

Family Preservation Funding Approach Paper

May 2025



Acknowledgement of Country

The Department of Communities and Justice acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this document.

We advise this resource may contain images, or names of deceased persons in photographs or historical content.

Family Preservation Funding Approach Paper

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1 Overview

1.1 Background and purpose

The primary objective of Family Preservation is to keep children safe at home with their families, and prevent removal, placement in out-of-home care (OOHC), and future contact with the child protection system. Family Preservation also aims to support children, young people, and families to achieve wider social benefits, including better educational attainment and improved health and wellbeing indicators.

The Department of Communities and Justice (DCJ) has been working with the sector over the last three years to redesign the Family Preservation service system in NSW to improve the outcomes, experience, suitability, and accessibility for families who would benefit from working with a Family Preservation service. For Aboriginal children, young people, and families this also means increasing culturally safe, responsive, and community-led services that centre family-led decision making. At its heart, this redesign seeks to make Family Preservation services more responsive to family needs, and more effective at supporting families to achieve outcomes.

We set out a vision for the Family Preservation system in the *Redesigning Family Preservation in NSW Discussion Paper* and synthesised the ideas and perspectives brought to the table by ACCO service providers, non-ACCO service providers, DCJ central office, DCJ districts, peak bodies, and other government departments and organisations. We published design elements required for procurement in the *Finalising the Family Preservation foundational elements paper*.

To achieve this vision and to build a strong, efficient, effective, and responsive Family Preservation system, a new funding approach is essential. This paper outlines our strategic funding plan that supports the ambitious design and delivers better outcomes for children, families, and communities.

1.2 Delivering on NSW Government commitments

We have developed a new Family Preservation funding approach that delivers on NSW Government commitments to improve community services for children, young people, and families across the state. This paper details how we will deliver on two key commitments.

Secure Jobs and Funding Certainty

In 2023, the NSW Government committed to enhancing job security and funding certainty for the community services sector. This initiative, led by the Hon Kate Washington, Minister for Families and Communities and Minister for Disability Inclusion, aims to:

- Improve job security for the community services workforce, ensuring that workers have stable and reliable employment.
- Increase funding certainty for key community services providers, allowing them to plan and deliver services more effectively.
- Reduce administrative burdens, making it easier for service providers to secure jobs and funding, and focus more on service delivery rather than paperwork.

Family is Culture

In 2016, the NSW Government commissioned an independent review to address the disproportionate number of Aboriginal children in out-of-home care (OOHC). The Family is Culture (FiC) Review Report made 126 recommendations, including a strong emphasis on early intervention and prevention services. One of the key recommendations was to invest in ACCOs to deliver these services.

By investing in ACCOs, the NSW Government aims to reduce the number of Aboriginal children entering OOHC, support families to stay together, and promote better long-term outcomes for children and young people.

1.3 Guiding principles

Based on extensive engagement with service providers, peak bodies, and DCJ colleagues from across the state, we have developed five guiding principles to underpin the Family Preservation funding approach. The guiding principles are:

- **Transparent:** Building trust with the sector and providing accountability to the people of NSW by clearly explaining the process of determining funding positions and how resources are allocated across the state.
- **Secure:** Giving service providers long-term funding certainty to enable strategic planning and innovation and improving workforce development and retention and ultimately services that deliver better outcomes for children, young people, and families.
- **Sustainable:** Building an effective and efficient system delivers a high-quality service and good outcomes for children, young people, and families within its means. This means service providers are paid appropriately and provided implementation support, and that DCJ, as commissioners, can expect high-quality services.
- **Equitable:** Ensuring services are funded to deliver culturally safe, respectful, inclusive, and responsive to individual differences. For Aboriginal families, this recognises the systemic barriers and ongoing injustices that has resulted in Aboriginal children being over-represented in the child protection system.
- **Targeted:** Directing finite resources to those who need it most and where it can have the most impact.

