



## Executive Summary

The Possibility Partnership and the Strengthening Communities Alliance welcome the opportunity to contribute to DSS's reform agenda for programs supporting families and children. We strongly endorse the vision for early intervention and prevention and believe that place-based, community-led approaches are essential to achieving sustainable outcomes. Our recommendations focus on five strategic priorities:

- 1) Evolve programs toward genuine community leadership
- 2) Enable service system integration at the local level
- 3) Support Innovation and Learning as a key component of reform
- 4) Harness strategic potential for national policy alignment.
- 5) Embed Progressive/Proportionate Universalism as a Guiding Principle

These priorities are underpinned by principles of **flexibility, stewardship, cultural safety, and relational partnership**. We invite DSS to work with us and sector partners to co-design the next phase of reform.

## 1: Key Principles

- **Families exist within systems:** Housing, health, education, and child protection intersect with family wellbeing.
- **Place matters:** Solutions must reflect local context, culture, and community priorities.
- **Community leadership drives sustainability:** Power-sharing and governance arrangements must enable communities in key focus areas to set priorities and influence resource allocation.
- **Flexibility with accountability:** Providers need adaptability to respond to changing needs, balanced by DSS stewardship to prevent duplication and ensure equity.
- **First Nations self-determination:** ACCOs must be resourced and empowered to lead service delivery, with culturally appropriate metrics and governance.

## 2: Strategic Recommendations

### Evolve Toward Community Leadership

Move from community-informed to community-led governance models in key focus areas. DSS should set minimum standards for governance and reporting while enabling power-sharing. Commit to 10-year funding cycles for stability and trust-building. Adopt flexible funding models that allow innovation and evidence-informed practice, including evidence-based programs, evidence-informed initiatives with embedded evaluation, and innovation and learning activities.

### **Enable Service System Integration**

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, in communities experiencing entrenched disadvantage or key focus areas, 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. DSS should explicitly name and encourage integration as a core program function, resource backbone roles for coordination and ‘glue’ funding for collaboration, and liaise with state agencies to formalise agreements supporting joined-up service delivery. Further, governments should take accountability for creating conditions to facilitate service system integration. At a high structural level, mechanisms such as Intergovernmental Agreements and National Strategies across community services, mental health, health, disability, education and other related functions should contain common child and family wellbeing outcomes and reporting methodologies, which would flow down across and between different governments’ agencies and programs. At a functional level, different government agencies should undertake more joint co-commissioning of programs to address issues with multi-factorial drivers.

### **Support Innovation and Learning**

Avoid over-reliance on rigid evidence-based program lists; allow space for innovation. Embed learning loops, evaluation, and cross-site knowledge sharing. Fund activities that build the evidence base for place-based approaches. Create mechanisms for aggregating learnings from sites to inform systemic reform. Funding approaches themselves can enable innovation, e.g. block and flexible budget arrangements allow innovation whereas prescriptive, line-based budgets impede it.

We recommend convening cross-sector learning exchanges to share insights, aggregate systemic issues, and build capability for systems thinking. This will inform policy and

investment decisions and strengthen alignment across reforms to deliver better outcomes for families and children.

### **Align with National Policy Directions**

A new approach to programs for families and children must be firmly aligned with broader national and cross-jurisdictional reforms. The Possibility Partnership and Strengthening Communities Alliance welcome the Department's emphasis on cross-departmental and cross-jurisdictional policy alignment and program planning. We see this as a critical priority in the review of the Families and Children Activity program. Given the program's limited funding and scope, we encourage a strong focus on capturing lessons from these changes for application across the wider human services portfolios in the future.

While developmental vulnerability and rates of out-of-home care placements are acknowledged as key contextual factors, the discussion paper does not adequately address linkages with major reforms such as the Better and Fairer Schools Agreement, Thriving Kids Initiative, Early Years Strategy 2024-2034. Programs should act as strategic enablers for initiatives including the Early Years Strategy, Investment Dialogue for Australia's Children (IDAC), Partnerships for Local Action and Community Empowerment (PLACE), Targeting Entrenched Disadvantage (TED), Thriving Kids.

### **Progressive/Proportionate Universalism as a Guiding Principle**

We welcome the commitment to "proportionate universalism" (also sometimes known as "progressive universalism") signaled in the discussion paper, and recommend that DSS works to ensure this is fully realised through the reforms. This principle ensures that all families have access to a baseline level of support, while those experiencing greater disadvantage receive proportionately more intensive assistance.

Why this matters:

- **Equity and Inclusion** – disadvantage is not confined to low-income areas; up to 40% of Australia's disadvantaged children live outside traditionally defined priority locations.
- **Reducing Stigma** – universal access reduces stigma associated with targeted programs and fosters community cohesion.
- **Efficiency and Impact** – progressive universalism allows resources to be distributed based on need, ensuring that families facing complex challenges receive wraparound and intensive supports, while others benefit from lighter-touch, preventive services.

Operationalisation: Maintain universal entry points for families in all communities, such as hubs or navigators; layer additional supports for families experiencing vulnerability, informed by local data and community consultation; ensure funding models allow flexibility to scale intensity of services based on emerging needs.

