

AbSec

NSW Child, Family & Community
Peak Aboriginal Corporation

State of the ACCO Sector

Child Protection and Out-Of-Home
Care Census Final Report

May 2026

Acknowledgement of Country

AbSec acknowledges the Traditional Custodians of Country throughout New South Wales and their continuing connections to land, waters, and communities.

Our head office is located on the land of the Gadigal People of the Eora Nation, in Redfern, and AbSec operates statewide.

We acknowledge and pay our respects to the Traditional Owners of all lands and waters across New South Wales, honouring Elders past, present, and future. We recognise and respect their enduring connection to Country, their ongoing care for community, and the preservation and practice of their culture for generations uncounted.

We acknowledge the Elders, leaders and advocates within our sector and pay our respects to them as knowledge holders within this space and every space.

AbSec also acknowledge the Stolen Generations who never came home and the ongoing impact of government policy and practice on Aboriginal and Torres Strait Islander children, young people and families.

Aboriginal and Torres Strait Islander readers are warned that the following study report may contain images of deceased persons.



AbSec

NSW Child, Family & Community
Peak Aboriginal Corporation

AbSec is the peak organisation advocating for the rights, safety, and wellbeing of Aboriginal and Torres Strait Islander children, young people, families, and communities in New South Wales.

Our vision is that all Aboriginal and Torres Strait Islander children and young people are looked after in safe, thriving Aboriginal and Torres Strait Islander families and communities, raised strong in spirit and identity, with every opportunity for lifelong wellbeing and connection to culture, and surrounded by holistic supports.

As an Aboriginal-led organisation, we champion self-determination and work towards a child and family system that is culturally safe, community-driven, and responsive to the needs of Aboriginal and Torres Strait Islander peoples.

AbSec leads policy reform, strengthens the capacity of Aboriginal Community-Controlled Organisations, and ensures that Aboriginal and Torres Strait Islander children and young people remain connected to family, community, and culture. We are a member of the NSW Coalition of Aboriginal Peak Organisations (NSW CAPO) and the primary non-government organisation responsible for Target 12 of the New South Wales Closing the Gap partnership agreement.

Through advocacy, research, and sector leadership, AbSec works to address the overrepresentation of Aboriginal and Torres Strait Islander children in the New South Wales out-of-home care system and promote holistic, community-led approaches to child and family wellbeing. Our commitment is to ensuring that Aboriginal and Torres Strait Islander children and young people grow up strong in culture, identity, and connection.

In working towards this vision, AbSec are guided by the following principles:

- Acknowledging and respecting the diversity and knowledge of Aboriginal and Torres Strait Islander communities.
- Acting with professionalism and integrity in striving for quality, culturally responsive services and supports for Aboriginal and Torres Strait Islander families and communities.
- Underpinning the rights of Aboriginal and Torres Strait Islander people to develop our own processes and systems for our communities, particularly in meeting the needs of our children, young people, families and carers.
- Being holistic, integrated and solutions-focused through Aboriginal and Torres Strait Islander control in delivering outcomes for Aboriginal and Torres Strait Islander children, young people, families and communities.
- Committing to a future that empowers Aboriginal and Torres Strait Islander families and communities, representing our communities, and the agencies that serve them, with transparency and drive.

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State of the ACCO Sector: At a Glance

Vision

The Aboriginal community-controlled sector is strong, sustainable, and growing – leading culturally safe services and recognised as the preferred provider for all Aboriginal and Torres Strait Islander children, young people and families in New South Wales (NSW).

Challenge

Aboriginal Community-Controlled Organisations (ACCOs) provide holistic, culturally responsive care for Aboriginal and Torres Strait Islander children and families in NSW and yet are significantly under-resourced, under-trusted, and excluded from decision making in the child protection system compared to non-ACCO Non-Government Organisations (NGOs).

- Funding is disproportionately skewed with non-ACCO NGOs receiving six times more funding (\$5.1 billion) than ACCOs (\$797 million) over the last four years across all programs in the child protection system. Funding conditions are inconsistent with Aboriginal ways of knowing, being and doing. These also restrict ACCO-led service expansion – even when demand is clear.
- 86% funding is directed towards tertiary responses in the out-of-home care (OOHC) system rather than Aboriginal community-led early supports that keep children safe and together with their families.
- There are no ACCOs in child protection and OOHC funded programs across Northern Sydney and broader service gaps exist in regional and remote NSW.
- The Department of Communities and Justice (DCJ) continues to operate as the system steward, funder, complaints handler and service provider which concentrates decision-making power within government. The recent NSW Out-of-Home Care Strategy references the role of ACCOs in delivering culturally appropriate services to Aboriginal and Torres Strait Islander children and young people without embedding shared governance or decision-making authority by ACCOs.
- Wage disparities, short-term contracts, and limited career pathways continue to drive Aboriginal and Torres Strait Islander workforce shortages, burnout and turnover.
- Transition of Aboriginal children to ACCOs from non-ACCO NGOs and DCJ typically takes anywhere between 6 – 12 months. DCJ is not fulfilling its commitment to transitioning the case-management responsibility of Aboriginal children to ACCOs with a little more than one in five Aboriginal and Torres Strait Islander children and young people in OOHC having an ACCO provide casework in NSW.
- Despite having strong cultural governance structures, ACCOs face increasing administrative and compliance burdens that limit their ability to scale and deliver services effectively.

ACCOs also report that they are too often an afterthought in broader reform conversations which limits their capacity to lead system change and deliver outcomes to achieve Target 12 under Closing the Gap (CtG) which the NSW Government committed to and will not achieve i.e. to reduce the rate of over-representation of Aboriginal and Torres Strait Islander children in OOHC by 45 per cent by 2031.

What ACCOs are calling for:

- **An Aboriginal community-led child protection system which embeds ACCOs in decision making at all levels and applies place-based funding** for ACCOs to respond to the needs of Aboriginal and Torres Strait Islander children, young people and families.
- **Service integration and genuine partnership** – through service hubs that address fragmented service delivery, streamline access to holistic and relevant support for Aboriginal and Torres Strait Islander children, young people and families and ensures ACCOs lead design, delivery and decision-making in the child protection system, including reform processes.
- **Aboriginal-led commissioning** that prioritises community needs and provides flexibility in how funds are used and services are delivered, instead of competitive procurement processes.
- **Accelerate the transition of case management of Aboriginal and Torres Strait Islander children in OOHC to ACCOs** through processes that are transparent, provide clear guidelines in contracts for non-ACCO NGOs and are accompanied with robust monitoring and auditing performance.
- **Long-term, equitable and proportionate investment** that grows ACCO-led services and reflects the actual cost of culturally safe, community-led service delivery.
- **Dedicated Aboriginal workforce strategy**, including pay parity with DCJ and NGOs, training pathways, cadetships, and career development opportunities.
- **Governance and business development supports** that stabilise systems and reduce administrative load.

Investment in ACCOs should not be a choice, but a necessary, practical, achievable path to better outcomes for Aboriginal and Torres Strait Islander children and families in NSW. Building the ACCO sector is how the CtG agreement is honoured and self-determination embedded with a system that works with and for Aboriginal and Torres Strait Islander peoples.

About the Report

The final report provides an overview of the ACCO child protection and OOHC sector landscape as it relates to service delivery, workforce, governance and community and client needs. The strategic purpose of the State of the ACCO child protection and OOHC Sector report is to strengthen the evidence base to progress Priority Reform 2 and Priority Reform 4 under Closing the Gap.

The report serves as a baseline of the ACCO sector across NSW and highlights the strength and commitment of ACCOs in keeping Aboriginal and Torres Strait Islander children and young people connected to family, culture and Country. This research also identifies systemic barriers that ACCOs face in planning and delivering services. Following the initial report published in December 2025, AbSec engaged with ACCOs across the child protection and OOHC sector in NSW to validate and strengthen the findings. This feedback has informed the final report.

The report emphasises the need for flexible sustained place-based funding, significantly scaled up transition of case management of Aboriginal and Torres Strait Islander children in OOHC to ACCOs, investment in building and sustaining the ACCO workforce and supports for effective governance. Underpinning these findings is the need for ACCOs to have decision-making authority across commissioning, planning and service design. At the core, is the need to embed self-determination and community-controlled funding and service delivery.

What Has Changed Since the Interim Report

The final report reflects the feedback we received from ACCOs to validate and strengthen the findings, the latest data provided by DCJ, and additional analysis that we undertook. The key changes are:

- The number of ACCOs is revised. This is largely based on the recommissioning of Family Preservation services which takes effect from 1 July 2026.
- The NSW OOHC Strategy published early March 2026 and its implications for the ACCO sector.
- The details on the number of children case managed by ACCOs and transfers that have occurred from non ACCO NGOs and DCJ over the last three years.
- The costs to ACCOs for Aboriginal and Torres Strait Islander children in care (as per the [IPART Final report – OOHC costs and pricing](#)).
- The need for Aboriginal-led Commissioning – a community-led approach, guided by community priorities, that can improve outcomes for Aboriginal and Torres Strait Islander children, young people and families.
- Specific insights about the Aboriginal workforce including strategies to improve workforce retention and development. This builds on the *Aboriginal Workforce Development Statewide Strategy 2020-2025*.

Key Findings

1. 72 ACCOs across NSW are commissioned to provide child protection and OOHC services. Currently, there are:

- 22 ACCOs will offer Aboriginal Family Preservation services across 13 districts from July 2026.
- 48 ACCOs providing services funded through the Community and Family Services (CAFS) program across 14 districts.
- 23 ACCOs deliver the Permanency Support Program across 13 districts, which will be phased out over the next two years.
- Nine ACCOs accredited to provide Residential Care placements across nine districts.
- Nine ACCOs serving as Aboriginal Child and Family centres across seven districts with six additional centres to be established.

AbSec's engagement with ACCOs highlight some key aspects:

- ACCOs deliver trauma-informed, wraparound supports grounded in culture, family voice and community leadership. Despite these strengths, they work well beyond their contracted scope – stretching limited funding, travelling long distances and, at times, seeing fewer families because resources cannot meet demand.
- Access to specialist services such as National Disability Insurance Scheme (NDIS), housing, mental health and behavioural supports remain a significant challenge, particularly in regional and remote communities. ACCOs are clear that an integrated service model – a one-stop hub to address the holistic needs of Aboriginal and Torres Strait Islander children, young people and families is what is required.
- Reform of OOHC in NSW places ACCOs under significantly higher scrutiny, compliance burden and financial risks. These are inconsistent with CtG priority reforms for 'shared decision-making', create funding insecurity and impact ACCO sector viability.
- Community concerns regarding the impacts of competitive tendering processes related to Family Preservation which includes the Aboriginal Family Preservation model. Additionally, the compressed Family Preservation implementation timeframe disrupts services for families and impacts ACCO workforce planning, capacity management and in some instances their viability.
- Although there has been a steady increase in the number of Aboriginal and Torres Strait Islander people who have received Targeted Earlier Intervention (TEI) services from ACCOs (from 1413 in 2020–21 to 5331 in 2024–25), there has been a decrease in the number of Aboriginal and Torres Strait Islander children and young people being case managed by ACCOs under the Permanency Support Program during the same period (from 1415 in 2021 to 1373 in 2025). This is despite more Aboriginal and Torres Strait Islander children and young people entering the OOHC system (DCJ, Annual Statistical Report, 2024–25).

2. Less than 10 percent of child protection funding is available to ACCOs for prevention and early intervention services.

In 2025–26, DCJ invested over \$1.5 billion in NGOs to deliver child protection services across NSW. Of this investment, \$19.6 million (eight percent) was invested in ACCOs for the provision of Targeted Early Intervention (TEI, now Community and Family Support Program) and Family Preservation programs, nearly half compared to last year (\$35 million). Funding to non-ACCO NGOs continue to outstrip funding to ACCOs in both the total funding amount and annual funding growth. Across 2022–25, non-ACCO NGOs have received significantly higher funding than ACCOs across key child

and family programs — around nine times more in Family Preservation and TEI, and around six times more in the Permanency Support Program. Overwhelmingly, most funding is directed towards the tertiary end of the child protection system with 85% funding for Permanency Support Program service invested in non-ACCO NGOs.