2

Funding approach

2.1 Overview

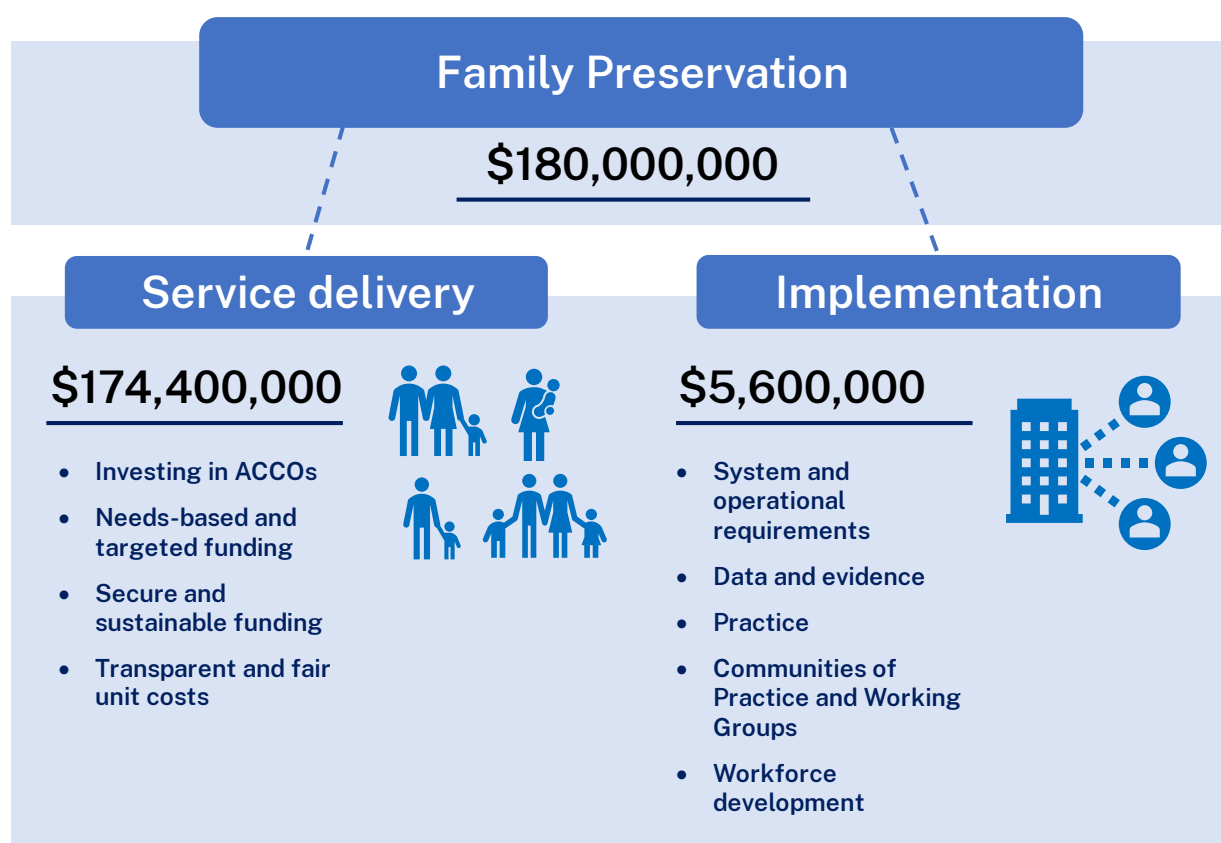
We have been working with the sector over the last three years to redesign the Family Preservation service system in NSW. As a result of internal analysis, evaluations, and ongoing collaborative consultations, it has become clear that a new funding approach is needed to support this ambitious redesign, ensuring an efficient, effective, and responsive Family Preservation system. Doing this allows us to demonstrate that public money is directed to community services in the right way that achieves outcomes and provides value for money to the citizens of NSW.

Through the next commissioning cycle, the NSW Government will invest more than \$180 million each year to deliver Family Preservation through a new design and funding approach.¹ We are committed to a funding approach that is transparent, secure, sustainable, equitable, and targeted.

