

Submission to the Closing the Gap Review 2026

October 2026

About Fams

Fams is the NSW peak body that represents the child protection NGO early intervention and prevention sector.

Children and family's safety, health and wellbeing are at heart of all our work. Fams is dedicated to ensuring that children and families receive the support they need through evidence-informed, outcomes-based service delivery. We champion government and sector accountability and work to influence positive policy outcomes.

We collaborate closely with Government, policy and decision-makers, non-government organisations, academic institutions, peak bodies, the family and community services sector, Aboriginal Community Controlled Organisations, and groups supporting diverse communities. Our advocacy focuses on securing better policies and resources for children, young people, families, communities, and the services that support them.

Acknowledgement of Country

Fams acknowledges the Traditional Owners of Country throughout New South Wales and their continuing connection to lands, waters and communities. We pay our respect to First Nations people, and to Elders past and present.

We recognise the significant overrepresentation of First Nations children and young people in contact with the child protection system and commit to driving reform that keeps First Nations children and young people safely with family, kin and community.

This acknowledgement is wholeheartedly endorsed by the Fams Board.

Introduction

Fams welcomes the Productivity Commission's second review of the National Agreement on Closing the Gap. We particularly welcome the decision to examine outcomes for children and young people in depth, with prevention as the lens. That choice places early intervention, and the services that deliver it, at the centre of the review.

Our perspective is intentionally focused. We bring the perspectives and practice wisdom of the early intervention and prevention sector in NSW. These are the service commissioned by government (both Federal and State) and represent a significant proportion of the sector that Priority Reform 3 seeks to address. We draw on feedback from our stakeholders, our 2026 NSW roadshow, and the NSW recommissioning of Family Preservation and Community and Family Support (CAFS).

The following represents our initial recommendations to the Productivity Commission with the accompanying rationale underpinning these recommendations. A summary of recommendations can be found on page 13.

Commissioning approaches that align with the Agreement (Priority Reform 2)

Fams continues to support the principles of the Agreement that underpin the actions of diverting and allocating equitable proportions of funding within the service system towards Aboriginal-led services. Proportional and sustainable funding that is Aboriginal-led is vital in addressing the continued overrepresentation of Aboriginal and Torres Strait Islander children in the Child Protection system, as well as the other systems that intersect Child Protection (e.g. Family and Domestic Violence, Justice, and Homelessness services).

While the goals of the Agreement are clear, there is still a substantive need for this to be meaningfully implemented into the ways that government commissions programs and in the very approaches that government uses to procure services. Fams' experience of the NSW-based recommissioning which involved an open tender procurement for a new suite of Family Preservation services has provided insights into positive impacts and further opportunities for improvement.

The following represents some key learnings that Fams has obtained from our close work in collaborating with the NSW Government and the NGO sector in NSW throughout the Family Preservation recommissioning and open tender in NSW.

What's Working Well

- Dedicated ACCO investment - The decision to dedicate 40% of the $900 million funding pool to ACCOs only was a welcome investment and may help set a precedent for the community services sector in NSW to further invest in ACCOs.
- ACCO-designed components – Consultation occurred in designing core components. A core component called "Healing" was included which only ACCOs can deliver which allows for ACCO-led models to be legitimised.
- Procurement Support – ACCOs were provided with free, specialist tender-writing support through AbSec to equitably apply for the new models.

- Equitable Criteria – Tender criteria included equitable approaches such as implementing a 10% loading for small to medium organisations, requirements for a place-based footprint, and the option to provide a verbal response to questions.
- Sustainable Investment – The 5-year length of contracts in addition to the unit-costing approach, contribute towards organisations being able to sustainably focus on service delivery.

What we are Worried About

- Aboriginal decision-making tapered off – Despite significant consultation with both service providers and peak bodies in the earlier stages of recommissioning, key components of the program specifications and outcomes tools were not co-designed with ACCOs or First Nations stakeholders.
- Competitive Tendering – Family Preservation was procured through an open tender approach. This created a competitive environment amongst service providers. We are concerned that this has detrimental impacts on the willingness of organisations to collaborate and partner.
- Compliance focused outcomes – The outcomes measurement and reporting mechanisms implemented in Family Preservation prioritise Government outcomes over that of community or service providers. Not only is this a symptom of insufficient co-design in the latter stages, but it risks undermining the ability of ACCO providers to demonstrate the outcomes that truly matter to First Nations children, young people, and families in the child protection system.

These experiences translate to valuable learnings about the key enablers of diverting and increasing ACCO-funding through methods such as supported tender-writing, loading for small organisations, and unit-costing to ensure sustainable funding. The ambitious 40% allocation is also demonstration that proportional funding shifts can be achieved within a single commissioning process with the appropriate enablers. Despite being a step forwards, Aboriginal-led commissioning can go further. Pilots such as those initiated by

AbSec in Grafton[1] and Condobolin[2] may serve as useful models to place First Nations funding in the hands of First Nations communities, Elders, and families. We strongly support the adoption of the principles within AbSec's Comissioning Policy Framework[3] and our work is guided by our support of Aboriginal-led commissioning, especially in the communities where overrepresentation of First Nations children is stark.