Compounding this, ACCOs, which are typically smaller organisations than non-ACCO NGOs, have greater resourcing needs, workforce and compliance requirements and cultural obligations. The current funding also does not equitably support all children. The funding made available for children with complex needs is mostly insufficient for ACCOs to deliver the necessary level of support and so many ACCOs are drawing on other resources and the commitment of their staff and communities to make up the difference. In addition, unrealistic cost assumptions and inadequate carer support are also placing financial strain on ACCOs and undermining effective service delivery.

Programs funded by DCJ	Year	Funding to non-ACCO NGOs (\$M)	Funding to ACCOs (\$M)
Family Preservation	2022-23	129.2 (91%)	13.4 (9%)
	2023-24	139.8 (90%)	15.1 (10%)
	2024-25	140 (90%)	15.4(10%)
	2025-26	111.1 (90%)	12.2 (10%)
Total for four years		520.1 (90%)	56.1 (10%)
Targeted Earlier Intervention/ now Child and Family Support	2022-23	165.8 (92%)	13.8 (8%)
	2023-24	172.3 (93%)	13.5 (7%)
	2024-25	178.8 (90%)	19.7 (10%)
	2025-26	109.9 (94%)	7.4 (6%)
Total for four years		626.8 (92%)	54.4 (8%)
Permanency Support Program	2022-23	865 (86%)	137 (14%)
	2023-24	946 (85%)	166 (15%)
	2024-25	1084 (85%)	184 (15%)
	2025-26	1090.9 (84%)	200.3 (16%)
Total for four years		3,985.9 (85%)	687.3 (15%)

Table 1: Distribution of funding by DCJ to ACCOs and non ACCO NGOs (2022-26)

3. Aboriginal workforce shortages and lack of business development opportunities

Systemic underfunding, wage disparities and short-term contracts limit recruitment, retention and long-term planning for the Aboriginal workforce in the ACCO child protection and OOHC sector. Aboriginal and Torres Strait Islander workers make up approximately 60 percent of the ACCO workforce and the majority are women.

ACCOs report increasing service pressure, with staff managing complex caseloads without funding to access structured supports such as after-hours services, clinical supervision, and professional development which are available in larger NGOs and DCJ. Barriers to entry, particularly in regional areas, combined with limited career pathways and leadership opportunities, further impact the workforce and constrain its growth. High turnover, burnout, and reliance on trainee staff reflect the need for sustained investment in culturally safe workforce supports and development pathways. Many of these issues remain as relevant as these were in the Aboriginal Workforce Development Statewide Strategy 2020–2025.

4. Administrative burden without adequate system support

ACCOs have strong governance and deep community accountability but continue to face heavy administrative, legal and compliance workloads. Without dedicated systems, adequate resourcing, and simplified reporting requirements, many community members will continue to be deterred from assuming governance functions. Targeted support to standardise and stabilise core governance functions will enable ACCOs to effectively deliver services and support their workforce.

5. Targeting Investment Where it Counts

Supporting and growing the ACCO sector is fundamental to supporting Aboriginal and Torres Strait Islander children and young people to thrive. ACCOs are essential to ensuring Aboriginal and Torres Strait Islander children remain safely at home with their families and communities. ACCOs set out the following sector development priorities:

- Government must support ACCO-led service models including integrated hubs will streamline access to essential services for children, young people and families and could address program and funding silos.
- Transfer all Aboriginal and Torres Strait Islander children in OOHC to ACCOs for case management and resource ACCOs accordingly.
- Funding must reflect the real cost of culturally safe, community-led support – including higher service intensity, pressures and greater compliance requirements.
- Invest in Aboriginal workforce pathways through career development opportunities, mentoring, cadetships and succession planning.
- Strengthen ACCO governance through training, business development, legal and financial expertise, and streamlined reporting.

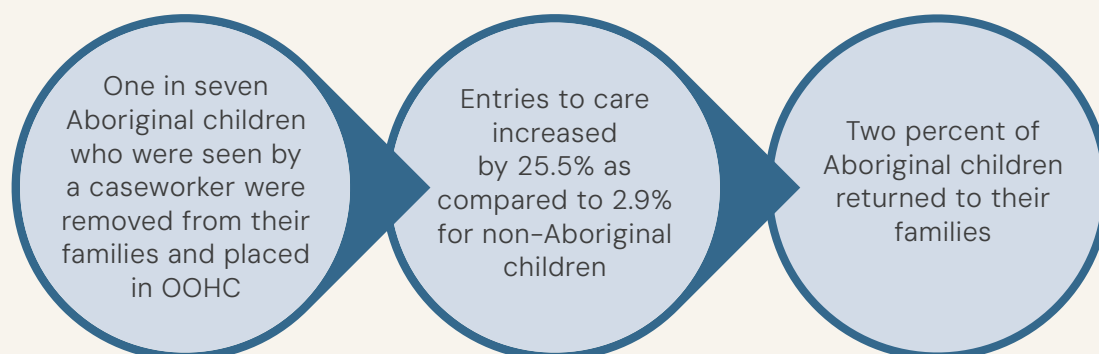


Figure 1: Data for children in OOHC and those restored in 2024 -25 ([ALDS, 2024-25](#))

Figure 1 highlights practices that too often separate Aboriginal and Torres Strait Islander children from their families, their culture and their community, rather than strengthening and supporting them to stay safely together.

Reducing this over-representation requires sustained investment in Aboriginal community-led supports. ACCOs¹ are best placed to deliver culturally safe, holistic services that keep the voices of Aboriginal and Torres Strait Islander children and young people at the centre, and uphold their connections to family, culture and Country. As the peak body, AbSec will continue to advocate for increased investment, authority and resources for ACCOs in the delivery of child and family services. This work sits within the broader national policy context – Priority Reform 2 of Closing the Gap. The National Agreement on Closing the Gap (‘the National Agreement’) acknowledges that building the community-controlled sector requires long-term capacity building, a strong Aboriginal and Torres Strait Islander workforce, effective peak bodies, and dedicated, reliable funding that aligns with community needs. Clause 55 of the National Agreement explicitly calls for increased prioritisation of funding to ACCOs, and a higher proportion of services delivered by ACCOs (Cabinet, 2020).

A strengthened ACCO sector is essential to reducing the over-representation of Aboriginal and Torres Strait Islander children in OOHC. ACCOs are uniquely positioned to provide early intervention and family preservation services in culturally safe and responsive ways (SNAICC, Family Matters, 2024). Increased investment, accompanied by a clear sector-strengthening plan, is critical to reversing current trends and achieving the outcomes intended in the National Agreement.

The purpose of this research is to highlight the unique strengths of ACCOs and the challenges they face in addressing needs related to workforce, community, funding and governance. AbSec continues to build a strong evidence base to guide investment, inform policy and ensure Aboriginal and Torres Strait Islander peoples are leading the sector to keep children safe, strong and thriving within their families and communities.

1 ACCO – the definition of an ACCO set out in Clause 44 of the [National Agreement on Closing the Gap](#) – an Aboriginal and/or Torres Strait Islander Community-Controlled Organisation delivers services, including land and resource management that builds the strength and empowerment of Aboriginal and Torres Strait Islander communities and people and is:

- incorporated under relevant legislation and not-for-profit
- controlled and operated by Aboriginal and/or Torres Strait Islander people
- connected to the community, or communities, in which they deliver the services
- governed by a majority Aboriginal and/or Torres Strait Islander governing body.

This report aims to:

- Provide a comprehensive overview of the ACCO landscape including service coverage in NSW.
- Build a more comprehensive understanding of ACCO experiences of service delivery, funding, workforce and governance in NSW.
- Develop an evidence informed funding roadmap aligned with *Priority Reform 2*.

The final report has been informed through validation with seven ACCOs in 2026. For further information on the methodology, see Appendix B.

ACCO Service Provision Across New South Wales

In New South Wales, there are **72 ACCOs** commissioned to provide child protection and out-of-home-care (OOHC) services. The distribution of service delivery² is as below:

- 22 will offer Family Preservation services across 13 districts from 1 July 2026³
- 48 providing Community and Family Support program services across 14 districts from January 2026⁴
- 23 providing Permanency Support Package services across 13 districts⁵
- Nine ACCOs can provide Residential Care placements – now known as Intensive Therapeutic Care across nine districts⁶
- Nine offer Aboriginal Child and Family centres across seven districts⁷.

The ACCO sector is spread across metropolitan, regional and remote New South Wales, with an ACCO presence in most DCJ districts. Table 2 shows the distribution of ACCOs across NSW districts that offer Family Preservation, Targeted Earlier Intervention, Permanency Support, Residential Care, and Aboriginal Child and Family Centres.

2 DCJ data, currently not publicly available except for Family Preservation and Aboriginal Child and Family Centres.

3 Family Preservation services – Family preservation services are typically available to families who are in contact with the statutory child protection system where children have been reported as at risk of significant harm (ROSH).

4 Targeted Earlier Intervention services –one of the key early intervention initiatives for the NSW Department of Communities and Justice (DCJ), which aims to strengthen families and communities and reduce the number of children coming into contact with the child protection system. The Community and Family Support (CAFS) brings together two previous early intervention programs: Targeted Earlier Intervention (TEI) and Family Connect and Support (FCS). This program aims to support people early in life and early in need to make the biggest difference.

5 Permanency Support Program – Permanency Support Program supports safety, wellbeing and positive life outcomes for children and young people in the child protection and OOHC systems in NSW.

6 Residential Care placements – Residential care is a type of [out-of-home care](#) (OOHC) provided to a small proportion of children and young people who have challenging behaviours and medium to high support needs. Intensive Therapeutic care is in line with NSW Therapeutic care framework and replaced residential care to support children with identified high and complex needs across NSW.

7 Aboriginal Child and Family centres – Aboriginal Child and Family Centres (ACFCs) offer culturally safe services to families with Aboriginal children aged up to 8 years of age. The centres provide communities with access to early childhood education and care services, child and maternal health programs as well as family support, playgroups and adult education opportunities.

District	Distribution of ACCOs by office locations	Family Preservation	Targeted Earlier Intervention Services	Permanency Support Package	Residential Care Placements	Aboriginal Child and Family Centres
Central Coast	4	3	3	1		
Far West	3	1	2	1	1	
Hunter	9	2	5	4	3	1
New England	5	1	5	3	1	1
Illawarra Shoalhaven	7	3	5	2		1
Mid North Coast	10	2	5	4	2	
Murrumbidgee	3	1	3	2		
Nepean Blue Mountains	5	2	4	2	1	
South Western Sydney	3	1	1	1		1
South Eastern Sydney	1			1	1	
Northern NSW	5	2	5	1		1
Sydney	8	1	7	2		
Western NSW	7	2	3	3	1	2
Western Sydney	5	1	2			2
Total	72⁸	22	48	23	9	9

Table 2 Breakdown of ACCOs providing services by district in NSW in 2024 – 25 and includes ACCOs commissioned for Aboriginal Family Preservation under the new contracts

⁸ The total number of ACCOs and those across services differs in the table, as some organisations operate across multiple locations and have been counted more than once.

There were nine districts (Western Sydney, Western, Northern and Southern NSW, Nepean Blue Mountains, South-Eastern Sydney, Northern Sydney, Sydney and Far West) where no ACCOs are funded to deliver Family Preservation services (DCJ, Aboriginal-led Data Sharing Child Protection and Out of home care statistics, 2025). Although some districts are covered under the new contracts, the consolidation of 16 districts into seven has reduced transparency, with clarity about the extent to which Aboriginal and Torres Strait Islander children and families have their support needs met by an ACCO dependent on future data releases.

