Submission:

Discussion Paper: A new approach for families and children

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Executive Summary

The Smith Family welcomes the opportunity to respond to the Department of Social Services (DSS) Discussion Paper: *A New Approach to Programs for Families and Children*. As a national children's education charity supporting thousands of young Australians experiencing disadvantage, we bring deep, long-term experience and evidence-based insights into systemic barriers affecting children's wellbeing and educational outcomes.

We commend the Government's commitment to improving long-term social and economic outcomes for families and children. This reform is an exciting opportunity to reflect, reform, and improve programs by embedding evidence-informed approaches, drawing on decades of expertise and experience to shape policies that prioritise local communities. We strongly endorse the intentions of the reform to streamline services and reporting, support collaboration, and deliver culturally safe, community-led services aligned with the Early Years Strategy 2024–2034, the Community Sector Grants Engagement Framework, and the Entrenched Disadvantage Package.

Our submission emphasises:

- Building on the proven success of existing programs while addressing gaps.

- Embedding progressive universalism, relational contracting, and place-based, community-led approaches.

- Recognising integration as a funded practice, not just a structural aspiration.

- Ensuring cultural safety and inclusion for all families.

- Designing commissioning processes that safeguard continuity and collaboration.

Introduction

The Smith Family is a national, independent children's charity that has supported Australian children and families experiencing disadvantage for more than a century. We work with over 234,000 students and families, including 72,000 young people living in low-income households, across 91 communities and 780 schools. Our programs include Facilitating Partner in nine Communities for Children sites across Australia, as well as *Learning for Life*, *Growing Careers*, *Saver Plus* (in partnership with the Brotherhood of St Lawrence and our pilot *On PAR* program, demonstrating positive outcomes for families with complex needs.

Our experience, combined with insights from sector partners, demonstrates that place matters, community leadership is critical, and integration must be funded as a practice, not assumed through co-location. We have actively participated in DSS consultations on the future of the program since 2020 and strongly support reforms that remain contemporary and fit for purpose.

We welcome and commend the Government's commitment to improving long-term social and economic outcomes for families and children. This is an exciting opportunity for reflection, reform and improvement, including supporting an evidence-informed approach, drawing on decades of expertise and experiences to shape policies with a focus on local communities.

The Smith Family is a member of The Possibility Partnership (TPP) – a collaboration of some of Australia's leading community service organisations, who work with vulnerable families. In considering next steps in enabling co-design with key stakeholders, including families and children, and implementation of these changes, we would be happy to be considered as critical friends along the journey.

Why Reform Matters Now

The proposed reform comes at a time of significant social and economic challenge. Families are navigating rising cost-of-living pressures, housing insecurity, and mental health concerns. Children in disadvantaged communities face persistent educational gaps. These challenges are compounded by fragmented service systems that often fail to respond holistically to family needs.

The Government's vision to streamline programs and embed early intervention is timely and necessary. However, success will depend on building on what works, avoiding service disruption, and ensuring reforms do not unintentionally dismantle trusted local networks.

"How does community cope if all of our scaffolds are taken away at the same time?" – CfC community member on hearing of the proposed reform.

Key Principles for Reform

1. Responding to Community need: Progressive Universalism

Universal access combined with proportionate support ensures equity. Families with complex needs require proportionate support, not rigid eligibility barriers. For example, The Smith Family's *Learning for Life* program leverages the universal setting of schools, working in partnership with school teams to engage families in 'natural' locations and targeting additional resources and family led support to families experiencing disadvantage, Through our programs implemented through schools, The Smith Family also leverages our extensive network of relationships with business, our VIEW clubs and resources from every day Australians, providing access to networks, opportunities, role models and evidence based programs. This ensures services are inclusive and non-stigmatising while prioritising those most at risk. It also aligns with international best practice for reducing entrenched disadvantage.

2. Working Together - Relational Contracting

We welcome DSS' commitment to pilot formal relational contracting, providing greater flexibility to improve outcomes for services where users have complex needs and where methods of delivery need to adapt over time. Moving beyond transactional models to relational contracting fosters trust, adaptability, and shared accountability. We note that historically, the sector worked collaboratively with government based on trust and flexibility. Recent years have seen a shift toward compliance-heavy processes that stifle innovation. As an example, 2022 floods, flexible contracts enabled rapid adaptation to deliver emergency family support without breaching compliance.

A formal relational contract is a specific legal agreement with shared goals and an expectation of open communication and data sharing. It typically has two parts: Part A – to establish agreed

values, guiding principles, and governance arrangements; and Part B – to outline required outcomes, target groups and time for delivery.