However, this process has also provided valuable learnings about sequence. Aboriginal-led outcomes measures, program specifications, and program design must be embedded throughout the lifespan of government-funded programs. For meaningful change to be implemented, First Nations perspectives must be embedded in all the processes, measures, and program specifications. This should be completed prior to the procurement of these programs to ensure transparency and accountability.

Recommendation 1: Fams recommends that Aboriginal-led commissioning should be prioritised over percentage targets and competitive targets alone. The Productivity Commission should assess whether First Nations voices and recommendations were sufficiently included in program design, funding allocation, and outcomes measurement before the initiation of any procurement process.

[1] Aboriginal leaders demand structural reform as sector-leading child and family conference draws national representation | AbSec NSW
[2] Community leads the way: Condobolin launches landmark Aboriginal-led services for children and families in regional NSW | AbSec NSW
[3] AbSec_December2021_Commissioning-Policy-Framework.pdf

Investing earlier to Prevent Harm (Priority Reform 2 and Target 12)

Target 12 of the Agreement will not be met if service delivery is focused on intervening only when a child is deemed at being at risk of significant harm. Yet, this is currently where the investment continues to be disproportionally focused.

Fams' *What if the Smartest Dollar Was Spent Earlier*[4]*?* Campaign involved economic modelling that showed every $1 spent on early intervention supports could return $2.97 in social and economic benefits. Despite this, for every $8.20 spent on Out-of-Home Care and statutory services in NSW, only $1 was spent on early intervention and prevention. In certain districts in NSW such as the Western NSW district, this imbalance was even more marked, with $24 spent on responding to harm for every $1 spent on early intervention and prevention. This points to the significant need for proportional investment into earlier, First Nations-led supports.

The NSW Department of Communities and Justice continues to prioritise funding for intensive and crisis supports, with there being no commitment to a core funding increase for the Community and Family Supports (CAFS) programs which represent a substantive proportion of early intervention child protection services in NSW[4]. This is only one of many examples of the broader issue where early intervention services are insufficiently funded and resourced by Government[5]. This is not an argument to divert funding away from essential services, especially ACCO-led intensive supports. It is a recommendation to ensure that there are culturally safe supports available for First Nations families that prevent harm from occurring in the first place.

Recommendation 2: Governments should prioritise sustained investment in Aboriginal-led early intervention and family preservation, with funding based on community need. Funding should address the disproportionate investment towards crisis services which perpetuates the overrepresentation of First Nations children in the child protection system. The Productivity Commission should hold each jurisdiction accountable to proportional investment in early intervention and prevention services compared to statutory and crisis services.

[4] Fams NSW Advocacy Platform 2026-2027
[5] Connell, M. 2025, The Cost of Late Intervention 2024, The Front Project, Melbourne

The role of non-ACCO services (Priority Reform 3)

Priority Reform 3 asks to make their organisations culturally safe and responsive, including through their funded services. Many of these services are the very service providers that Fams represents. It is our belief that genuine cultural safety is enabled by having First Nations children and families supported by ACCOs whenever that is their choice. Every community should have this option, and this choice is only real when a properly resourced ACCO option exists. Therefore, even though some progress has been made in NSW with regards to embedding cultural safety in the specifications of the CAFS program, more needs to be done to enable genuine choice for First Nations children and their families.

The NSW CAFS program is a valuable example of this. While Fams welcomes the addition of a requirement for all service providers to demonstrate cultural safety[6], there has not been an increase in funding or commensurate supports available to meaningfully support implementation. Furthermore, our consultations with service providers in NSW suggest that unclear communication from Government about the need for increased cultural safety, and the ways that this is formally evaluated have hampered implementation for some service providers.

Therefore, adequate funding and clear messaging is essential to progressing Priority Reform 3. Accountability measures and timeframes must be put in place to ensure that there is sufficient impetus for these initiatives to succeed. Accountability should not just be to Government, but to First Nations communities and organisations. This should go beyond funding non-ACCO providers for training, but an explicit expectation for service providers to demonstrate their capacity to appropriately work with First Nations clients and to create genuine partnerships with ACCO providers to better meet the needs of community.

[6] Program Specifications Community and Family Support (CAFS) Program, NSW Department of Communities and Justice

Recommendation 3: Fams recommends that Government make explicit the role of non-ACCO providers serving Aboriginal families in contracts. This means cultural safety frameworks embedded before contracts commence, formal partnerships with local ACCOs, time-bound transition plans, and funded cultural supports led by ACCOs. These requirements need to be resourced, instead of implemented with existing funding. Performance against these obligations should be publicly reported.

Building durable public and service support for reform (Priority Reform 3)

The responsibility of Government extends to how a reform is designed, implemented, and explained. Reforms should be intentionally built to withstand risks such as changes to government, misinformation, and perceived threats to existing service provision models.