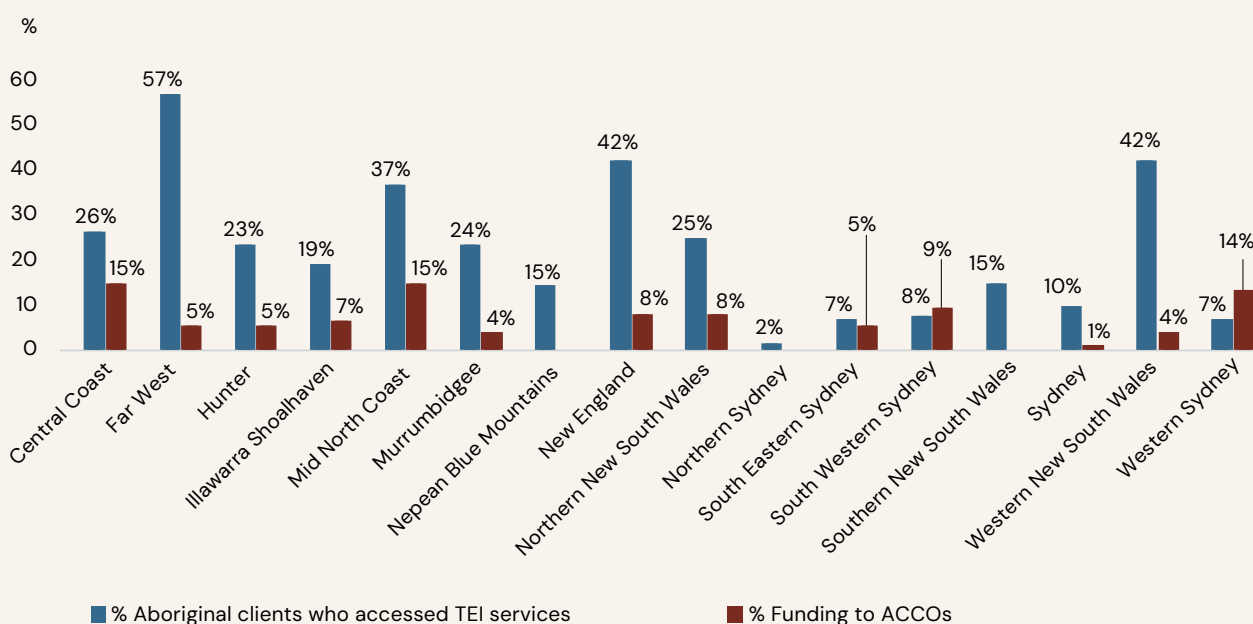
These findings highlight the need for stronger investment in ACCO-led Family Preservation services.

Targeted Early Intervention (TEI)

In 2024 – 25, 29,436 people who identified⁹ as Aboriginal and Torres Strait Islander accessed TEI services, but only 5,331 (18%) accessed services from ACCOs. During that year, 58 ACCOs were funded to deliver TEI services (DCJ, Targeted Earlier Intervention Program, 2024–25).

Figure 3 shows that Aboriginal and Torres Strait Islander people made up a much larger share of TEI clients in regional and remote areas, including 57% in the Far West, 42% in New England and Western NSW and 37% in Mid North Coast in 2024 –25. However, ACCOs in Western Sydney and South-Western Sydney are the only districts that received funding at least equal to the proportion of Aboriginal and Torres Strait Islander people accessing services. There are no ACCOs providing TEI funded services in Northern Sydney, South-Eastern Sydney, Southern NSW and Western Sydney.

Figure 3: Proportion of Aboriginal people who received TEI services and funding for ACCOs in each district



in NSW (2024–25)

Overall, there has been a steady increase in the number of Aboriginal people who have accessed services from ACCOs from 1,413 in 2020 – 21 to 5,331 in 2024 – 25 (DCJ, Targeted Earlier Intervention (TEI) Program Interactive Data Dashboard, 2020 – 2025). Most districts have also seen proportionately more Aboriginal and Torres Strait Islander clients supported by ACCOs in the same period.

⁹ DCJ may have misidentified some Aboriginal and Torres Strait Islander children during their recording process, which means the numbers could vary based on the Department’s decisions.

Permanency Support Program (PSP) Services

As at 30 June 2025, there were 5,731 Aboriginal and Torres Strait Islander children and young people living in statutory OOHC across New South Wales (DCJ, Aboriginal-led Data Sharing Child Protection and Out of home care statistics, 2025). Of these:

- 49% (2,785) were case managed by DCJ
- 27% (1,573) were case managed by non-ACCO NGOs
- 24% (1,373) were case managed by ACCOs.

Since 2021, there has been a three percent decrease (from 1,415 in 2021 to 1,373 in 2025) in case management responsibility of Aboriginal and Torres Strait Islander children and young people by ACCOs. At the same time, DCJ saw a three percent increase in their case management of Aboriginal and Torres Strait Islander children and young people.

As one example, in Northern Sydney district (where there are no ACCOs) in the year ending 30 June 2025, Aboriginal and Torres Strait Islander children and young people were:

- 53 times more likely to enter OOHC than non-Indigenous children
- 30 times more likely to be in care overall. (DCJ, Aboriginal-led Data Sharing Child Protection and Out of home care statistics, 2025).

Table 3 provides further detail on the distribution of Aboriginal and non-Aboriginal children across ACCOs, non-ACCO NGOs, and DCJ, along with the total PSP funding and annual funding per child, highlighting the funding disparities between provider types.

Children	ACCO	Non-ACCO NGO	DCJ
Aboriginal Children	1,373	1,573	2,785
Non-Aboriginal Children	56	3,761	2,525
All Children	1,429	5,334	5,310
Total PSP funding	\$200,300,000	\$1,090,900,000	unknown
Annual funding per child	\$140,167	\$204,518	unknown

Table 3: Number of Children in Care and Annual PSP Funding by Provider Type as at June 2025 (ACCO, Non-ACCO NGO, DCJ as per [ALDS](#))

While ACCOs care almost exclusively for Aboriginal children (1,373 Aboriginal children compared with only 56 non-Aboriginal children), they receive significantly lower annual funding per child (\$140,167) than non-ACCO NGOs (\$204,518), notwithstanding the greater costs associated with delivering culturally safe care to Aboriginal and Torres Strait Islander children (IPART, 2025).

According to the recent NSW OOHC Strategy (mentioned below), the NSW Government will wind down PSP by July 2029.

Intensive Therapeutic Care Model

DCJ introduced the Intensive Therapeutic Care (ITC) model in 2018–19 as a new approach to residential care for children in statutory OOHC, to holistically address the needs of children and young people and improve their safety, permanency and wellbeing. (DCJ, Permanency Support Program – Program Description, Appendix 5: Service Overview–Intensive Therapeutic Care, 2017)

The model aims to:

- provide residential care placements for children over 12 years of age with high and complex needs “...who are either unable to be supported in foster care or require specialised and intensive supports to maintain stability in their care arrangements” (DCJ, Residential Care Placements, 2025)
- be flexible enough to respond to the needs of children and young people with the most complex support needs (DCJ, Fact sheet explaining ITC service system and types, 2019).

DCJ has not provided ITC services directly, but funds ACCOs and non-ACCO NGOs to provide these services¹⁰. As at September 2025, 15 organisations were providing ITC services across NSW. DCJ’s June 2025 data on contracted places in OOHC shows only one ACCO operating an Intensive Therapeutic Care Home (ITCH) with eight contracted places (Ombudsman, 2025).

Funding for ITC homes and ITC – Significant Disability is provided through a combination of a house package and a baseline package per child in placement.

As at 30 June 2024, 39% children in ITC were Aboriginal (272 of 700), 41% of children in ITCH were Aboriginal (160 of 390) and 41% of those in the selected houses (42 of 102) were Aboriginal. The contracted ACCO was providing services to 12 children. The displacement of Aboriginal children in ITC was raised as an issue in the 2020 Health Check. The tool DCJ uses to determine care and funding levels for children placed in ITC is not fit-for-purpose and is under review (Ombudsman, 2025).

Aboriginal Child & Family Centres

Aboriginal Child and Family Centres (ACFCs) provide culturally safe services to families with Aboriginal and Torres Strait Islander children up to 8 years of age. These include early childhood care and education services, child and maternal health programs, family support and adult education opportunities (DCJ, Aboriginal Child and Family Centres, 2025).

There are currently nine ACFCs operating across NSW with the current funding average across centres from 2023–28 being \$5.3 million¹¹. The data for the number of people accessing services is not available publicly. However, the number of children accessing early childhood services ranges from 16 to 70 across centres (Policy, 2021). One of the centres that AbSec yarned with has a community hub that offers different programs. These include access to specialist services, physical development activities and cultural classes for 50 – 100 families on average.

DCJ is investing \$98 million under Brighter Beginnings to deliver six new ACFCs by June 2027. It is also doubling the annual operational funding for each centre to \$1.1 million to enhance the existing nine centres. (SNAICC, Family Matters Report, 2025).

¹⁰ DCJ retains functions of Parental Responsibility but funds NGO designated agencies to provide authorised care. Authorised carers (under s 137 of the Care Act) includes principal officers of designated agencies who are authorised to exercise daily care responsibility as outlined in s 157 of the Care Act.

¹¹ DCJ data, currently not publicly available.

Recent NSW OOHC Strategy

On 27 February 2026, the NSW Government outlined its vision for wholesale reform of the OOHC system – a reform process the Minister said will be led by government, not the child protection sector (DCJ, NSW OOHC Strategy, 2026). Some of the key structural changes announced were:

- A new system redesign framework for future commissioning.
- Program redesign for home-based care and restoration targeted for mid-2027, with new contracts in place from mid-2028; program design for residential care targeted for mid-2028, with new contracts in place from mid-2029 and a new approach to assisting young people exiting care (aftercare) will be in place from July 2030.
- Contract extensions of 12 months for home-based care providers, 24 months for residential care providers and 36 months for after care providers – but only for providers who meet all existing contract obligations and performance requirements.
- Permanency Support Program (PSP) which supports children in OOHC in NSW will be phased out.
- Increased insourcing. For example, DCJ delivering residential care, therapeutic assistance and casework to children with higher support needs, having full responsibility and accountability for matters before the court and DCJ-led recruitment and authorisation of foster carers.
- An ACCO-first model, in which Aboriginal children will be placed with ACCOs as the primary option, with DCJ stepping in for casework only where there is no ACCO in that district able to deliver.
- A new OOHC accountability framework, an integrated Quality Assurance Framework and a Child Safety and Wellbeing Forum to drive cross-government transformation. For instance, in recognition of failures of health and education departments to prioritise children in OOHC.

How are ACCOs Making an Impact?

ACCOs are delivering meaningful, culturally grounded outcomes for Aboriginal and Torres Strait Islander children, young people and families across NSW. Their strengths in service delivery are:

- Culturally strong practice that wraps holistic supports around families and strengthens culture, connection and healing through Aboriginal ways of knowing, being and doing.
- Casework led by lived experience and community knowledge, ensuring practice is grounded in what families need, not what systems assume.
- Integrated, multi-disciplinary service models, often achieved through collaboration with local services—even when ACCOs are not funded to do so and are not situated within the area.
- Decision-making that centres families and community voices, ensuring plans and goals reflect Aboriginal ways of knowing, being and doing.

ACCOS Supporting Our Families

Maliga Safer Families – Eleanor Duncan Aboriginal Services

The Maliga Safer Families program (**Maliga meaning “shine” in Darkinjung language**) aims to improve child and family wellbeing, parenting and educational outcomes, whilst encouraging role modelling of positive behaviours, healthy lifestyle and education choices and safety in the home. The program builds strong, healthy and resilient individuals, families and communities. In turn, this enhances pathways to education and employment and reduces substance abuse, violence and contact with the criminal justice system.

Nikinpa Aboriginal Child & Family Centre – Muloobinba Aboriginal Corporation

A culturally safe early years hub that brings childcare, preschool, health services, mental health supports and community programs together in one place. Families describe Nikinpa as a safe, welcoming space where they feel seen, supported, and able to access services they otherwise would not.

Tamworth Aboriginal Community-Controlled Organisations

This place-based partnership model is a coalition between five leading ACCOs and Tamworth Regional Council. The partnership aims to improve outcomes for Aboriginal and Torres Strait Islander people living in Tamworth. This approach to partnership at the local level provides a framework for self-determination and shared decision-making under Closing the Gap and offers a model for others to learn from <https://absec.org.au/deadly-practice/tacco/>.

