

Catholic Social Services Australia

Submission to the Department of
Social Services

Relational Contracting –
consultation on draft
documents

July 2026

ABOUT CATHOLIC SOCIAL SERVICES AUSTRALIA

Catholic Social Services Australia (CSSA) advocates for the Church's social service ministry and is the peak body for Catholic social service providers. We envision a just, inclusive, and compassionate Australian society that reflects and supports the dignity, equality, and participation of all people.

Delivering **\$1.4 billion** of services on behalf of governments across the Federation, our **42 member agencies** provide a diverse range of services to approximately half a million people across Australia including: housing and homelessness services, emergency relief and financial counselling, children's and family services, early childhood education and care, foster and out-of-home care, youth work, family and relationship support, specialist domestic and family violence services, aged care, NDIS and other disability services, support for survivors of modern slavery and refugee assistance.

Our network operates across more than **seven hundred** locations in Australia, employing over **10,000** staff, strengthened by the contribution of over **3,000** volunteers.

For over **seventy years**, CSSA has been at the forefront of advocating for those experiencing disadvantage. Our network of member agencies ranks among the largest and longest-established social services providers in the nation, with a presence in every state and territory in Australia.

Acknowledgement

CSSA acknowledge the Traditional Custodians of the many lands and waters on which we live, work and serve. We pay our deep respects to Elders past and present, and we recognise the continuing connection of Aboriginal and Torres Strait Islander peoples to Country, culture, and community. We honour their enduring spiritual relationship with the Creator which is woven through their stories of our sacred land, and tells of a relationship that has nurtured wisdom, belonging and care for creation since time immemorial.

We commit ourselves to walk together in truth and justice - listening, learning, and standing in solidarity with First Nations peoples as we seek reconciliation and healing.

INTRODUCTION

This submission on **Relational contracting – consultation on draft documents** builds on CSSA's feedback to the Federal Department of Social Services (DSS) 'New approach to programs for families and children Discussion Paper' consultation (December 2025), CSSA's round-one feedback on available draft documentation submitted through the Department's Community Services Advisory Group (CSAG) (May 2026) and additional documentation and insights shared within the DSS Community Services Advisory Group (CSAG) (June-July 2026).

CSSA and contributing member organisations welcome the Department's introduction of the Relational Contracting commissioning model under the new Children and Family Support (CaFS) Program from 1 July 2027.

The introduction of Relational Contracting represents a commendable ambition towards genuine partnership with the sector to meet our shared goal of improving outcomes for individuals, families, communities and the wider service system. We value the aspiration of Relational Contracting as a more flexible approach to commissioning of services that focuses on long-term outcomes and trust-based partnerships underpinned by clear and shared governance, risk and accountability processes, and the flexibility to adapt to local contexts and changing needs.

We commend the Department's efforts in developing a suite of key draft foundational documents to meet the challenge of operationalising the Relational Contracting arrangements including: the *Shell Agreement*, *Governance Framework*, *Decision-Matrix*, *Provider Readiness Self-Assessment Checklist and Readiness Roadmap* and *Flexibility Policy*. CSSA regards the 'Test and Refine' stage under the Readiness Roadmap in the second half of 2026 as a critical next step in testing the robustness of the Relational Contracting products beyond the strong intent of the model.

This submission is confined to the Relational Contracting documents released as part of the current consultation process. It does not provide detailed feedback on related documents that were outside the scope of this consultation - including the *CaFS Program Grant Opportunity Guidelines*, the *Relational Contracting - Partnering for Impact Operating Manual*, and the *Guide to Impact Placemat* - except where their content has a direct bearing on the clarity, consistency or practical implementation of the documents under consultation.

CSSA thanks the Department for its commitment to adopting Relational Contracting as a new and strengthened way to help families and communities build a safe and stable environment and support children to develop and thrive.

CSSA and contributing member organisations would be pleased to discuss the feedback below through CSAG discussions or through the Department's Relational Contracting and Reform Team.

