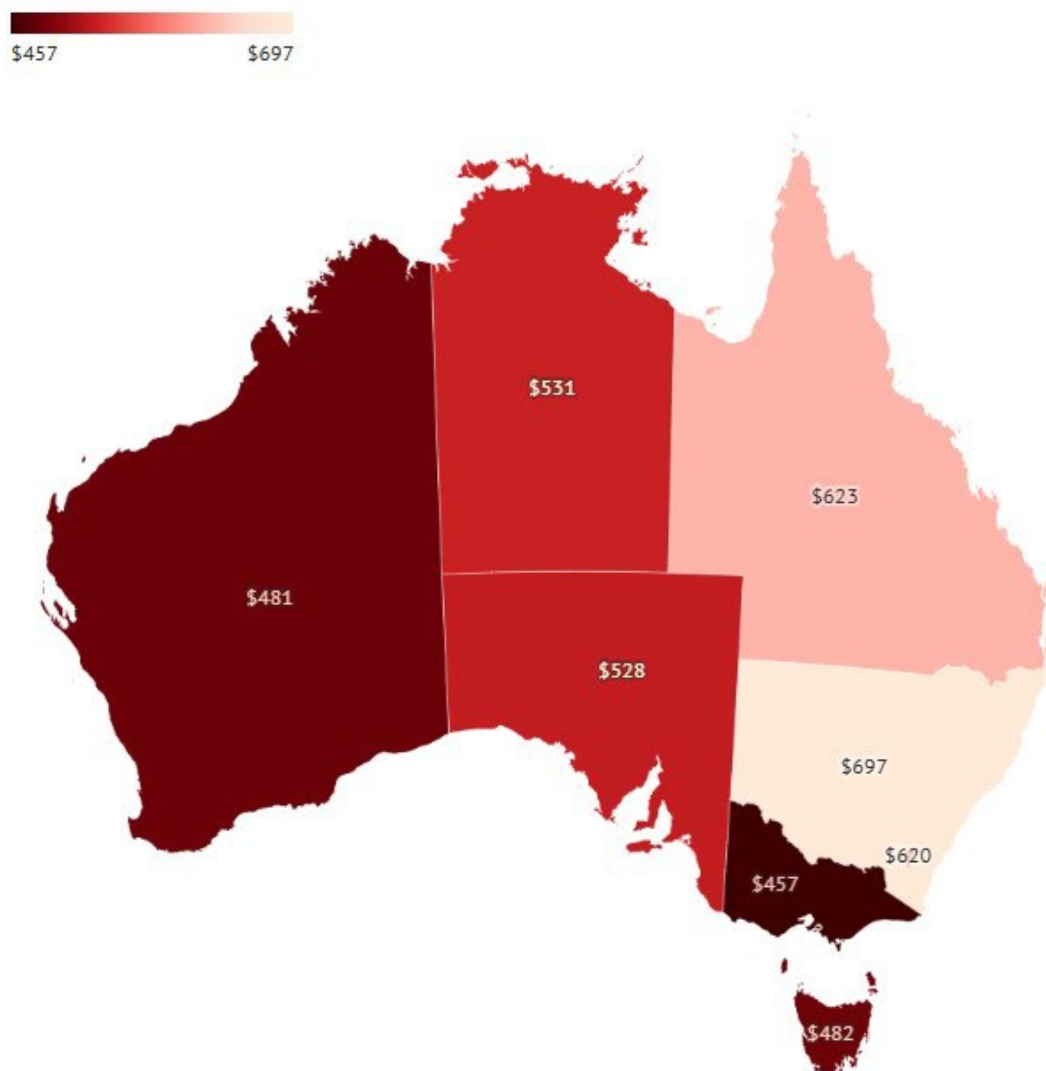
Victorian children in foster, kinship or permanent care already receive the lowest support subsidies in the country.

The Foster Care Association of Victoria confirmed it was being told by carers and community agency workers that their funding for complex children's expenses had been cut by as much as \$100 a day – from about \$133 to about \$34.

This happened because the child's level of need, including their education and medical expenses, had been revised down from the top level, five, to the base level, one. Children on level four funding had also been downgraded to level one.

The top [allowance](#) for a child aged nought to seven is \$1864.09 a fortnight, while a level-one allowance for a child that age is \$457.64 a fortnight. Levels are determined by the complexity of the child's needs and ongoing specialist and support costs, plus their age.

Fortnightly base rates of each state/territory for first age range



Source: Foster Care Association of Victoria

Victoria already has the [lowest base rate](#) of home care allowances in Australia. In NSW, the base rate for children aged nought to four will rise to \$697 a fortnight in 2026.