What We Heard from ACCOs

Gaps in Service Provision

- **Limited flexibility and high KPI demands:** ACCOs report that service delivery is tightly controlled by DCJ and driven by strict Key Performance Indicators and funding conditions, leaving little room to respond to community needs. For example, ACCOs report that under the Community and Family Support program (which replaces TEI and the Family Connect and Support program), ACCOs must meet a large number of KPIs with funding that does not match the scale or complexity of expectations.



“We have to show evidence of cultural practices and supports provided when there is no funding for them.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Geographical challenges and funding limits:** ACCOs struggle to reach families in remote or regional areas, especially on the South Coast and Western NSW, because travel and operating costs are high and funding is limited.
- **Barriers to specialist services:** Families face difficulties accessing supports like the National Disability Insurance Scheme (NDIS), behavioural supports and health services. Concerns about mandatory reporting can also prevent families from seeking supports early.
- **Supporting children with more complex needs:** There is insufficient funding to provide best quality supports for children with more complex needs. This particularly impacts smaller ACCOs.



“It is mandatory to have a Behaviour Support Plan for children prescribed psychotropic medication – which can cost approximately \$5,000– \$6,000, exhausting a significant proportion of the package, leaving very little funds for additional supports that might be needed.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Supporting families beyond funded areas:** ACCOs routinely support families outside their funded areas or program scope, because they will not turn away a family in need – even when it requires additional, unfunded effort.



“We never say no to a family if the family needs support, which means it is additional work and additional resourcing we have to find solutions to.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Co-design and consultation with Aboriginal communities and ACCOs mostly feels very tick-a-box:** Contract changes introduced by DCJ in 2025 have impacted ACCOs particularly involved in PSP and Family Preservation, with risks to funding for ACCOs taking a principled stance in relation to these changes.

Despite clear and consistent sector feedback, there was limited opportunity to explore alternatives or negotiate adjustments. ACCOs reported that consultation processes and discussions about contract changes felt “tokenistic”. These discussions never felt like shared decision-making.



“Whilst we acknowledge we should be doing the right thing in terms of financial management, we do not understand how a non-ACCO NGO got away with financial mismanagement for so long. There has never been a reflection on the way DCJ manages contracts.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Cost assumptions within programs:** DCJ currently assumes administrative costs within funding packages to ACCOs at 12%. However, ACCOs report that they incur higher costs. This is attributed to support positions including but not limited to finance, human resources and reportable conduct officers. While DCJ maintains there is flexibility in how funding is used, ACCOs report substantially increased scrutiny and compliance requirements that limit flexibility in practice.



“Working with government feels like you’re spending more time proving the work than actually doing it.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Unrealistic PSP contract terms:** The model currently assumes average stable utilisation, whereas in reality, responses are inherently volatile. Providers are expected to hold surge capacity, absorb vacancy risk, respond after hours, and manage rapid escalation, without any explicit capacity or viability loading. The financial controls reduce the ability of organisations to buffer systems risk.

For residential and therapeutic care, viability is particularly exposed where funding assumes full occupancy and steady throughput. In practice, this does not reflect emergency driven demand disruptions and uncovered fixed costs.

Similarly, needs packages assume timely access to rebated services at planned care prices, which does not reflect the reality for high risk or regional cohorts.

From an ACCO perspective, the delivery becomes structurally loss making, even for efficient and well governed organisations. This creates a real risk of reduced capacity and fewer emergency responses from ACCOs, undermining the goal of eliminating high-cost emergency arrangements.

- **Risks with Family Preservation transition:** The recent commissioning and transition approach for Family Preservation presents a foreseeable risk of harm to Aboriginal and Torres Strait Islander children and families due to system disruption and service instability.

ACCOs have significant sunk costs such as leases, rent, insurance, and workers compensation. The short transition time frame of three months for contract changes places. Significantly, some Aboriginal families are not being referred or included in the transition planning and so risk not having essential supports that can keep a child safe and together with their family.

Competitive tendering processes have also impacted experienced ACCOs while awarding contracts to new providers who are building capability to deliver complex services.

- **Expanding government control risking Aboriginal-led reform:** The new OOHC reform strategy positions the Government in a stronger stewardship role, responding to accountability gaps, financial management concerns among non-ACCO NGOs, and persistently poor outcomes for Aboriginal and Torres Strait Islander children. However, ACCOs are compelled to seek approval for asset purchases that are as little as \$2,000 and have limitations on their ability to carry over funds, notwithstanding that they rely on DCJ referrals. They also experience a Prudential Oversight that can sometimes intrusively question on expenses such as the purchase of laptop bags, air purifiers, and being compelled to lease than purchase assets. While the latter is not DCJ policy, different DCJ staff apply rules inconsistently.



“Everyone accepts the need for accountability and financial controls, but prudential oversight needs to be respectful and currently it is going beyond that.”

– ACCO representative, ACCO leadership group meeting

Opportunities for Strengthening Service Delivery

Overarching governance and system design and development

- **An Aboriginal Community-led child protection system which embeds ACCOs in decision making at all levels and applies place-based funding** for ACCOs to respond to the needs of Aboriginal and Torres Strait Islander children, young people and families. As a first step, there is a need for delegation of legislative authority in child protection decisions similar to what occurs in Victoria which delegates legislative powers exercised by the State to Aboriginal and Torres Strait Islander people. This is also consistent with NSW Government commitments under Safe and Supported: the National Framework for protecting Australia’s children 2021 – 2031 (Safe and Supported: The National Framework for protecting Australia’s children, 2022).

- **Work in genuine partnership:** Co-design services with ACCOs and families consistent with Priority Reform 1 of Closing the Gap to deliver the best outcomes for our children and young people. There is a need to move embed ACCOs and Aboriginal and Torres Strait Islander communities in all stages of program design, procurement and contract changes.

The staged redesign and reinvestment approach in the NSW OOHC Strategy creates a period of prolonged uncertainty, requiring ACCOs to scale capacity while navigating transitional funding and contracting arrangements. Ultimately, the reforms will only deliver if funding, decision-making authority, and long-term investment are genuinely transferred to ACCOs, rather than retained within government-led structures.

- **Increased transparency and consistency in commissioning and reform processes:** Standardisation of recommissioning and reform processes with clear guidance and support to ACCOs can help reduce uncertainty and variability.
- **Independent accountability and oversight:** Establish independent oversight through the establishment of a NSW Child Safety and Wellbeing Commission and NSW Commissioner for Aboriginal and Torres Strait Islander Children and Young People to improve performance and enhance transparency, accountability and trust between DCJ, ACCOs and Aboriginal and Torres Strait Islander communities.

Improving services

- **Invest in ACCOs to deliver culturally safe services:** With appropriate funding and structural support, they can meet growing community needs more effectively and deliver outcomes that mainstream NGOs cannot.
- **Develop integrated service hubs:** “one-stop shops” bringing health, education, housing, income support, mental health, and family services together in one culturally safe space. This reduces fragmentation, increases access to relevant supports for the family and creates a model aligned with Aboriginal ways of supporting children and families. A youth hub/refuge could also help provide culturally safe supports for young people.
- **Expand and resource Aboriginal community-led restoration:** NSW has the lowest rate of restoring Aboriginal and Torres Strait Islander children to their families across the country (2%) (SNAICC, Family Matters Report , 2025) reflecting systemic failures to prioritise reunification, cultural connection and family strengthening. ACCO-led restoration teams can offer the dedicated, culturally centred support needed to safely restore Aboriginal and Torres Strait Islander children to their families.
- **Strengthen ACCOs to deliver inclusive culturally-grounded care:** Children with higher and complex needs require intensive, culturally grounded support. Funding models must reflect the true cost of delivering specialist services. This includes recognising the impacts of systemic violence that many Aboriginal and Torres Strait Islander children and young people experience.
- **Strengthen supports for carers:** Review and uplift care allowances delivered by ACCOs to reflect the real cost of care, particularly for children with complex needs. Develop consistent, culturally appropriate guidelines for communicating funding information to carers, avoiding unintended consequences and reputational risks for ACCOs.

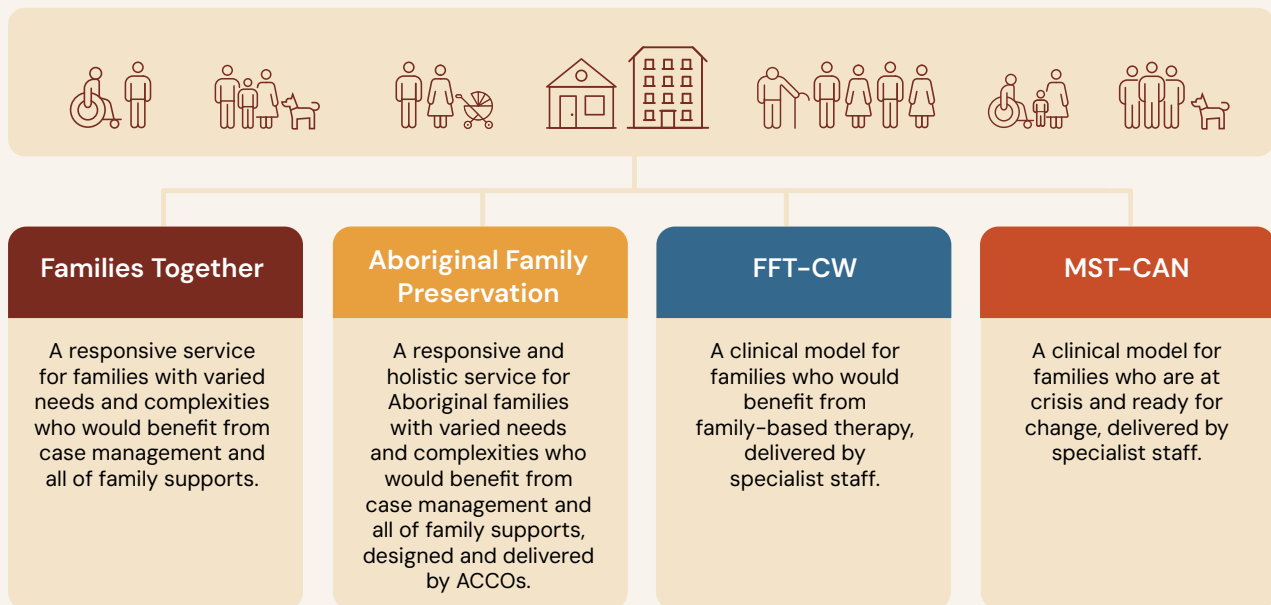
Funding and Procurement Processes

Overall Funding and Current Source of Funding for ACCOs

Most ACCOs delivering child protection and out-of-home care (OOHC) services are primarily funded by DCJ. ACCOs continue to receive less funding for the services they provide – both statewide and nationally – than non-ACCO NGOs.

The current state government funded programs are:

Family Preservation



* Nabu is a community-led, developed and delivered model for Aboriginal families based in Illawarra Shoalhaven only. It is not a statewide Family Preservation service.

Figure 4: Suite of Family Preservation frameworks and models that will be implemented from July 2026. The remaining programs such as Brighter Futures, Intensive Family Preservation, Intensive Family Based Services, Youth Hope, Resilient families, Permanency Support Program – Family Preservation (PSP-FP) will be operating until June 2026 ([Family Preservation Program Specification](#)).

Early Intervention and Prevention

- Community and Family Support Program brings together Targeted Early Intervention and Family Connect and Support Services.
- Parenting programs.
- Supported playgroups.

Permanency Support Program

- Foster Care and Aboriginal Foster Care.
- Therapeutic Sibling Option Placement.
- Residential Care Placements now delivered as Intensive Therapeutic Care which include:
 - o Intensive Therapeutic Transitional Care
 - o Intensive Therapeutic Care Significant Disability
 - o Therapeutic Home-Based Care
 - o Intensive Therapeutic Care Home
 - o Supported Independent Living (SIL) and Therapeutic SIL
 - o Therapeutic Care and Behaviour Support
 - o Joint Protocol for reducing contact with the Criminal Justice System.
- Interim and emergency residential arrangements:
 - o Interim Care Model
 - o Individual Placement Arrangements
 - o Special OOHC.
- Case Coordination (Preservation, not in placement and Post Permanency Support).
- Guardianship.
- Preservation or Restoration.