Overarching Feedback and Comments

CSSA re-states our strong support for a Relational Contracting model. The model presents a significant opportunity to align funding with the realities of family services support work. With adequate resourcing, a skilled and consistent workforce, clear and streamlined contracting and recognition of the critical coordination role in-scope services play across systems, this approach can deliver stronger, more sustainable outcomes for children, families and communities.

Draft Shell Agreement

CSSA does not have additional substantive feedback on the Draft Shell Agreement further to feedback provided - and responded to in large part by the Department - in first-round CSAG member feedback on Relational Contracting key documents in May 2026.

CSSA appreciates the Department's position that Relational Contracting does not replace formal grant agreements but instead introduces a more collaborative and adaptive approach to decision-making while continuing to uphold public accountability requirements. It is acknowledged that the model's emphasis on shared outcomes (Part A), alongside the continued application of legislative, regulatory and public accountability obligations (Part C), creates an inherent tension within the contracting relationship, particularly where the desired outcomes are complex, evolving or cannot be precisely defined at the outset. Successfully navigating this tension requires the grant relationship to be actively managed and supported through ongoing collaboration (not just formal review points or forums) and a clear understanding of shared governance, decision and issue escalation pathways.

Part A: How the Parties will work together

Select Guiding Principles:

Adaptability

Some CSSA members have emphasised that geographic flexibility will be critical to the successful implementation of Relational Contracting within the broader Children and Family Support (CaFS) program. Some members have expressed strong support for a model that enables service delivery beyond existing regional boundaries, including through online and hybrid approaches, where this improves access and responsiveness. There is also support for funding arrangements that provide opportunities to expand into growth areas or emerging communities where demand is increasing rapidly and existing service provision under the new CaFS program is limited or absent.

We take this opportunity to remind the Department that the work of CSSA member agency, Jesuit Social Services' (JSS) [Dropping off the Edge Report](#) is due for release in early 2027, providing a significant body of evidence through mapping of entrenched disadvantage experienced by a small number of locations in each state and territory across Australia.

Achieving Outcomes

The success of relational contracting depends on translating high-level outcomes into practical, shared measurement frameworks before recommissioning begins.

CSSA notes the publishing of the CaFS program Grant Opportunity Guidelines (GoGs) on GrantConnect in September 2026 and the expectation that the Draft Outcomes Framework for the new CaFS program will be included in the GoGs. This is important as some of the indicators referenced in the Indicator Description Table are not outcomes, they are outputs. eg. no. of individuals assisted or the number of events delivered.

The limited release of the draft *CaFS Program Impact Placemat* is a welcome step in articulating the intended short, medium- and long-term outcomes of the new program. However, it remains unclear whether the Placemat will ultimately form the basis of the Outcomes Framework that providers will be expected to apply when seeking recommissioning under the CaFS program from October 2026. Greater clarity will be important to enable providers to prepare for implementation and to ensure that high-level policy intentions are translated into practical, consistent and measurable outcomes. This will place both the Department and providers in the strongest position to reach a shared understanding of success in the development of Delivery Plans.

Ultimately, the shared objective should be to establish a common approach to measuring meaningful change for individuals, families, communities and the broader service system, rather than focusing solely on activities delivered or outputs reported.

The limited release of the *Relational Contracting - Partnering for Impact Operating Manual* further indicates that relational contracts will include a Quality Measurement Schedule documenting agreed program outcomes, priority cohorts, service types, service list items, quality indicators and associated data specifications. However, this schedule is not currently referenced within the Draft Shell Agreement, creating uncertainty about how these elements will be incorporated into the contracting framework. To support a smooth transition to the new model and streamline provider onboarding following agreement finalisation, CSSA encourages the Department to work collaboratively with providers to develop a consistent quality assurance approach. Consideration should be given to drawing on established jurisdictional frameworks, such as the *Queensland Human Services Quality Framework* and the *Victorian Community Services Quality Governance Framework* and *Social Services Standards*, which provide mature, evidence-based quality standards, performance indicators and continuous improvement mechanisms that could support consistent implementation across the CaFS program.