Given that formal relational contracting is a new concept must be implemented carefully, with capability building for DSS and providers and a staged plan to avoid unintended rigidity. Funding Arrangement Managers (FAMs) will need authority and training to apply relational principles effectively. The following elements are required to set the pilot up for success:

a. **Build capability**: Build the capability of government contract commissioning and management teams on formal relational contracting and how to work differently with service providers. Provide training for service providers on formal relational contracting and enable sharing of lessons across providers.

b. **Public accountability and oversight**: Involve the Department of Finance and the Australian National Audit Office early, during the set-up phase, to ensure 'no surprises' and prior approvals have been obtained.

c. **Service user and community participation**: Involve communities in the development of the proposed outcomes of the relational contract and ensure reporting of results/outcomes to community.

d. **Learning partners**: Engage learning partners and 'deal architects' to help train, prepare and evaluate this work. This includes access to best practice in other countries and the use of appropriate evaluation to validate and improve the work.

3. Vision and Outcomes – Community Leadership and Backbone Support

The new vision proposed reflect well the vitally important role parents and caregivers play in positive outcomes for children, and outcome two implies acknowledgement of the broader community and service system in supporting children to grow into healthy resilient adults While postcode does not define destiny in Australia, children who grow up experiencing disadvantage experience poorer long term outcomes than their more advantaged peers across education, health, mental health and longer term employment.

If we want to achieve lasting change for children and families, we must start where change truly happens—within communities themselves. Programs succeed when communities lead, and when they have the right support to turn vision into action.

Community leadership is the engine of sustainable outcomes. The new program should put communities in the driver's seat, backed by strong, well-resourced 'backbone' or facilitating organisations that provide coordination, governance, and system integration. This is how we move from fragmented services to a coherent, locally owned system that works for families. In practice this involves:

- Established place-based initiatives like *Stronger Places, Stronger People* and *Empowered Communities* should drive local program design and delivery, supported by backbone organisations that convene partners and align resources.

- Emerging initiatives in emerging communities need co-design opportunities and capacity-building support, with backbone organisations helping them grow governance and leadership. Communities without existing structures should be consulted and supported to build community-led governance, while providers adopt place-focused approaches—again, enabled by backbone coordination.

- Dedicated funding for governance and co-ordination functions and community capability building is essential. Without it, we risk short-term fixes instead of long-term transformation.

'Backbone' organisations are not administrators—they are strategic enablers. They hold the relationships, translate data into insights, and integrate services across government and sectors. Investment should be targeted to where need is greatest, based on a review of current data sets. And the proposed longer-term funding model is critical—it creates the stability communities need to lead and innovate.

This is our opportunity to shift from programs done *to* communities to programs done *with* communities. By embedding community leadership, governance and service coordination support at the heart of the new approach, DSS can deliver a system that is locally driven, nationally connected, and built to last.

4.   Connected, co-located and integrated services

Our observation of, and experience in implementing Communities for Children over many years is that Australia does not yet have an enabling policy environment for service integration and we are heartened to see this issue as a key focus for in the review of the Family and Children

Activity program. Given the limitations of this program regarding available funds and scope, we encourage a key focus on learning from these changes for application across the range of

human services portfolios across jurisdictions in the future. Developmental vulnerability and rates of out-of-home care placements have been identified as key contextual factors, but the links between these reforms and other major reforms such as the Better and Fairer Schools Agreement, Thriving Kids Initiative and health reforms are not considered in this paper.

Integrated service delivery is essential to improving outcomes for children and families. Families often navigate multiple services funded by different levels of government, leading to duplication, gaps, and inefficiencies. Service integration reduces fragmentation by enabling providers to collaborate, share data, and coordinate supports around family needs rather than program silos.

With the right policy settings, this approach can strengthen early intervention, ensure culturally safe and holistic responses, and improve accessibility for families. Integration also supports collective impact by aligning local priorities with broader policy objectives, making it easier for communities to influence commissioning and co-design processes.

As noted above, community leadership must be at the centre of program design and delivery. Strong governance and service coordination are the 'glue' that is critical to enabling this leadership—they provide the convening, coordination, and governance functions that underpin effective responses to the diversity of need and support available in diverse communities across

Australia. This function also recognises and provides vital scaffolding for building sector capability. Diversity in size, capability, and cultural expertise allows the sector to meet varied community needs. Building sector strength requires investment in workforce capability, digital inclusion, and governance, alongside funding models that enable flexibility and collaboration rather than competition. Longer-term funding arrangements will create stability and allow organisations to innovate and respond to local priorities effectively.

Integration cannot be achieved through co-location alone. It requires trust, warm handovers, joint planning, and shared intent. Relationship-building is often invisible in budgets but indispensable for success.