Programs funded by DCJ	Year	Funding to non ACCO NGOs (\$M)	Funding to ACCOs (\$M)
Family Preservation	2022-23	129.2 (91%)	13.4 (9%)
	2023-24	139.8 (90%)	15.1 (10%)
	2024-25	140 (90%)	15.4(10%)
	2025-26	111.1 (90%)	12.2 (10%)
Total for four years		520.1 (90%)	56.1 (10%)
Targeted Earlier Intervention	2022-23	165.8 (92%)	13.8 (8%)
	2023-24	172.3 (93%)	13.5 (7%)
	2024-25	178.8 (90%)	19.7 (10%)
	2025-26	109.9 (94%)	7.4 (6%)
Total for four years		626.8 (92%)	54.4 (8%)
Permanency Support Program	2022-23	865 (86%)	137 (14%)
	2023-24	946 (85%)	166 (15%)
	2024-25	1,084 (85%)	184 (15%)
	2025-26	1090.9 (84%)	200.3 (16%)
Total for four years		3,985.9 (85%)	687.3 (15%)

Table 4: Proportion of funding to ACCOs and non-ACCO NGOs (2022-25) DCJ ALDS

Government funding continues to be heavily weighted towards downstream statutory components of OOHC and limits real progress on Target 12 by under investing in Aboriginal community-led early intervention and wraparound supports which prevent entries into OOHC.

Table 4 sets how ACCOs receive a small proportion of funding compared to mainstream NGOs. Over the past four years, approximately 90 percent of funding has been allocated to non-ACCO NGOs. The overall funding towards prevention and early intervention has been reduced for the non-profit sector with ACCO funding reduced by more than half as compared to last year. This fails to meet the needs of Aboriginal and Torres Strait Islander children and families and is inconsistent with progressing Priority Reform 2 under Closing the Gap.

Districts	Funding to NGOs (\$M)	Funding to ACCOs (\$M)	% Funding to ACCOs
Central Coast	14.2	6.4	31%
Far West	0.2	0.4	67%
Hunter	157.1	33.3	17%
Illawarra Shoalhaven	42.7	20.9	33%
Mid North Coast	9.8	46.5	83%
Murrumbidgee	9.7	4.6	32%
Nepean Blue Mountains	12.2	3.4	22%
New England	52.9	10.6	17%
Northern NSW	84.9	14.7	15%
Northern Sydney	0.9	0	0%
South Eastern Sydney	3.2	0.4	11%
South Western Sydney	125.4	39.4	24%
Southern NSW	68.4	0	0%
Sydney	89.8	0.9	1%
Western NSW	71.9	23.5	25%
Western Sydney	270.5	14.8	5%
Other Statewide services	298.1	0.1	n/a
Total	1311.9	219.3	14%

Table 5: Distribution of funding across districts for the year 2025–26 (Family Preservation, Targeted Earlier Intervention and Permanency Support Package)

The Mid North Coast is the only region where ACCOs receive more funding than non-ACCO NGOs, reflecting a stronger Aboriginal community-controlled presence. In contrast, no ACCOs in Southern NSW and Northern Sydney are funded to deliver child protection and OOHC services while Western Sydney and Sydney receive five and one percent respectively.

As earlier noted, the Permanency Support Program (PSP) which supports children in OOHC in NSW will be wound down as part of the NSW OOHC strategy.

Family Preservation

As highlighted above, the NSW Government has set a state-wide ACCO sector target for Family Preservation at 40 percent (\$350 million), equating to \$69.5 million per year. In March this year, 22 ACCOs won contracts and the programs commence from July (DCJ, Redesigning Family Preservation, 2026).

Some contracts have been directed toward emerging ACCOs that are still building their capacity to deliver Family Preservation services, while some established ACCOs with proven experience have had their contracts reduced or withdrawn. As noted earlier, the short notice for the new program (three months from announcement of contracts to implementation), places some ACCOs at risk of insolvency, given their sunk costs, such as related to leases, rent and IT infrastructure. The compressed timelines, including cessation of referrals and rapid provider exit and onboarding will create service gaps and overload, undermining continuity of care and cultural safety.

Without adequate staging, resourcing, and safeguards, ACCOs are being asked to manage disproportionate implementation risk, which impacts their service continuity, workforce and child and family wellbeing.

Community and Family Support Program

The recommissioned Community and Family Support (CAFS) program will increase funding to ACCOs, with approximately 15 percent funding anticipated for ACCOs. CAFS merges the Targeted Earlier Intervention (TEI) and Family Connect and Support (FCS) programs, commencing January 2026 with a five-and-a-half-year contract term.

Whilst this recommissioning signals intent to strengthen ACCO partnerships, this remains far below the target of 30% which was first set out by DCJ in 2017.

NSW OOHC Strategy

The NSW OOHC Strategy signals a shift towards structured, outcome-focused funding model, including the introduction of a simplified funding model aligned with program activities. One key aspect is the ACCO-first model where the intent is to shift funding and care responsibilities of Aboriginal and Torres Strait Islander children to ACCOs.

However, this shift is occurring in a tightly controlled, performance driven commissioning environment which limits ACCOs autonomy to design and implement services.

The phasing out of PSP and staged transition create uncertainty and transition risk, with ACCOs needing to navigate short-term contract extensions while preparing for long-term system change. For the sector, the reform signals a significant opportunity and a critical point of risk. Without genuine shared decision-making and resourcing, there is a risk that ACCOs are positioned as preferred providers in policy but not fully enabled in practice.

Aboriginal-led Commissioning

Aboriginal-led Commissioning (ALC) centres Aboriginal voices in the identification of priorities and the shaping of commissioning decisions within culturally safe settings. This culturally grounded, evidence-informed approach represents a deliberate shift away from competitive procurement models toward relational, community-led commissioning that fosters trust, strengthens local ownership, and enhances accountability to Community. It also enables greater flexibility in the allocation of funding and the design and delivery of services, ensuring they are responsive to locally identified needs and priorities.



“ALC is not just about funding. It’s about working with us, understanding Community, and helping carry the load instead of adding to it. That support, especially around admin and navigating systems, means a lot. It lets us focus on what actually matters: Community.”

- ACCO representative, State of the ACCO Sector Census yarn

This project managed by AbSec is now in its second iteration, with two regional sites for piloting, with a focus on ensuring smaller communities can access services and to build a pathway for scaling. One of the sites spans different Aboriginal lands, where historically, funding approaches have created division across communities. Aboriginal-led Commissioning has brought these communities together to share stories, language and culture. This is strengthening relationships, enabling a more collective approach to determining priorities and ensuring better outcomes for Aboriginal and Torres Strait Islander children and young people. This is consistent with Aboriginal ways of knowing, doing and being.

Sustained investment is required to expand this model, support additional sites, and embed Aboriginal-led commissioning as a core approach to funding and service delivery across the sector.



“One of the goals in Aboriginal-led commissioning is happier children, happier families – which does not fit into the government definition of KPIs.”

- ACCO representative, State of the ACCO Sector Census yarn

What We Heard from ACCOs

Gaps in Funding

- **Current funding is insufficient:** Existing funding does not address the impacts of past genocide and current practices affecting Aboriginal and Torres Strait Islander children, young people and families.
- **Funding should match need:** ACCOs need funding that reflects the complexity of their work. This includes adequate funding for travel, casework, family finding, cultural connections and permanency planning for Aboriginal children and young people.



“We make an impact by taking the scraps we are given and turn it into something magical. It is our passion and drive that helps us keep us keep our kids at home and safe.”

- ACCO representative, State of the ACCO Sector Census yarn

- **High expectations, limited resources:** with the new Community and Family Support Program, the expectations on ACCOs are extensive – far beyond what the current funding levels can realistically support.



“We got invited for the recommissioning of TEI but were told clearly there is no additional funding.”

- ACCO representative, State of the ACCO Sector Census yarn

- **Competition and uncertainty:** the tendering processes often place ACCOs in direct competition for the same funding. Contract outcomes are not known until close to the start of new arrangements, which impacts the ability of ACCOs to recruit and retain staff and plan effectively for ongoing work.
- **Inadequate support for children:** DCJ processes for accessing additional carer packages are complex, and the difference in the payments provided for children with low and high needs is small. Payments should reflect the actual needs of each child.
- **Inconsistency and confusion regarding allocation of funding:** With recent restructuring and recommissioning processes underway, ACCOs report inconsistency and confusion within DCJ districts about how funds can be allocated and applied, particularly for children with high needs.



“We put in a financial plan for \$6000 for a child with complex needs, but were told by DCJ it is too low, and the child requires a higher needs package. We mentioned this plan is based on your assumptions and allocation, where can we get the additional money from and DCJ staff did not know what to respond.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Inadequate financial support and inconsistent practices for carers:** The existing care allowance is insufficient for the costs incurred by carers and ACCOs. Although funding packages are based on assessed child needs, ACCOs are expected to redistribute resources where costs exceed package assumptions.

ACCOs have also been required to issue letters to carers outlining the total funding received per child. This practice creates unintended consequences – including comparison between placements – and exposes ACCOs to reputational risk where funds are redistributed across cases to manage high-needs children.



“DCJ being the funder, service provider and the contract manager is a problem, and they should not be all those three positions.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Need for a dedicated funding model:** Expanding and strengthening the Aboriginal community-controlled sector requires a dedicated funding model such as Aboriginal-led commissioning, that is driven by community priorities and does not compete with large non-ACCO NGOs.



“ACCOs are still expected to fit into government ways of working, instead of the system adapting to us.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Government role in early intervention:** The NSW Government can support better outcomes by investing in early supports and prevention services that ACCOs are best placed to provide.

Opportunities to Strengthen Funding

- **Adequate funding for regional and remote areas:** ACCOs working in regional and remote communities shoulder higher service delivery costs due to travel, workforce shortages and limited infrastructure. Funding must reflect these realities and “not a one size fits all” model to ensure that Aboriginal children and families receive timely, high-quality, and culturally grounded care wherever they live.
- **Fair, transparent and sustained investment:** ACCOs have historically been underfunded, under-resourced, and under-valued, despite providing culturally safe and effective services. DCJ has a responsibility through Closing the Gap, to ensure equitable and sustained funding for ACCOs and transparency in how funding is allocated between ACCOs and NGOs.
- **Embed Aboriginal-led Commissioning:** Establish Aboriginal community-controlled decision-making in funding decisions, program designs and evaluation (similar to ALC) that allows ACCOs to determine investment based on community priorities.
- **Partnerships for best outcomes:** The best outcomes for Aboriginal children arise when ACCOs and mainstream services work in genuine partnership, grounded in a shared understanding of the child’s cultural framework and community.
- **Acknowledgment of culture and knowledge:** Funding agreements and service delivery must acknowledge and value the cultural knowledge that Aboriginal and Torres Strait Islander people bring to every part of working with their families and communities.
- **Capacity building as a priority:** Capacity releasing from non-Aboriginal organisations to ACCOs needs to be a KPI in any partnership funding arrangement involving mainstream organisations. This needs to be measurable and reportable.
- **Costs to ACCOs who support Aboriginal children in care:** IPART report on OOHC costs and pricing (IPART, 2025) has estimated costs for the additional work that ACCOs must deliver for Aboriginal and Torres Strait Islander children and young people in OOHC. This includes:
 1. The cost for additional casework for Aboriginal children and young people is \$2,710 per child per year for a non-government provider (Page 86, Chapter 5, table 5.5).
 2. The cost of an Aboriginal cultural worker who can offer specific cultural expertise is \$2,540 per child per year (Page 127, Chapter 8, table 8.1).
 3. ACCOs’ organisational costs are typically \$6,800 per child per year higher because of the additional functions they undertake and their holistic way of approaching care (Page 135, Chapter 8, table 8.2).
 4. The estimated cost to an ACCO when an Aboriginal child is being transitioned from a non ACCO NGO is between \$8,934 – \$9,969 per child, and \$6,750 per carer for their reassessment and training. The report recommends DCJ to provide upfront funding to ACCOs which includes 3 months of casework and administrative costs, 3 months of oncosts and overheads per child and carer authorisation and training (Page 136 – 138, Chapter 8, table 8.3).