The state also has the fastest attrition rate among foster carers. The association's *2025 Foster Carer Snapshot Report* recorded a 9 per cent decrease in carer households available to take placements, year-on-year, down to 1546 households.

There are about 10,300 Victorian children in out-of-home care at any given time. As of June 2022, 94 per cent of those are in home-based arrangements such as foster care and kinship care or permanent care.

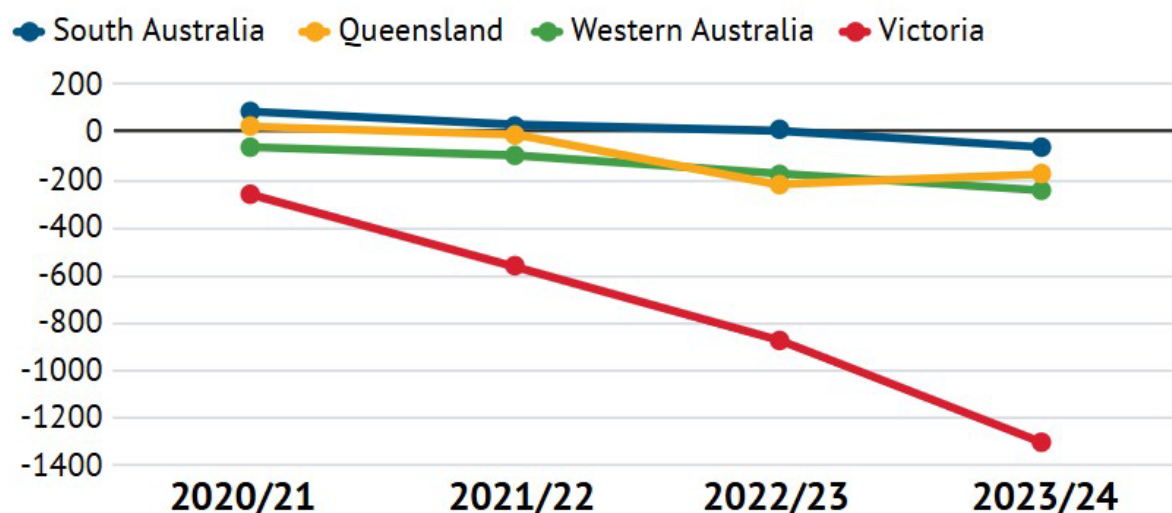
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The Victorian Centre for Excellence in Child and Family Welfare states that [41 per cent of children](#) in foster care have a disability.

Foster Care Association of Victoria chief executive Samantha Hauge said the organisation had asked the Department of Families Fairness and Housing why the downgrading of support had occurred to children living with carers across regions in Victoria, but had not yet been provided with answers.

"They suggested there has been no policy change, and when pushed they agreed to look further into it and get back to us," she said.

Net loss or gain of foster care households by year and state



Source: Australian Institute of Health and Welfare

Experiencing a steep reduction in financial support on top of cost-of-living pressures could mean some carers can no longer cover all the associated costs.

Funding cuts to children's support as big as those being reported to the association across the state "would dramatically impact on the stability of the placement, and [you

would] query whether that particular carer could keep providing the level of care that that child needs”.

“It’s really significant; it’s massive,” Hauge said.

There was always a shortfall in Victoria between the need for foster carers and the number available, Hauge said.

She said she had been hearing that some established carers who would otherwise take on sibling groups were “downsizing [their care load] because they can’t afford the multiple children in their care”.

The alternatives to foster care, for children whose carers were forced out by financial difficulties, could include placing more children in residential care and other emergency placements.

Victoria had already lost 1300 foster care households in the past four years, Hauge said. She said that figure was huge and made the state an outlier nationally. The state is losing carer households at more than double the rate of the sector’s recruitment capacity.

Carers managed by Berry Street Child and Family Services were warned in its winter newsletter, seen by this masthead, that the Victorian government was reviewing allowances.

“Due to government budget constraints, all carer reimbursements are currently undergoing review for foster care, kinship care and permanent care,” said the newsletter.

It advised carers to have conversations with their case managers and said “we recognise that a possible reduction in your reimbursements may cause additional financial strain”. Berry Street has been contacted for comment.

In March, the Lighthouse Foundation for Youth reported that Victoria’s foster care system was in crisis because the number of children and young people needing out-of-home care was rising sharply due to factors including family violence, trauma and abuse yet places are lacking.

“Since 2018, the number of children requiring out-of-home care has surged by 14 per cent,” it noted. “With fewer people becoming foster carers, the system is under immense strain, leading to an increase in young people requiring residential care.”

A spokesperson for the Department of Families, Fairness and Housing said information was being sought, and a comment would be available on Tuesday.