The sector has stressed the critical need for dedicated investment in implementation, which is pivotal to the success of the ambitious changes. This investment must be proportionate and ongoing for the duration of the contracts to enable service providers to deliver effective and responsive supports, ultimately improving outcomes for children, young people, and families.

The current Family Preservation system has limited and inconsistent investment in implementation. Evaluations of several Family Preservation models showed that a lack of dedicated and proportionate implementation investment significantly contributed to their ineffectiveness, preventing the achievement of intended outcomes for children, young people, and families.

With that in mind, we have developed a funding approach that outlines two distinct investment components: service delivery (\$174.4 million) and implementation (\$5.6 million).



¹ This amount is calculated for financial year 2026/27 using NSW Treasury forecasted escalation rates and is subject to change as escalation rate are revised. All numbers in this paper are based in 2026/27 financial year and exclude GST.

2.2 Investing in Family Preservation service delivery

Our approach to investment in service delivery has focused on four key areas to build a system that is responsive, effective, and efficient for children, young people, and families. The key areas are: investing in ACCOs; needs-based and targeted funding; secure and sustainable funding; and transparent and fair unit costs.



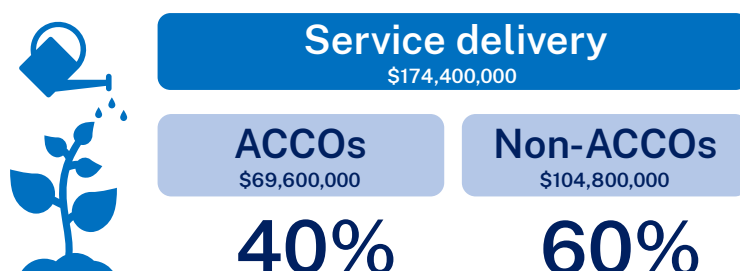
Investing in ACCOs

Aboriginal children, families, and communities continue to live with the impacts of harmful government policies and ongoing injustices. The forced removal of children from their families has created a legacy of mistrust of government agencies. Aboriginal children continue to be overrepresented in the child protection system with lasting impacts on families, communities, and cultural continuity.

Aboriginal communities, ACCOs, and peak bodies, including AbSec, Fams, and ACWA, have long called for increased investment in ACCOs delivering Family Preservation services. ACCOs and AbSec has strongly advocated for DCJ to recognise the driving force of community accountability in Family Preservation and to support the growth of the ACCO sector.

We know that Aboriginal communities, and thus ACCOs, are best placed to understand, design, and deliver services that respond to the needs and aspirations of their communities. However, they need the necessary funding to do so.

We have set a state-wide ACCO sector investment target for Family Preservation of 40 per cent, equating to over \$69.5 million per year. We will provide this funding to ACCOs from the outset of new contracts in 2026, supporting new and expanding ACCOs to scale up their organisations in line with this growth in investment.



Most of the ACCO investment target will be achieved by commissioning the new, ACCO-only *Aboriginal Family Preservation* framework, which allows ACCOs to design Family Preservation models with community. ACCO investment will be distributed across districts based on the extent to which Aboriginal children and young people in those districts are in contact with the child protection and OOHG systems.

This investment target delivers on the NSW Government FiC commitment to investment ACCOs delivering on early intervention and prevention services.

Directing services based on need

We are committed to targeting resources to where they are most needed and can have the greatest impact. The sector has advocated for funding that is reflective of the specific needs of communities.

For the first time in Family Preservation, we have adopted a needs-based funding approach to direct supports across the parts of our community that need it most. This approach provides fair and equitable resourcing for a high demand but finite service.

We have analysed child-protection administrative data to understand the needs of children, young people, and families across NSW and within each district – and ultimately the comparative demand for Family Preservation services. This analysis has allowed us to fairly distribute funding between districts based on the needs of families within those districts.