These costs highlight that ACCOs are consistently carrying additional, systemically unrecognised responsibilities in delivering culturally safe care for Aboriginal children. Government must explicitly incorporate these costs into pricing and commissioning decisions to ensure ACCOs are properly resourced to achieve improved outcomes for Aboriginal children and families.

Alignment with National Frameworks

National Child and Family Investment Strategy

The National Child and Family Investment Strategy is a key activity of the Safe and Supported: Aboriginal and Torres Strait Islander First Action Plan 2023 – 26. The Investment Strategy focuses on:

- shifting funding towards prevention and early support to reduce child abuse and neglect
- investing in ACCOs to deliver an increased proportion of culturally appropriate child and family services.

The Australian Government has committed \$10 million over five years (2022–23 to 2026–27). This is to develop the Investment Strategy and an Innovation Fund. Waminda South Coast Women's Health and Wellbeing Aboriginal Corporation is one of 10 ACCOs across Australia to have secured funding through the Innovation Fund for a project on early, targeted, healing – informed culturally safe support services.

The strategy was recently launched and shows how federal, state and territory governments will prioritise funding for ACCOs. All jurisdictions must commit to developing an implementation plan through jurisdictional shared decision-making in line with the commitments under Safe and Supported to ensure transparency and accountability. All jurisdictional implementation plans will be submitted to the Safe and Supported Senior Oversight Committee for oversight and comment within 12 months of the Strategy's final endorsement. (SNAICC, National Child and Family Investment Strategy, 2026).

The Strategic Plan for Aboriginal and Torres Strait Islander Community Controlled Sector Development

This Strategic Plan provides a national framework to guide investment decisions, ensuring maximum impact of funding provided by Australian Governments to support the development of the Aboriginal and Torres Strait Islander community-controlled sector. Endorsed by the Joint Council on Closing the Gap and developed with the Coalition of Peaks, it prioritises investment across key sectors including disability, health, housing, and early childhood services.

The NSW Government has committed \$7.4 million over four years to support sector development in alignment with these priorities.

A New Approach to Programs for Families and Children

A new national program is proposed that will replace five existing Australian Government programs. It aims to:

- Fund a wide range of high-quality, evidence-informed services – from general community support to targeted help for children and families during times of crisis
- Make grant and reporting processes simpler, so organisations can spend more time supporting families and less time filling out forms
- Strengthen services for Aboriginal and Torres Strait Islander children and families.

Under the proposed program, funding will prioritise ACCO-led service delivery in communities with significant Aboriginal and Torres Strait Islander populations. This will follow the [Closing the Gap Grants Prioritisation Guide](#).

Following public consultation conducted last year, SNAICC is advocating for dedicated sector engagement to shape the allocation of approximately \$400 million for Aboriginal-led early intervention and prevention services.

Transfer of Case Management to ACCOs

A key component of Closing the Gap Priority Reform 2 is the transfer of case management of Aboriginal and Torres Strait Islander children in OOHC to ACCOs (DCJ, Transition to Aboriginal out-of-home care agencies, 2024). However, currently just over one in five Aboriginal and Torres Strait Islander children and young people in OOHC in NSW have an ACCO provide case management. (DCJ, Aboriginal-led Data Sharing Child Protection and Out of home care statistics, 2025).

Figure 5 provides details of Aboriginal and Torres Strait Islander children and young people in statutory care by case management responsibility from June 2022 – 2024 in NSW:

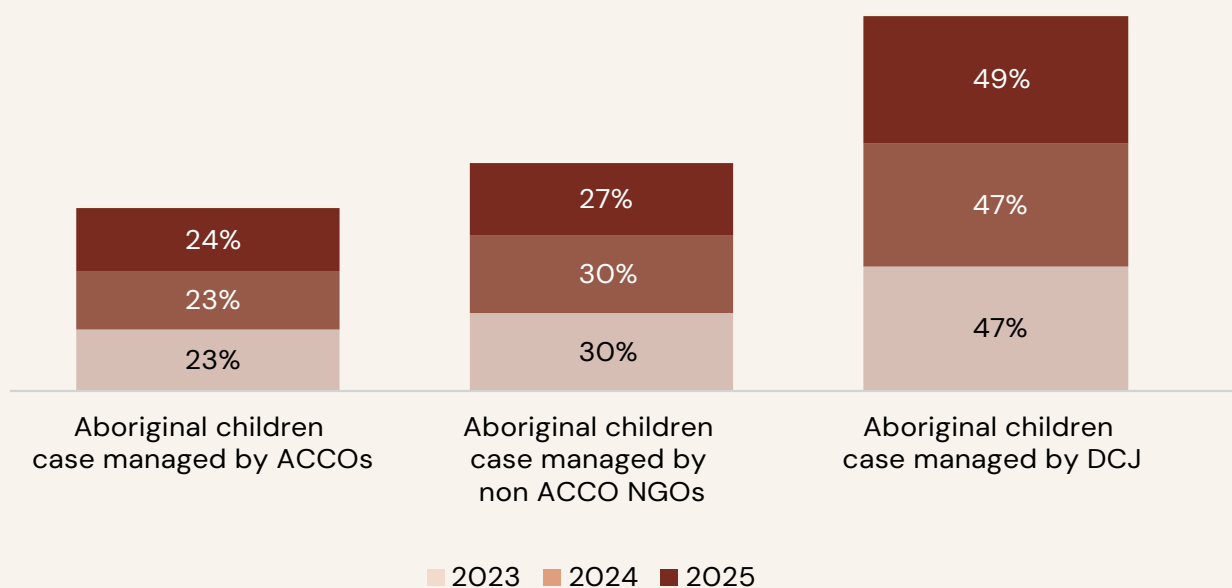


Figure 5: Aboriginal and Torres Strait Islander children and young people in statutory care by case management responsibility from 2023– 2025 (as at June 2025) in NSW (ALDS)

Overall, the number of children case managed by ACCOs has remained relatively stable over the past three years, with DCJ continuing to case manage approximately 50% of cases. Table 6 shows the small numbers of Aboriginal and Torres Strait Islander children transitioning to ACCOs, remaining below 5% of all Aboriginal and Torres Strait Islander children in OOHC.

Transfers	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2025
DCJ to ACCOs	121 (2%)	93 (2%)	104 (3%)
Non-ACCO NGOs to ACCOs	16 (<1%)	131 (2%)	98 (6%)
Total	137 (1%)	224 (2%)	202 (4%)

Table 6: Number of Aboriginal and Torres Strait Islander children transferred to ACCOs as per the transition dashboard data

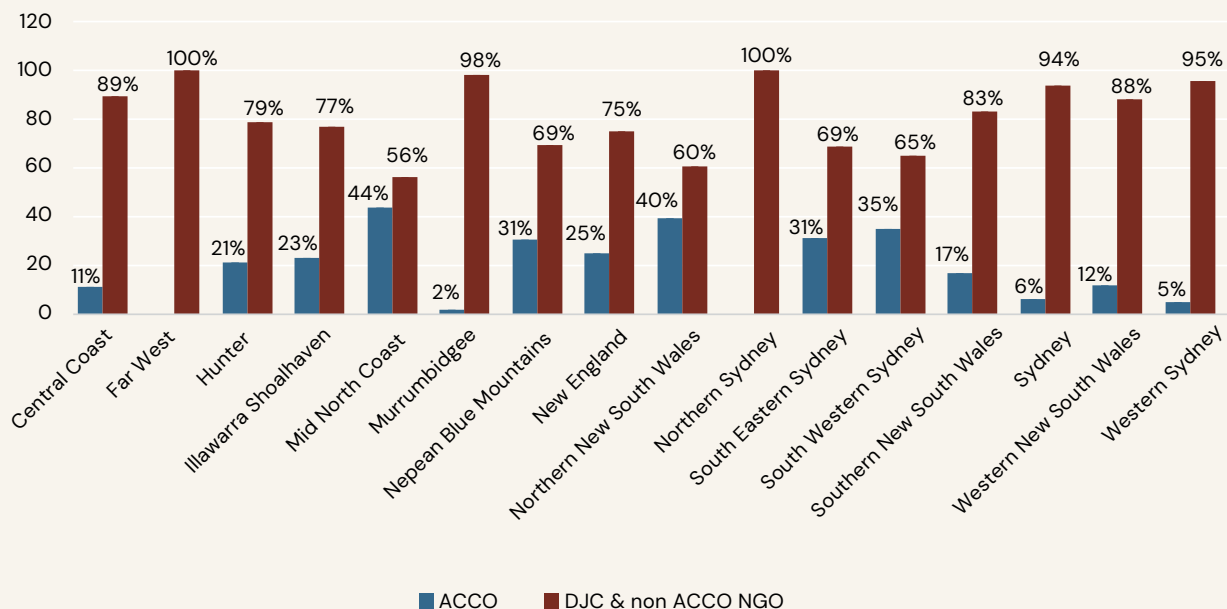


Figure 6: Distribution by district of the number of children case managed by ACCOs vs Non-ACCO NGOs and DCJ from June 2023 - 2025 (ALDS)

Figure 6 indicates an average 80% Aboriginal and Torres Strait Islander children and young people across districts being case managed by DCJ and non-ACCO NGOs with no ACCOs providing case management in Northern Sydney and Far West. The only districts where a little more than one third of Aboriginal and Torres Strait Islander children and young people in care are case managed by ACCOs are Mid North Coast, Northern NSW and South-Western Sydney. Districts such as Western Sydney, Sydney, Central Coast and Murrumbidgee have 10% or less Aboriginal and Torres Strait Islander children being case managed by ACCOs.

- As at 30 September 2025, 4,353 (69%) Aboriginal and Torres Strait Islander children and young people are yet to be transferred to ACCOs from DCJ and non-ACCO NGOs.
- Currently, 1,411 (22%) children and young people are being case managed by ACCOs.
- Close to 583 children and young people are considered out of scope for transition¹².

Gaps in Transfer of Case Management

- **Inconsistent transition processes:** The pace and scale of transitioning children to ACCOs varies (from 6 - 12 months or more) and the proportion of Aboriginal children case managed by ACCOs remains low. Partnerships between ACCOs and other service providers varies across districts. ACCOs report there is sometimes a lack of genuine collaboration around transitions. Some non-ACCO NGOs pay foster carers more than the DCJ base rate which disincentivises transition, which due to funding constraints ACCOs are unable to match¹³.



“Aboriginal children and young people are being transitioned solely on their identity and not for what Aboriginal organisations can offer culturally.”

- ACCO representative, State of the ACCO Sector yarn

¹² DCJ transition data, currently not publicly available.

¹³ AbSec has heard this anecdotally from ACCOs; however, this information is not publicly available and could not be independently verified.

- **Messaging around transition:** The transitions involving children being case managed by DCJ has been particularly challenging. Despite ACCOs building relationships with non-ACCO NGOs to facilitate smooth transfers, ACCOs report that the messaging and support around transition to the carers has been inconsistent.



“After a placement breakdown of two Indigenous boys, they were transferred to us by DCJ, not because they thought it was best for them or supporting carer, but because DCJ did not have any carers.”

– ACCO representative, State of the ACCO Sector yarn

- **Lack of accountability:** Stronger contractual mechanisms are required to ensure compliance by non-ACCO NGOs in the transfer of case management responsibility of Aboriginal and Torres Strait Islander children in OOHC to ACCOs.



“The exchange of information regarding children being considered for transition from non-ACCO NGOs is really slow and most of the partnerships seem tokenistic.”