Supporting Intersectional Service Responses

These broader human, community and social services quality standards also recognise that individuals and families journey across complex service systems, including DSS-funded programs and broader human services in a location or catchment.

For example, families accessing Family and Relationship Services are often simultaneously engaged with statutory and legal systems, including child protection, family violence response, police, acute mental health and family courts. Contracts must recognise and resource the critical role services play in supporting families across these systems through advocacy, coordination, and sustained engagement and reflect this as part of a shared outcomes framework.

Governance Framework

CSSA welcomes the inclusion of a dedicated *Governance Framework* within the suite of draft Relational Contracting documents and recognises its importance in establishing clear governance arrangements to support successful implementation of the new model. CSSA offers the following observations and recommendations to strengthen the Framework.

Firstly, the Decision Rights section (page 3) identifies a range of operational changes that are categorised as ‘minor in-scope changes’. Given the practical significance of these decisions for providers, CSSA considers that these examples would also be appropriately referenced within the Flexibility Policy to ensure consistency across the Relational Contracting documentation and provide greater clarity regarding how operational flexibility is intended to be exercised.

CSSA also supports the distinction between the Primary and Enhanced governance approaches, recognising that governance intensity should be proportionate to program complexity, risk and performance. However, the effectiveness of a relational model will depend not only on differentiated governance arrangements, but on a commitment to continuous, structured engagement throughout the life of the agreement. Governance should therefore be viewed as an ongoing collaborative process that enables shared learning, early identification of emerging issues and adaptive decision-making, rather than primarily as a mechanism for issue escalation or decisions at scheduled governance review points.

The Governance Framework further notes that independent evaluation or external audit may be commissioned where there is a clear and specific risk, material system impact or need for independent assurance (page 3). CSSA considers there is also a valuable opportunity to embed an evaluation of the Relational Contracting model itself during this Foundational Design phase. As the Department has previously observed, the implementation of Relational Contracting is being closely watched by other government agencies and has the potential to inform future approaches to commissioning and grants administration across the public sector. Building evaluation into the model from the outset would complement governance, performance monitoring and quality assurance by generating evidence not only of program outcomes, but also of the effectiveness of the relational contracting approach itself, including collaboration, trust, shared decision-making, adaptability and continuous improvement.

Recognising that a whole-of-program evaluation may not be practical in the early stages of implementation, CSSA suggests a more targeted approach. Evaluation could focus on one of the three new service streams within the CaFS program or alternatively, and consistent with the work of Considine (2024), be undertaken within a selected region where the relational contracting model is being implemented. Such an approach would provide a practical evidence base to inform future refinement and broader implementation of the model.

Data Governance

CSSA reiterates its recommendation that the Department develop and publish a comprehensive data dictionary for service activities to promote consistent interpretation, data entry and reporting across providers, service types and geographic locations.

A shared data dictionary will be critical to ensuring the quality and comparability of information collected under the new model. As Relational Contracting is founded on principles of adaptability, flexibility and continuous learning, consideration should also be given to how back-end system configuration, reporting requirements and performance measures can evolve alongside changing outcomes and service responses that may not remain static throughout the life of an agreement.

CSSA welcomes the Department's commitment to using data not only to meet accountability and compliance obligations, but also to support continuous learning, service improvement and evidence-informed social policy. Achieving this ambition will depend on the adoption of shared data standards and consistent definitions across the sector, as the absence of common standards can create significant barriers to meaningful analysis, collaboration and system-wide learning.

CSSA also emphasises the importance of early and ongoing consultation with Aboriginal Community Controlled Organisations (ACCOs) and other providers regarding data governance and data sovereignty to ensure that data collection, use and sharing arrangements are culturally appropriate, trusted and aligned with established principles of Indigenous Data Sovereignty.