Given eligibility for Family Preservation is families with children suspected at ROSH, and the objective of Family Preservation is to keep children safe at home and prevent entries into OOH, we have used the following data to inform our analysis of need and demand:

- Children and young people (CYP) at risk of significant harm (ROSH), and
- CYP entering care.

We have also given a weighting for Aboriginal and culturally and linguistically diverse (CALD) CYP given the additional supports they require to meet their cultural needs (see below unit costing).

The funding envelope for NSW has been distributed to each district based on this analysis². Districts with higher numbers of families in need, and with families with higher needs (i.e. Aboriginal and CALD families), will receive comparatively more funding than districts with lower numbers of families in need, and families with lower needs. The distribution of funding across districts is set out below.

Table 1: 2026/27 financial year annualised contract values to nearest \$100,000

District	Allocation (excluding GST)
Hunter Central Coast	\$31,000,000
Murrumbidgee Far West Western NSW	\$26,000,000
Illawarra Shoalhaven and Southern NSW	\$18,500,000
Mid North Coast New England and Northern NSW	\$29,900,000
Western Sydney Nepean Blue Mountains	\$27,600,000
Sydney South Eastern Sydney Northern Sydney	\$19,600,000
South Western Sydney	\$21,000,000
Statewide CALD service	\$800,000
TOTAL	\$174,400,000³

² DCJ has allocated additional ACCO funding to Illawarra Shoalhaven and Southern NSW to support the evaluation of Nabu, the only Aboriginal-developed Family Preservation model currently operating in NSW.

³ The total 2026/27 financial year contract values for service delivery have been rounded to the nearest \$100,000.

Secure and sustainable funding

The sector has been calling for a more secure and sustainable funding to build greater operational resilience for service providers, which in turn means they can deliver effective, efficient, and responsive services to children, young people, and families.

We will provide security and stability in two ways:

1. **Introducing five-year contracts:** Historically, Family Preservation contracts have been set at three years. We will be extending this to five years.
2. **Introducing block funding with minimum contract values:** Historically, some Family Preservation service providers have been funded based on the families referred to them by DCJ, with insufficient certainty about their income. We will ensure that all service providers are funded at an annual rate that supports ongoing viability.

Five-year contracts and block funding gives the sector the confidence to plan for the future, which means they can provide greater job security to workers and maintain consistent and high-quality service delivery. It also allows services to innovate over the long term, continuously improve their models and build strong relationships with partners across the services system, ultimately leading to better outcomes for children, young people, and families.

It also delivers on the NSW Government Secure Jobs and Funding Certainty commitment.

Following market analysis, we have set a range of contract values for the next commissioning cycle. These will support the right market mix of small, medium, and large contracts in each district depending on demand, funding, and market availability⁴. Importantly, the minimum contract value is set to ensure that service providers have sufficient resources to operate the Family Preservation services independently of other funding and programs, thereby maintaining service viability and reducing vulnerability, and disruption should other funding sources change. This ensures that the quality of service to children, young people, and families is not compromised over the life of the contract.

To enable the implementation of minimum contract values in this way, we had to consider the breadth of Family Preservation and models and frameworks we are commissioning and the available funding to distribute between them. So as not to split contracts below the minimum contract value, we have taken the decision to reduce the suite of models we will commission and no longer commission FFT-CW Low Track. Families requiring a non-therapeutic case management service will be able to access this via *Families Together* or *Aboriginal Family Preservation*.

⁴ Some locations may combine contract values to meet the needs of the local market.

The most likely contract values for each framework and model DCJ will be commissioning are outlined below.

Table 2: 2026/27 financial year annualised contract values

Framework/model	Large		Medium		Small	
	No. of places	Contract value (ex. GST)	No. of places	Contract value (ex. GST)	No. of places	Contract value (ex. GST)
<i>Aboriginal Family Preservation</i>	35	\$ 1,886,920	21	\$1,132,152	14 ⁵	\$754,768
<i>Families Together</i>	35	\$1,498,455	21	\$899,073	14	\$599,382
<i>MST-CAN</i>	16	\$1,653,472	N/A	N/A	N/A	N/A
<i>FFT-CW (High Track)</i>	72	\$1,283,184	56	\$998,032	40	\$712,880

* In 2024/25 DCJ commissioned 64 places in the Nabu program for \$3.9 million.