– ACCO representative, State of the ACCO Sector yarn

Opportunities to Accelerate Transfer of Case Management

- **Accountability for transitions:** is needed from the NSW Government and the DCJ for the ongoing delays in transitioning case management of Aboriginal and Torres Strait Islander children in OOHC to ACCOs. This must be accompanied by a robust monitoring and auditing process to track NGO transitions and ensure these occur in a timely and transparent manner.
- **Enforce transfer targets:** clear, time-bound targets for transitioning Aboriginal and Torres Strait Islander children to ACCOs, with public reporting and consequences for non-compliance across the DCJ and NGOs.
- **Parity in carer payments:** enable carers to transition with children without financial loss or administrative barriers from non-ACCO NGOs to ACCOs.
- **Genuine Partnership:** the partnership expectations must be formalised between non-ACCO NGOs and ACCOs which includes transition planning from the beginning, shared decision-making and minimum standards for engagement, moving beyond goodwill-based relationships..
- **Planned transitions:** there is a need to shift from crisis driven transition to planned, culturally informed transitions – those based on cultural needs and connection, placement stability and strength of ACCOs.
- **ACCO-first model:** the recently announced NSW OOHC Strategy will place Aboriginal children with ACCOs as the primary option, with DCJ stepping in for casework only when an ACCO cannot deliver. This is only where there is sufficient capacity in relevant local ACCOs to do so and where capacity does not exist, DCJ will provide the casework function.
- **Transparent data and reporting:** publishing regular, disaggregated data on the number of children transferred across districts and with time frames to ensure data transparency and enable ACCOs and government to take necessary steps when needed.

Aboriginal Child and Family Sector Workforce

The ACCO sector is evolving at a rapid pace. It is crucial to plan for the short, medium and long-term needs of the Aboriginal child and family sector workforce. Evidence shows that Aboriginal and Torres Strait Islander staff build strong relationships and trust with Aboriginal children, young people and families in a culturally appropriate, safe and responsive manner (SNAICC, Family Matters, 2025; SNAICC, Stronger ACCOs, Stronger Families, 2022).

Key strengths highlighted through AbSec’s community yarns were access to culture through work, cultural supervision and less rigid hierarchies in ACCOs.

ACCOs consistently emphasise the importance of workforce growth and development. Primarily, this involves increasing the number of Aboriginal and Torres Strait Islander people across all roles and levels (from direct practitioners through to senior management) in the children and family services workforce.

Insufficient funding, pay disparities and lack of leadership opportunities as compared to government or non-ACCO NGOs are identified as major challenges in the ACCO sector. An Aboriginal workforce planning and development strategy will help strengthen the capabilities of ACCOs to deliver services effectively and efficiently in a sustainable manner.



“We have good furniture at our resource centre which has been donated, however, no funding or staff to look after these kids. I am the full time staff and have two part time staff delivering TEI services for close to 60 young people.”



“It’s hard to compete with the bigger agencies such as NGOs and DCJ, who offer bigger salaries.”



“In most ACCOs, most of the employees working in corporate services are White and we want to change that.”

Workforce Statistics and Estimated Needs in New South Wales

- **Under-representation of Aboriginal and Torres Strait Islander staff:** Despite the over-representation of Aboriginal and Torres Strait Islander communities across the child and family welfare sector, nationally only 2.3 percent of the workforce identified as Aboriginal or Torres Strait Islander in 2020. ([Welfare workforce, AIHW, 2021](#))
- **Casual Employment:** Approximately 22 percent of the NSW workforce in child, youth and family services were employed on casual contracts (M, Cortis, & Blaxland, 2017). There is no recent publicly accessible data on staffing in NSW child, youth and family services across the sector.
- **Data gaps:** There are currently no reliable figures on the size and composition of the Aboriginal child and family sector workforce across NSW. AbSec research finds that approximately 60%¹⁴ of the ACCO workforce is Aboriginal and/or Torres Strait Islander.
- **Workplace profile:** There are no accurate figures on gender distribution of the workforce. Consultations with the sector suggest that approximately 75% or more of the workforce identify as female.

¹⁴ The workforce percentages shared are based on yarns with 13 ACCOs. They reflect what we are broadly seeing across the sector, but we know there may be variation and exception across organisations.

- **Pay and retention challenges:** ACCO caseworkers currently earn \$70,000 – \$90,000 on average. Under the new Child Protection Award, caseworker salaries in the government sector are set to increase between \$100,000 and \$116,969. DCJ is creating 100 new “Leading Caseworker” roles with salaries of up to \$121,000. (DCJ, Child Protection Award, 2025). This widening pay gap is a significant concern for ACCOs, as it will further disadvantage them in attracting and retaining skilled staff.

What Makes ACCOs Culturally Stronger?

- **Access to culture** – Staff can stay connected to culture through their work that is grounded in Aboriginal ways of knowing, being and doing.
- **Relational approach** – Staff feel heard, respected and able to contribute with a less rigid hierarchy.
- **Staff recognition** – ACCOs recognise and value the cultural, community and lived experience staff bring, rather than just their position and role.
- **Cultural supervision** – Supervision includes guidance, cultural support and reflection that honours staff wellbeing and cultural responsibilities.

Key Figures

There are currently 23 ACCOs in NSW that are accredited by the Office of the Children’s Guardian to provide statutory OOHC services. Only 24 percent of the Aboriginal children and young people in OOHC are case managed by ACCOs ([ALDS](#)).

Based on AbSec’s projections, it is estimated the Aboriginal child and family sector workforce needs to be at minimum **4,721** in NSW. This includes:

This includes:

- **3,994 FTE** Aboriginal caseworkers
- **619 FTE** Aboriginal case managers
- **108 FTE** Aboriginal senior managers

These figures are current and do not account for the expected increase in Aboriginal children and young people in NSW coming into contact with child and family services and overcoming caseworker vacancy rates. (see Appendix A).

What We Heard from ACCOs

Gaps in Workforce

- **Wage gaps make recruitment and retention hard:** ACCOs struggle to attract and keep skilled staff because salaries are lower than in government or non-ACCO NGOs.



“Instead of enabling ACCOs to be able to employ Aboriginal staff, DCJ is pricing ACCOs out of the market in terms of staffing and they then are critical of us, because we cannot take transfer of children due to lack of staff.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Inflexible funding to provide structured workforce supports:** Beyond salary differences, larger non-ACCO NGOs and DCJ provide structured workforce supports including after-hours teams, transport facilities and dedicated clinical supervision which ACCOs are often unable to provide because of funding pressures.



“We have an existing caseworker and a case manager on call 24/7 to manage PSP and ITC service delivery, as we cannot afford a dedicated after-hours staff, but DCJ and bigger non ACCO NGOs can, which makes recruitment and retention difficult for ACCOs.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Service pressure due to operational demands:** Aboriginal cultural support workers, while engaged to strengthen cultural connection and community engagement, are often absorbed into operational demands such as family time due to service pressures.
- **Working with children and police checks:** Police checks and Working With Children Checks (WWCC) is a deterrent for some Aboriginal and Torres Strait Islander people to take up opportunities, especially those who may have interacted some point with the police over their lifetime. AbSec and the wider sector is hopeful that a current Office of the Children’s Guardian review of the WWCC scheme will address some of these barriers.
- **High staff turnover:** Staff often leave due to heavy workload, complex caseloads, cultural load and the significant emotional toll of working in the child protection and OOHc systems. Often, staff take on multiple roles due to staff shortages in specific programs.



“Those with the best of intentions, who wish to give back to the sector they were involved in, leave or have real difficulties because the environment is very triggering.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Challenges in regional recruitment:** Finding qualified and experienced staff within regional areas is a major challenge. As a result, there are higher number of staff without the required qualifications and experience, which requires more supervision and investment in workforce development.



“We are spending our time and resources in training Aboriginal trainee caseworkers and that is proving beneficial for us, because the pool of experienced caseworkers is gone.”

– ACCO representative, State of the ACCO Sector Census yarn

- **Short-term contracts limit growth:** Temporary contracts make it hard for ACCOs to build workforce and capacity, increasing the risk of burnout and turnover. This was especially evident in the recent short-term extensions to Family Preservation contracts before formal announcements were made of successful ACCOs and non-ACCO NGOs.
- **Limited career development:** Few established and resourced career development pathways as well as limited leadership opportunities make recruitment and retention harder.



- ***“We need to build our workforce capacity and quality, but how are you meant to do that without contracts and budgets being long-term and timely.”***

– ACCO representative, State of the ACCO Sector Census yarn

Opportunities for Workforce Strengthening

Resourcing for the workforce needs a clear understanding of caseload, client ratios, supports required and geographical reach which reflects the intensity and complexity of work required in each community. Some of the key strategic enablers highlighted by ACCOs and in the Aboriginal workforce development statewide strategy 2020 – 2025 (AbSec, Aboriginal Workforce Development Statewide Strategy, 2020) include:

ATTRACT

Market through partnerships

- Stronger collaboration in co-designing the training program for caseworkers and other professionals which should be resourced by the government. This includes collaborating with TAFE and universities to help create structured pathways into ACCOs.
- It is necessary to include soft entry pathways such as traineeships and longer probation periods, so Aboriginal and Torres Strait Islander candidates can acquire necessary certifications and access relevant opportunities.

Positive change campaign

- Using social media and storytelling to showcase ACCO strengths and community impact that can help attract new talent and improve visibility of career pathways.
- Gathering and sharing evidence on what is working well in other Aboriginal communities through the work led by ACCOs, can help refine recruitment, retention and cultural supervision strategies across the sector.

RECRUITMENT

Recognise barriers

- The Aboriginal workforce faces systemic barriers such as regional isolation, difficulties in accessing transportation, after-hours supports, childcare, technology, personal documentation and obtaining working with children checks. Wraparound workforce supports which includes aspects of cultural and clinical supervision are critical to reduce burnout.

Workforce development and recognition of lived experience

- Strengthening community mentoring and support throughout employment pathways is essential, with greater emphasis on valuing lived experience alongside formal qualifications. This includes building broader understanding of the skills, cultural knowledge and expertise that Aboriginal and Torres Strait Islander staff bring to these roles. Ensuring recruitment and workforce development approaches appropriately recognise and support these capabilities, including where formal qualifications may be limited.

Aboriginal casework training program

- Funding packages to ACCOs must provide for the necessary training budget. A two-week block training, or an equivalent of DCJ's Caseworker Development Program followed by structured supports and mentoring would support Aboriginal and Torres Strait Islander workers entering OOHC without prior experience.

RETENTION

Mentoring, cultural and peer supervision

- Cultural supervision, peer supervision and mentoring as workforce development strategies for the recruitment, retention and upskilling of staff. Strategies include a designated mentor for new Aboriginal and Torres Strait Islander workers to encourage skill-building and confidence and to offer support during the induction process. Embedding their voice in practice and decision making and providing culturally safe supports in understanding their cultural obligations and the blurred lines between family and work roles is crucial.
- A practice lead who would train, supervise and upskill Aboriginal and Torres Strait Islander staff. However, current funding models do not enable these roles.

Embedding culture in governance, policies and procedures

- Systems and processes must embed culture as a foundational element to ensure culturally informed and responsive practices. Service agreements must embed flexibility for cultural practices, including Sorry Business, recognising that culturally grounded workforce support is essential to sustained, safe service delivery for Aboriginal children and families.



“Embedding community into an organisation would help strengthen and motivate Aboriginal staff to stay with an ACCO”

- ACCO representative, State of the ACCO Sector Census yarn

Wage Parity

- Ensure a dedicated and identified Aboriginal and Torres Strait Islander workforce, as part of a labour market in which people working in community-controlled sectors have wage parity. ([SNAICC, Early Childhood Strategy, 2021](#))

UPSKILLING

Provide Career Pathways

- Visible and encouraged pathways must exist to provide for professional growth of Aboriginal and Torres Strait Islander workers into senior or specialist roles. Workplaces need succession planning to enable workforce sustainability
- Support leadership development through secondments and exchange opportunities to build capability, strengthen partnerships, and grow the Aboriginal leadership pipeline.

Alignment with National Frameworks

Safe and Supported: The National Framework for Protecting Australia’s Children 2021 – 2031

Action 4 under the [Aboriginal and Torres Strait Islander First Action Plan](#) aims to develop a national approach to building a sustainable Aboriginal and Torres Strait Islander child and family sector workforce. As an initial step action 4.a seeks to scope current and future needs of the Aboriginal and Torres Strait Islander workforce, and community-controlled child protection and family support workforce.

Strategic Plan for Funding the Development of the Aboriginal and Community-Controlled Sector

Under Schedule A of the Strategic Plan, the Joint Council identified the following priorities for funding the early childhood care and development sector:

- Developing a dedicated and identified Aboriginal and Torres Strait Islander early childhood development, protection and care workforce
- Strengthening peak bodies to support and build the capability of organisations in the sector to deliver services and to support shared decision-making with governments¹⁵.