### 3: Implementation Enablers (further detail on these enablers is outlined below)

- **Formal relational contracting:** Adopt a 'Funder' as Partner approach, with capability building for DSS and providers.
- **Funding Adequacy:** Apply Pay What It Takes principles and indexation to reflect real costs, consistent with the intention outlined under the Not-for-profit Sector Development Blueprint to cover the true cost of quality delivery.
- **Measurement:** Include qualitative and relational outcomes (e.g., trust, safety, participation) alongside quantitative metrics.
- **ACCO Support:** Ensure culturally safe, Aboriginal-led metrics and capacity building; simplify tender processes; fund infrastructure and training.

### 4: Invitation to Co-Design

We propose a phased approach: incremental reform to meet July 2026 funding timelines, and intensive co-design pilots in selected sites to test and shape community-led governance, flexible funding, and integration models. Co-design is essential for legitimacy, sustainability, and efficiency. It will deliver better outcomes, optimise resourcing, and create replicable models for broader implementation.

### 5: Responses to specific questions posed in discussion paper

#### **Are the two main outcomes what we should be working towards for children and families?**

The outcomes listed are relevant and supported. We recommend expanding outcomes to include parental wellbeing (physical and mental health, financial security, employment pathways) and strong, engaged communities as drivers of child and family outcomes. Progressive universalism should underpin these outcomes to ensure equity and inclusion.

#### **What are other effective ways, beyond co-location, that you've seen work well to connect and coordinate services for families?**

In addition to improving cross-jurisdictional policy alignment and service planning, programs should explicitly resource backbone roles and 'glue' funding for collaboration. Local governance structures should act as platforms for integration across federal, state, and philanthropic initiatives (as is being done for example with Logan Together and 'Cairns South Together'), DSS should encourage formal agreements with state agencies and support joined-up service delivery.

#### **What does a relational contracting approach mean to you in practice?**

We strongly welcome DSS' commitment to trial formal relational contracting and are interested in participating. The Strengthening Communities Alliance and The Possibility Partnership would also be glad to work with DSS in their design of the trial. Formal relational contracting should adopt a 'Funder as Partner' approach, with capability building for DSS and providers on how to work together under a formal relational contracting approach. It should include regular check-ins, shared decision-making, and opt-in participation supported by training for smaller organisations and ACCOs. A learning partner can help train, prepare and evaluate the trial of relational contracting. It

will be important to involve communities in the development of the proposed outcomes of the relational contract and ensure reporting of the results/outcomes to community.

**What types of data would help your organisation better understand its impact and continuously improve its services?**

A mixed-method approach combining quantitative and qualitative data: Quantitative indicators (changes in skill, knowledge, attitude behaviours, child development milestones, participation rates, reduction in risk factors and data calculated as lead indicators to support continuous improvement); Qualitative evidence (case studies, community testimonials, client voice); Relational outcomes (families feeling safe, respected, and involved); System change measures (mapping service integration, 'backbone' performance cultural safety indicators). Community should be involved in setting outcomes metrics that are meaningful to them, therefore a suite of valid tools would be more useful than one tool/question set. For example, the Strengthening Communities Alliance is working on a framework to measure community strength which has a strong focus on relational measures. This will be tested across a number of communities. We are happy to share further information.

Also enable easier access for community organisations to relevant linked datasets, including state managed data, for longitudinal analysis and evaluation (current barriers include time-to-access, contractual restrictions, resource-intensive application processes, issues around privacy and consent to use data for linkage and research and resource constraints). Enable access to de-identified Data Exchange (DEX) data for benchmarking with similar programs or local services. Make changes to data reporting in DEX to minimise deficit framing, simplify questions and data scales, remove unnecessary questions, streamline data intake processes, and reduce the need to transform data to meet DEX submission guidelines (which then restricts interpretability of data that comes out of DEX).

**How could the grant process be designed to support and increase the number of ACCOs delivering services to children and families?**

As a collective of mainstream service providers, we strongly support a well-managed transition to ACCO delivery in First Nations communities. Based on our experiences in supporting ACCO transitions, we would recommend the following features of the grant process: Provide dedicated funding for capacity building where required. Provide the option for 'caretaker partnerships' where ACCOs can collaborate with experienced providers to build compliance and operational capacity over time, where the ACCO is preferred by community but may require capacity building to meet compliance requirements. Release a national transition framework, developed with First Nations leadership and endorsed by government, to offer clear guidance, timelines, and integrity for shifting programs from mainstream providers to ACCOs, ensuring communities and organisations understand the roadmap for change. Privilege community connection in tender applications, include community representation on panels, and ensure tender requirements are not too onerous, so they don't lock out small providers without dedicated tender writing teams. The transition Framework should be complemented by a standing forum that brings ACCOs and mainstream community service organisations together to promote shared understandings and actions. Funding should be flexible to allow programs to reflect local priorities, and should uphold self-determination by having funds directed by First Nations organisations rather than by governments and mainstream organisations.

## Conclusion

The success of this reform depends on authentic community engagement, adequate resourcing, and a commitment to flexibility and partnership. By embedding place-based strategies and relational contracting within a well-governed, adequately funded framework, DSS can create conditions for families and children to thrive. The Possibility Partnership and the Strengthening Communities Alliance stand ready to collaborate with DSS, sector partners and communities to shape a system that reflects the voices and strengths of communities.

The submission contributed to and supported by organisations in the **Strengthening Communities Alliance** and **The Possibility Partnership**, including