The contract values for *Families Together* above are based on the base *Families Together* unit cost and does not include CALD places that attract a cultural loading. In *Families Together* contracts, DCJ will itemise the number of places which will be reserved and funded for CALD families with particular needs and uplift the contract value accordingly.

Developing fair unit costs

Understanding how much it costs to deliver a particular service to one family (i.e. a “unit cost”) is essential for understanding the investment needed to provide services for children, young people, and families in NSW. Unit costs are also a strategic lever for the government to make informed decisions about spending public money, ensuring effective outcomes and value for money. This approach ensures economic accountability to the people of NSW. Key benefits include:

- **Transparency:** Offering clear and straightforward comparisons.
- **Reliable data:** Providing accurate information for economic evaluations and business cases.
- **Consistency:** Establishing a standardised method for calculating costs that can be applied to other social services funded or provided by DCJ.

We are committed to using a fair and transparent approach to developing unit costs for Family Preservation that properly considers the quality, types, level of service required to support the varied and changing needs of children, young people, and families.

The suite of Family Preservation is made up of manualised and licensed models (MST-CAN and FFT-CW High Track) and Nabu with existing unit costs, and our two new frameworks (*Aboriginal Family Preservation* and *Families Together*), with unit costs that have been developed by economists in DCJ with inputs from program and operational areas.

The manualised and licenced models have existing and fixed unit costs because they require adherence to prescribed service and operational structures (such as service duration, caseloads, team structures, and training). However, we have adjusted the unit costs for MST-CAN and FFT-CW High Track to reflect Award increases, as this had not been done in seven years.

⁵ There may be some exceptional circumstance in which we commission a service provider to deliver 7 places for *Aboriginal Family Preservation* and *Families Together*. This would most likely be to support ACCO sector development.

For the *Aboriginal Family Preservation* and *Families Together* frameworks, we have developed the unit costs to be flexibly applied, allowing service providers to design their own approaches with bespoke service delivery and operational structures. The considerations taken into account are outlined further below in this paper.

The unit costs for the models DCJ will be commissioning are as follows:

Table 3: 2026/27 financial year unit costs

Framework/model	Unit cost (2026/27 financial year, ex. GST)	Service duration
<i>Aboriginal Family Preservation</i>	\$53,912 (Including up to \$5,000 brokerage)	12 months (noting that under the design, ACCOs will determine their own service duration as part of their model development)
<i>Families Together</i>	Standard place: \$42,813 CALD: \$50,212 (including up to \$5,000 brokerage)	12 months (noting that this is the average service duration across all families)
FFT-CW (High-Track only)	\$17,822 (including brokerage)	6-9 months
MST-CAN	\$103,342 (including brokerage)	6-9 months
Nabu	\$64,366 (including brokerage)	3-18 months

Costing *Families Together* and *Aboriginal Family Preservation*

A key design feature of the *Families Together* and *Aboriginal Family Preservation* frameworks is that they enable service providers to develop flexible and innovate approaches to delivering Family Preservation services. As outlined in the Discussion Paper, we will not be prescribing staff positions, team structures, practitioner caseloads, or salaries. It will be for service providers to determine the operating model they deploy within the unit cost for their relevant framework.