National Skills Agreement (NSA) – Closing the Gap (CtG) – Stage 2

The National Skills Agreement (NSA) commits to enabling investments to support Closing the Gap via skills and vocational, education and training (VET) sector actions which complement programs designed to address the entrenched inequity faced by Aboriginal and Torres Strait Islander children, young people and families. The AbSec Learning and Development Centre (LDC) is one of seven Aboriginal Community Controlled Registered Training Organisations (ACC RTOs) that has been part of a Community of Practice with the Aboriginal Education Consultative Group (AECG) and the NSW Department of Education (DoE).

The NSA Stage 2 Implementation Plan (IP) was signed off by the NSW and Commonwealth governments in November 2025 and provides \$100 million to support activities that:

- expand investment in the capability, sustainability and growth of the Aboriginal Community Controlled and First Nations Owned training sector, and
- grow the First Nations VET workforce and boost cultural competency of mainstream RTOs.

In 2026, AbSec's focus is on offering training which meet the emerging needs of the community, ACCOs and other employers, and can strengthen wraparound student supports. This requires ACCOs to have sustainable business models and to ensure we offer innovative approaches and new training pathways to Aboriginal and Torres Strait Islander people who have so much to offer to the child and family services workforce in NSW.

¹⁵ Coalition of Peaks. *The Strategic Plan for Funding the Development of the Aboriginal and Torres Strait Islander Community-Controlled Sector 2020*; Available from: <https://coalitionofpeaks.org.au/download/documents>.

Governance in ACCOs

ACCOs have long demonstrated that culturally grounded, community-led governance delivers better outcomes for Aboriginal children, young people and families. The strength of ACCO governance lies in deep cultural connections, community led decision-making and accountability that centres family, culture and connection to Country (SNAICC, Stronger ACCOs, Stronger Families, 2022) (AbSec, ACCO Forum Report , 2024).

Our yarns also highlight collaborative leadership and culturally grounded practices by ACCOs are key strengths that are sometimes lacking in mainstream organisations.

However, the same body of evidence shows that despite this strong cultural governance foundation, ACCOs face structural and systemic pressures that limit their ability to maintain and grow effective organisational governance. These pressures are not due to deficits within ACCOs but stem from under-resourcing, intensive demands placed on their governance bodies, and administrative expectations that are disproportionate to their size and funding.

What We Heard from ACCOs

Gaps in Governance

- **Governance overload caused by chronic underfunding:** ACCOs are expected to meet the same – and often greater – accountability, reporting, and risk requirements as large mainstream NGOs, but with significantly fewer staff and less stable funding. This creates governance strain across executive, board and corporate functions.



“There are no business development supports for ACCOs with the funding received. It is the government’s responsibility to put in place proper mechanisms to ensure there are no funding gaps, and everyone is accountable.”

- ACCO representative, State of the ACCO Sector Census yarn

- **Insufficient investment in corporate services and infrastructure:** Many ACCOs lack dedicated staff for Finance, Human Resource, Information Technology, policy functions, contract management and training – functions that underpin strong governance. This forces CEOs and senior leaders to carry multiple roles, without being funded to build enabling systems. Board members of the ACCOs though culturally strong, may not have the required technical expertise, and upskilling them without adequate back-filling and support risks burnout.



“DCJ does not provide adequate resourcing for things in the back-office such as data systems. But you’re required to keep data stored in a secure way and completely understand that but then allow for some of those back-office costs to be part of the contract.”

- ACCO representative, State of the ACCO Sector Census yarn

- **Growing regulatory and legal responsibilities:** Reports show ACCOs face increasingly complex regulatory requirements (procurement, reporting, accreditation, program logics, risk oversight, financials), often without adequate training, remuneration and recognition (SNAICC, Stronger ACCOs, Stronger Families, 2022). These also divert time from cultural governance and strategic work particularly for executives.



“A lot of people are frightened of being a Board member, as it feels like a huge responsibility with the regulatory and legal obligations by the government that sits on their shoulders.”

- ACCO representative, State of the ACCO Sector Census yarn

- **Governance demands pull leaders away from community and cultural leadership:** Strong cultural governance is one of the ACCO sector’s greatest strengths – yet governance pressures can mean leaders are engaged in administration, limiting time spent on community priorities, workforce development, succession planning and strategic partnerships.



“We’re proudly governed by all Aboriginal people and we have a very good Aboriginal Board of community members, which is exactly what we should have for an Aboriginal community-controlled organisation. But we are struggling at the moment as there’s not enough professional expertise in that board because of the significant projects we are working on.”

- ACCO representative, State of the ACCO Sector Census yarn

One message is consistently clear:

ACCOs do not lack governance capability – they lack the resourcing and system settings that allow their governance strengths to operate effectively.

Opportunity to Strengthen ACCO Governance

There are clear opportunities for NSW Government that can be led by ACCO driven solutions.

Funded governance support: Government must invest in building the technical capability of the ACCO sector across key aspects such as legal, financial and project management. This will support ACCO leadership to make key decisions in the best interests of the community, while ensuring the organisation functions efficiently and is sustainable. The funding must be flexible to support unique models such as survivor-led governance and small regional ACCOs with limited staff.

Invest in corporate services infrastructure: ACCOs require resourcing support with human resources, financial management, policy and compliance, secure data systems and quality and safety functions. Contracts should allow these costs to be built in.

Co-designed governance and casework training: Government must work with ACCOs to build capability, strengthen governance and build community's confidence to participate in Board settings. This includes supporting ACCOs to design and deliver culturally safe training and workforce development.

Support with succession planning and Aboriginal leadership development: This is especially important for Aboriginal and Torres Strait Islander young people who want to contribute to their communities but often face challenges navigating the complex child and family services system.

Conclusion

ACCOs are delivering culturally grounded, community-led supports for Aboriginal and Torres Strait Islander children, young people and families. Across every yarn, ACCOs spoke about their strengths and the pressures they carry—often quietly, often without the resourcing or recognition their work deserves.

Despite limited funding, small teams and heavy administrative demands, ACCOs consistently demonstrate strong governance foundations, deep community accountability, and service models built on culture, relationships and trust. Their impact is evident in the way families engage, in the strength of local networks, and in the culturally safe wraparound supports that mainstream providers cannot replicate.

For NSW Government, these findings highlight an urgent opportunity:

ACCOs must receive equitable, proportionate and sustainable funding that reflects both the historical under-investment in ACCOs and the actual costs of delivering culturally safe, community-led services with Aboriginal-led commissioning as the future funding model.

Accelerate transfer of case management to ACCOs through clear targets, enforceable timeframes, and public reporting to ensure accountability across the system.

Strengthen system accountability and transparency by separating funding, service delivery, and contract management functions, supported by independent standard setting, monitoring and reporting through the establishment of a NSW Child Safety and Wellbeing Commission.

Investing in Aboriginal workforce pathways that enable ACCOs to recruit, retain and plan succession— through fair remuneration and building a stable, skilled and culturally strong workforce.

Resourcing ACCO governance so it matches the responsibilities placed on them—ensuring Boards, systems and structures are supported to operate effectively and sustainably.

ACCOs must be partners in designing and delivering solutions, not just implementers of programs shaped within government systems. They are not agents of the State, but sovereign organisations established by and for local Aboriginal and Torres Strait Islander communities.

Aboriginal and Torres Strait Islander children and young people thrive where they are safe, strong and connected to family, culture, community and Country. Achieving this requires shifting resources, authority and decision-making to ACCOs consistent with NSW Government commitments as part of Closing the Gap.

This report reflects and honours what ACCOs have repeatedly told us. It reflects their stories, their realities, and their aspirations for their communities. And it offers the NSW Government a pathway to act: to align investment with need; to support self-determination; and to work alongside ACCOs to deliver the outcomes all Aboriginal and Torres Strait Islander children and young people deserve.

The voices of ACCOs are clear. The NSW Government has an opportunity to respond with trust, partnership and real investment. Invest in ACCOs as nation building institutions, because when ACCOs are supported, Aboriginal communities are strengthened.

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Appendix A: Key Figures Growing the ACCO Workforce

Key Figures

There are currently 23 ACCOs in NSW that are accredited by the Office of the Children's Guardian to provide statutory OOHC services. Only 23 percent of the Aboriginal children and young people in OOHC are case managed by ACCOs ([ALDS](#)).

Based on AbSec's projections, it is estimated the Aboriginal child and family sector workforce needs to be at minimum **4,721** in NSW.

This includes:

- **3,994 FTE** Aboriginal caseworkers
- **619 FTE** Aboriginal case managers
- **108 FTE** Aboriginal senior managers

The calculations are based on staff client ratio informed by the AbSec's Strengthening Aboriginal Families Model Framework.

Targeted Earlier Intervention: AIHW (2023–24) estimates that about 70,163 Aboriginal children and young people in NSW are vulnerable. Using a ratio of 1 caseworker for every 50 children, this would require 1,403 caseworkers, supported by 140 case managers and 18 senior managers (ratios: 10 caseworkers per case manager; 8 case managers per senior manager).

Intensive Intervention (Child Protection Notifications): DCJ ASR 2024–25 reports 25,096 notifications about Aboriginal children. Using a ratio of 1 caseworker per 20 children, 1,254 caseworkers would be needed, supported by 251 case managers and 50 senior managers (ratios: 5 caseworkers per case manager; 5 case managers per senior manager).

Crisis Intervention (Child Protection Substantiations): DCJ ASR 2024 – 25 reports 4,044 substantiations. Using a ratio of 1 caseworker per 5 children, this would require 808 caseworkers, supported by 161 case managers and 32 senior managers (ratios: 5 caseworkers per case manager; 5 case managers per senior manager).

Out-of-Home Care (OOHC): DCJ ASR 2024 –25 reports 6,327 Aboriginal children in OOHC. Using a ratio of 1 caseworker per 12 children, 527 caseworkers would be needed, supported by 65 case managers and 8 senior managers (ratios: 8 caseworkers per case manager; 8 case managers per senior manager).

Appendix B: Methodology

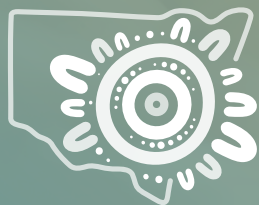
AbSec utilised a mixed consultation methodology with ACCOs which included an online survey, in-depth stakeholder interviews, community yarn ups in Dubbo, Kempsey and Bateman's Bay and a workshop at the AbSec November Quarterly Sector Forum with 21 ACCOs.

An online survey was designed to collect in-depth information on service delivery, workforce, funding, transition of Aboriginal children and governance. ACCO consultation forums involved yarns with 13 ACCOs emphasising the qualitative aspects of the report.

A comprehensive desktop review was also undertaken to inform the development of the report. This included literature scans of state and national level policies, datasets and evaluation. These sources confirmed the insights shared by ACCOs including the structural barriers, funding trends, workforce challenges and the broader policy context influencing ACCO service delivery. AbSec also requested data from DCJ on the contracts awarded to service providers. This evidence base supports the analysis and key themes emerging from yarns with ACCOs across NSW.

Glossary of Acronyms

ACCO	Aboriginal Community-Controlled Organisation
AECG	Aboriginal Education Consultative Group
ALC	Aboriginal-led Commissioning
CAFS	Community and Family Support Program
CtG	Closing the Gap
DCJ	New South Wales Department of Communities and Justice
IP	Implementation Plan
KPI	Key Performance Indicators
LDC	Learning and Development Centre
MST-CAN	Multi-systemic Therapy for Child Abuse and Neglect
National Agreement	National Agreement on Closing the Gap
NDIS	National Disability Insurance Scheme
Non-ACCO NGO	Non-Government Organisation which is not an Aboriginal Community-Controlled Organisation
NSA	National Skills Agreement
NSW CAPO	New South Wales, Coalition of Aboriginal Peak Organisations
NSW DoE	New South Wales, Department of Education
OOHC	Out-of-Home Care
ROSH	Risk of Significant Harm
RTO	Registered Training Organisation
SIL	Supported Independent Living
TEI	Targeted Early Intervention
VET	Vocational Education and Training



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