Clear communication is essential towards progressing the goals of the Closing the Gap commitments. When decision-making processes lack transparency, they can fuel uncertainty, reinforce misconceptions and undermine confidence in the changes being introduced. These challenges can be further exacerbated by rushed implementation, inadequate resourcing and poor communication with stakeholders.

These are reasonable and predictable responses to change that Government should take reasonable steps to address. Otherwise, it is ACCOs, First Nations communities, and families that are left to carry the consequences of these issues.

Some of these issues were observed in the NSW recommissioning of the Family Preservation programs. Fams became aware that some service providers began to express uncertainty about the motivations for the 40% ACCO allocation due to the lack of publicly available information about the need-based logic behind allocations. Similarly, the compressed transition timeframes and the limited continuity of service provisions for families already in these programs impacted confidence in the reform process. Tailoring communications appropriately so that information is accessible and relevant to government stakeholders, service providers, and families.

Therefore, realistic timeframes, adequate resourcing, and transparent messaging is required to create meaningful progress. An example of this would be the DCJ-funded availability of EAP for affected Family Preservation staff during transition, and the clear partnership with the Australian Services Unions to encourage workforce transition pathways.

Recommendation 4: Fams recommends that the Productivity Commission treat public support for reform as a Priority Reform 3 responsibility of government. Parties should publish the needs-based rationale for funding allocations, plan and resource workforce and service transitions, adequately resource ACCO establishment, and transparently communicate this to address misinformation.

Measuring what matters (Priority Reform 4)

Target 12 is measured by counting the number of children in out of home care. It cannot show whether prevention is working, which is the question this review has chosen to examine.

This review asks whether outcomes and targets are appropriately defined and measured. Supporting indicators co-designed with ACCOs and communities is the key initiative that will allow this question to be meaningfully answered. Examples of potential measures could include entries into care prevented, restorations, and family wellbeing as First Nations communities define it.

Fams supports the leadership of AbSec and Aboriginal organisations on Indigenous Data Sovereignty. All data about Aboriginal families falls under Aboriginal data governance and should be returned to First Nations communities in usable form. It is the responsibility of Government to ensure that this data is publicly available and as user-friendly as possible to enable First Nations service providers and community to access this.

Fams has previously recommended building evaluation funding into all statewide service contracts[7]. This should not be an afterthought or an ad-hoc initiative. The outcomes measures that matter most to First Nations children and families should be designed prior to program implementation and measured on a consistent basis.

Recommendation 5: Fams recommends co-designing indicators for Target 12 with ACCOs and First Nations communities that show the impact of earlier intervention and prevention services. These measures must uphold Indigenous Data Governance and return data to communities in usable form.

[7] Fams Submission: Inquiry on Government Service Delivery Standards in Regional NSW

Conclusion

The Closing the Gap Agreement has already set out what needs to change. The question for this review is whether governments have changed how they act. One of the clearest places to evidence this is in the way that governments approach commissioning.

We have made a case throughout our submission that our experiences of commissioning led by the NSW Department of Communities of Justice demonstrates areas where progress has been made, such as increasing the allocation of funding for ACCOs as seen by the 40% allocation for Aboriginal Family Preservation services. This same commissioning process has also demonstrated where there is opportunity for further improvement. This includes more consistently embedding Aboriginal-led commissioning, proactively co-design programs with First Nations peoples, and measure outcomes that truly matter to First Nations communities.

For the children and families our sector supports, this means making culturally safe supports available as early as possible for children, families, and their communities. It means genuine action and accountability to address the continued overrepresentation of First Nations children in the child protection system. Fams would welcome the opportunity to give evidence and to continue working with the Commission, AbSec, and our colleagues across the sector as this review progresses.

Summary of Recommendations

1. Fams recommends that Aboriginal-led commissioning should be prioritised over percentage targets and competitive targets alone. The Productivity Commission should assess whether First Nations voices and recommendations were sufficiently included in program design, funding allocation, and outcomes measurement before the initiation of any procurement process.

2. Governments should prioritise sustained investment in Aboriginal-led early intervention and family preservation, with funding based on community need. Funding should address the disproportionate investment towards crisis services which perpetuates the overrepresentation of First Nations children in the child protection system. The Productivity Commission should hold each jurisdiction accountable to proportional investment in early intervention and prevention services compared to statutory and crisis services.

3. Fams recommends that Government make explicit the role of non-ACCO providers serving Aboriginal families in contracts. This means cultural safety frameworks embedded before contracts commence, formal partnerships with local ACCOs, time-bound transition plans, and funded cultural supports led by ACCOs. These requirements need to be resourced, instead of implemented with existing funding. Performance against these obligations should be publicly reported.

4. Fams recommends that the Productivity Commission treat public support for reform as a Priority Reform 3 responsibility of government. Parties should publish the needs-based rationale for funding allocations, plan and resource workforce and service transitions, adequately resource ACCO establishment, and transparently communicate this to address misinformation.

5. Fams recommends co-designing indicators for Target 12 with ACCOs and First Nations communities that show the impact of earlier intervention and prevention services. These measures must uphold Indigenous Data Governance and return data to communities in usable form.