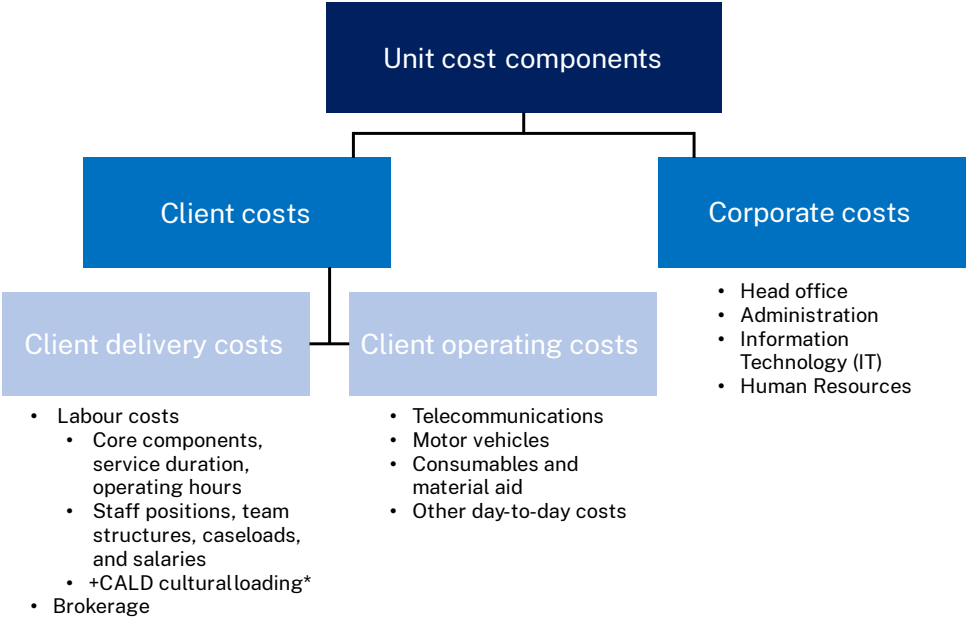
Given this, DCJ has applied a series of assumptions to determine the appropriate unit cost for each framework to deliver responsive, effective, and efficient supports to the target client group.

For *Families Together*, these assumptions include the delivery of the five standard core components (applying the required and optional service activities), over a 12-month service duration, within the operating hours of 6am to 8pm Monday to Friday. We assumed most families serviced by *Families Together* will be non-Aboriginal, including CALD, though Aboriginal families may still be serviced by *Families Together*.

The assumptions for *Aboriginal Family Preservation* include the delivery of the five standard core components plus the ACCO-only Healing and Advocacy core components, over a flexible service duration, within the operating hours of 6am to 8pm Monday to Friday. Only Aboriginal families will be serviced by *Aboriginal Family Preservation*.

The unit cost structure is outlined below and includes client costs (client delivery costs and client operating costs) and corporate costs.

Figure 1: Aboriginal Family Preservation and Families Together frameworks unit costs components

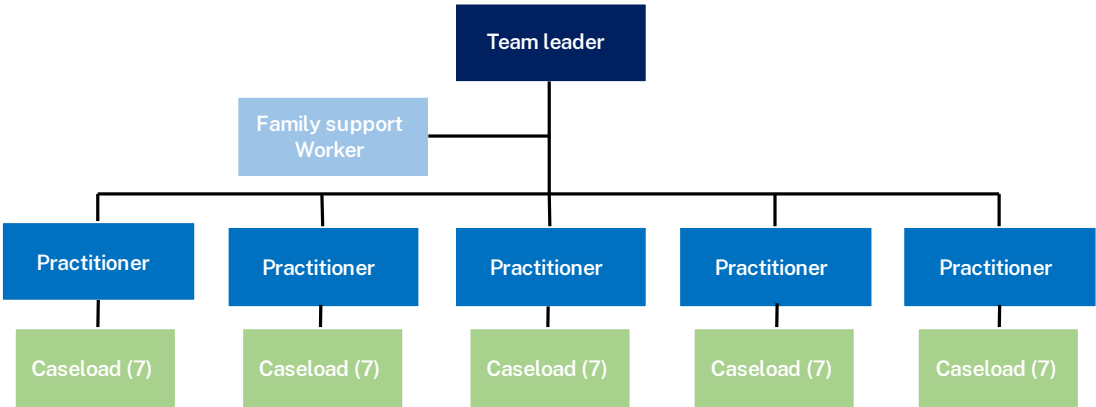


Client delivery costs

Client delivery costs cover the labour and brokerage expenses associated with service delivery. To calculate labour costs for *Families Together*, we used the five standard core components (Engagement, Case Management, Therapeutic Support, Family and Parent Support, and Child-Focused Support) to build an indicative service delivery model and made a range of associated assumptions as to staff positions, team structures, practitioner caseloads, and industry standard salaries.