5. Cultural Safety and Inclusion: Improving outcomes for Aboriginal and Torres Strait Islander Families

The Smith Family is deeply committed to addressing the gap in outcomes for Aboriginal and Torres Strait Islander peoples. Twenty-six (26%) of the almost 73,000 on our *Learning for Life* program identity as of Aboriginal and Torres Strait Islander backgrounds and we have experience as a respected CfC Facilitating Partner in a range of diverse communities, including Katherine in the Northern Territory.

Aboriginal Community Controlled Organisations (ACCOs) play a vital role in delivering culturally safe and effective services for First Nations children, families, and communities. Addressing mistrust and concerns arising from past trauma requires programs that are designed and delivered in partnership with ACCOs, with active involvement of Elders and cultural leaders. This includes creating safe spaces for First Nations families, offering culturally specific supports, and ensuring services reflect cultural values and practices. Prioritising funding for ACCOs in communities with high First Nations populations, where this is the preferred approach will strengthen trust and improve outcomes. Service mapping, alongside population data, should guide investment to areas of greatest need and ensure ACCOs are positioned to lead or partner in service delivery.

Under the new program, non-Indigenous providers also have a responsibility to build their own cultural competency and capability to culturally safe services for First Nations families who choose to access them. This dual approach—expanding ACCO-led services while improving cultural safety across the broader sector—will create a more inclusive and responsive system. DSS should also consider how existing federal and state-funded ACCO services meet current demand and where gaps remain, to avoid duplication and ensure targeted investment. Embedding ACCOs as central partners in commissioning and co-design processes will help rebuild trust, empower communities, and deliver programs that reflect local priorities and cultural identity.

Additionally, programs must address gaps for CALD families and children with disability. The Department's 2024 Evidence Paper for the Review of Child, Youth and Parenting Programs found that across CaPS, CfC FP and FMHSS, people from diverse cultural and linguistic backgrounds 40% less likely to access services than the general population and children (with disability were less likely to access mainstream services.

6. Measuring Outcomes

The Smith Family strongly supports an outcomes-focused approach that moves beyond activity reporting to demonstrate real change for children and families. We advocate for a clear outcomes framework that is co-designed with communities and providers, ensuring indicators reflect local priorities, cultural contexts, and the complexity of family needs. High-level outcomes such as "children are safe and well" or "ready to learn" must be translated into specific, measurable indicators supported by short- and medium-term milestones. This enables programs to track progress, adapt based on evidence, and maintain accountability. ARACY's The Nest, and the Indigenous Social and Emotional Wellbeing model provide examples of well-articulated outcomes frameworks for consideration.

The Smith Family's previous submissions highlight the value of Outcomes Based Accountability (OBA), which asks:

1. How much did we do?

2. How well did we do it?

3. Is anyone better off?

This practical framework addresses challenges of causation and attribution, supports continuous improvement by linking data to decision-making. The process of outcomes measurement should not become overly burdensome or compliance-driven; instead, it should enable learning and improvement. We stress the importance of **shared outcomes frameworks** to support service integration and collective impact, as well as **capacity-building for smaller organisations** to collect and use data effectively. Transparent data sharing and feedback loops are essential so communities and providers can act on insights.

To achieve this, DSS should:

- Embed **co-design in outcomes frameworks**, including First Nations voices and culturally safe indicators.

- Invest in **data capability and infrastructure**, particularly for smaller and regional organisations.

- Support **learning networks** to share best practice and evaluation findings.

- Commit to **long-term funding** to allow outcomes measurement to track sustained change over time.

This approach will create a system that is accountable, adaptive, and focused on improving life outcomes for children and families.

7. Other input: Building on Success

The DSS 2024 review of CaPS, CfC FP, and FMHSS highlighted strong client outcomes and value for investment. FRSA's cost-benefit analysis by the Centre for International Economics

confirmed overwhelmingly positive outcomes—improved family functioning, mental health, wellbeing, and child development. While we respect the Department's intent to refine this program (in isolation of a range of other related programs), our strong view is that any new program should build on the demonstrated success of prior initiatives and that experience and expertise in program delivery and established trust and connection with local communities is captured in the proposed open tender process.

Conclusion

This submission recognises the need for reform that builds on proven successes, prioritizes community leadership, and embeds integration and cultural safety as core practices. By adopting progressive universalism, relational contracting, and place-based approaches, the Department of Social Services can create a system that is inclusive, adaptive, and responsive to the diverse needs of families and children. Sustained investment in backbone organizations, outcomes measurement, and co-design with communities—especially First Nations and CALD groups—will ensure programs deliver lasting impact. With a commitment to collaboration and continuous improvement, these reforms offer a pathway to stronger, more resilient communities and brighter futures for Australia's children.