The labour costs were calculated by dividing the total cost of the salaries of the team by the caseload the team collectively holds. Applying the indicative delivery model, the combined salaries of the team leader, family support worker, and five practitioners would be divided by 35⁶. We have assumed pay rates from Social, Community, Home Care and Disability Services Industry Award (SCHADS Award) for the salaries of the staff in the indicative team structure. More information is provided at [Appendix A](#).

Figure 2: Indicative team structure and caseload used to calculate the *Families Together* framework client delivery costs.



⁶ The indicative service delivery model for *Families Together* demonstrates a potential team structure under a contract servicing 35 families with no cultural loadings per annum, as outlined above in Table 2.

Where required by DCJ, *Families Together* contracts will specify the number of places that will be dedicated to CALD clients with specific needs and provide a 20 per cent loading to the unit cost accordingly. This loading provides additional resource for CALD families who require specialised supports (for example, interpreters, and cultural consultations). It will be at the discretion of *Families Together* service providers to apply the CALD cultural loading to the CALD families who need specialist supports within the number of itemised places in their contract⁷, however we will require them to collect data in infoShare and report how these funds are being used to DCJ.

Additionally, DCJ will commission a specialist CALD service to support practitioners delivering *Families Together* to access cultural expertise and advice for working with CALD families.

To calculate the labour costs for *Aboriginal Family Preservation*, we used the *Families Together* indicative model as a base and applied an additional 30 per cent. This additional funding recognises the extra time and/or resource ACCOs will need to deliver the Healing and Advocacy core components and service activities. Aligning with the flexibility of the frameworks, ACCOs will be able to spend this additional funding in a manner which supports children and families to achieve their outcomes and may include specialist and/or more practitioners.

Brokerage has been set for both *Families Together* and *Aboriginal Family Preservation* at \$5,000.

Client operating costs

Client operating costs covers non-labour costs associated with servicing clients. We have included a number of expenses typically considered including:

- Telecommunications
- Motor vehicles
- Consumables and material aid
- Rent, utilities, and related outgoings
- Property management, repairs, and maintenance
- Accounting, insurance, and legal fees
- Other day-to-day costs.

Corporate costs

We have assumed a number of corporate overhead expenses typically considered separate to service delivery costs. They include costs associated with:

- Head office
- Administration
- Information Technology (IT)
- Human Resources.

Further detail on the assumptions used to inform the unit costs for the *Aboriginal Family Preservation* and *Families Together* frameworks can be found in [Appendix A](#).

2.3 Investing in implementation

We have developed a funding approach that includes a dedicated and ongoing implementation investment worth \$5.6 million per year.

We know that strong implementation and continuous service improvement are key drivers to ensuring Family Preservation services deliver outcomes for children, families, and communities. This is echoed by the sector who have advocated for dedicated and proportionate funding for appropriate implementation support.

The sector said that implementation must consider data capture, workforce development, and continuous improvement to ensure quality services that effectively support children and young people to remain safely at home.

We are currently developing a Family Preservation Implementation Plan that considers how to support the sector in a phased approach over the contract period. The plan will outline a high-level roadmap with timelines covering key milestones, implementation phases, and expected outcomes. It will broadly consider:

- System and operational requirements
- Data and evidence
- Practice
- Communities of Practice and Working Groups
- Workforce development.

We will collaborate with the sector to develop and refine the Family Preservation Implementation Plan, ensuring it is well-informed, comprehensive, and helps support providers to deliver better outcomes for children, families and communities.

3

Managing transition

3.1 Moving from the old system to the new

We know that the new Family Preservation design is an ambitious and long overdue reform, and we understand it will bring significant changes for service providers. These changes will not be easy, but they are crucial for improving the quality and effectiveness of our services. The sector has been calling for these changes for a long time, and we are now on the cusp of achieving meaningful progress. By embracing this new design, we can make a difference in the lives of children, young people, and families that want and would benefit from a Family Preservation service.

We want to provide the sector with security and a clear vision for the future. We are developing a comprehensive transition plan, with the goal to:

- Minimise disruption to service provision whilst maintaining consistent support for families.
- Ensure seamless collaboration between DCJ and service providers for smooth and effective transition of services.
- Ensure clear and timely communication with stakeholders, including service providers, DCJ, and families, to build confidence and transparency.
- Establish clear governance structures to oversee the transition, ensuring accountability, decision-making clarity, and effective risk management.
- Support provider readiness by ensuring that service providers have the necessary resources to effectively implement the new system.
- Safeguard the integrity of data and records to ensure continuity of care and support.
- Maintain performance outcomes during the transition to avoid any dip in service quality.

We will consult the sector as we develop this plan, ensuring stakeholders are well-supported and informed throughout the process. Together, we can achieve a smooth transition and deliver more effective services for children, young people, and families.

4

Appendices

4.1 Appendix A: *Aboriginal Family Preservation and Families Together* unit cost assumptions⁸

Table 4: Indicative staff positions used to calculate the *Aboriginal Family Preservation and Families Together* frameworks' unit costs.

Position	Description
Team leader	Team leaders manage practitioners and family support worker and are responsible for ensuring the smooth running of day-to-day operations and assist with supporting clients as needed. This includes providing guidance to practitioners including supervision and making decisions, assisting practitioners with supporting high need clients, meetings and working collaboratively with stakeholders in the Family Preservation sector.
Practitioner	Practitioners are responsible for intake and providing case work and coordination to families. The type of support varies depending on the needs of the client but can include development of a case plan; conducting assessments; structured home visits; and referrals to other services such as parenting programs, children services, mental health (counselling) or drug and alcohol services.
Family support worker	Family support workers directly assist the day-to-day work of Practitioners. This includes supporting case planning and documentation, referrals and appointments, case visits and day-to-day team priorities.

Table 5: SCHADS Award comparable grades and pay rates used to calculate the *Aboriginal Family Preservation and Families Together* frameworks' unit costs.

Position	SCHADS Award grade	Base salary (2024-25 financial year)
Team Leader	6.3	\$111,093
Practitioner	4.4	\$91,587
Family Support Worker	3.4	\$79,135

⁸ The *Aboriginal Family Preservation and Families Together* unit cost have been calculated using 2024/25 figures outlined in Appendix A. We have then applied the NSW Treasury forecasted escalation rates up until FY2026/27 which are subject to change as escalation rate are revised.

Table 6: Salary on-costs assumptions used to calculate the *Aboriginal Family Preservation* and *Families Together* frameworks' unit costs.

Salary on-cost element	Percentage of base salary (2024-25 financial year)
Superannuation	11.50 per cent
Workers' compensation	5.00 per cent
Long service leave	2.65 per cent
Leave loading	1.35 per cent
Total	20.50 per cent

Table 7: Overtime assumptions used to calculate the *Aboriginal Family Preservation* and *Families Together* frameworks' unit costs.

Overtime considerations	Unit	Value
SCHADS Award practitioner salary (2024-25 financial year)	\$/per annum	\$91,587
Relevant salary on-costs (superannuation (11.5 per cent), workers' compensation only (5.00 per cent))	\$/per annum	\$106,699
Available working hours	Hours per annum	1,335
Hourly rate	\$/per hour.	\$80
Overtime penalty rate	Percentage	150 per cent
Overtime hourly rate	\$/per hour.	\$120
Estimated hours of overtime	Hours p.a.	8
Overtime cost	\$/per annum	\$959

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