Decision Matrix

Partnership Governance Forums (PGFs)

CSSA also notes that the draft Framework proposes that routine delivery adjustments within scope, together with non-material changes such as updates to Delivery Plans, will be jointly agreed through the PGF. While this reflects the collaborative intent of the model, it will be important to ensure that routine operational decisions are not unnecessarily constrained by the formal meeting schedule, particularly where the PGF may meet only quarterly under the Enhanced governance approach or twice yearly under the Primary approach. The Framework should therefore make clear that routine in-scope decisions and non-material amendments may be agreed between meetings through documented out-of-session processes, with decisions subsequently recorded by the PGF for transparency.

Provider Readiness Self-Assessment Checklist

The proposed case studies to be developed during the 'Test and Refine' stage will become an important shared resource for providers completing the *Readiness Self-Assessment Checklist*. CSSA strongly encourages the Department to supplement these with practical guidance, worked examples and illustrative scenarios demonstrating particularly how the escalation and decision-making pathways are intended to operate in practice. Such resources will assist providers to interpret the new model consistently and build confidence in its application.

CSSA further recommends that case studies be developed across each of the three proposed readiness categories -*Emerging*, *Developing* and *Established*. This would not only support refinement of the model ahead of the Initial Rollout (January-June 2027) but also provide organisations with a practical roadmap for progressing through the maturity continuum. Providers assessed as *Emerging* or *Developing* would benefit from understanding the governance arrangements, organisational capability, documentation, indicative timeframes and resource investment typically associated with achieving *Established* status.

As the Readiness Framework recognises, building capability across the proposed domains and indicators will require sustained organisational effort and investment. CSSA therefore seeks clarification on how the Australian Government's \$39.2 million transition funding announced in the 2026-27 Budget will support providers to strengthen their readiness and capability as they transition to the new CaFS program.

CSSA also considers that valuable lessons may be drawn from the Department's experience implementing the Social Impact Investing (SII) program suite, particularly the Commonwealth Outcomes Fund - Focus Area 1: Supporting Families and Children. While the funding model differs through its outcomes-based payment approach, both initiatives seek to improve outcomes for children and families through stronger collaboration, evidence-informed decision-making and a greater focus on measurable social impact. Lessons relating to outcomes measurement, data collection, governance, partnership management and evaluation could usefully inform the continued design and implementation of the Relational Contracting model.

Readiness Roadmap

Under the proposed four phases of the *Relational Contracting Readiness Roadmap*, the 'Manage and Evaluate' phase is scheduled to commence on 1 July 2027, aligning with the commencement of new grant agreements under the CaFS program. However, as outlined in the discussion of the Governance Framework above, CSSA recommends that evaluation be embedded from the 'Foundational Design' phase rather than deferred until implementation. Incorporating evaluation from the outset would enable the Department and providers to capture early lessons, test key assumptions, refine the model during implementation and establish a stronger evidence base to support continuous improvement and future expansion of the Relational Contracting approach.

Flexibility Policy

No feedback.

Glossary of Frequently Used Terms

Quality Measures Framework

The Glossary of Frequently Used Terms includes a Relational Contracting Quality Measures Framework. The Quality Measures Framework is noted as a clear and repeatable way to define, measure and use information about the quality and impact of programs and services funded under relational agreements. CSSA supports inclusion of the Quality Measures Framework but notes it is not referenced in the Draft Shell Agreement or the Draft CaFS program Grant Opportunity Guidelines.

Shared Risk

CSSA recommends that the summary of Shared Risk explicitly distinguish between shared risk and shared responsibility, consistent with the explanation provided in the draft *Relational Contracting – Partnering for Impact Operating Manual* (page 22). Clarifying this distinction would reinforce that, while risks may be jointly identified, managed and monitored, accountability for specific roles and obligations remains clearly assigned. This approach is also consistent with the *Decision Matrix*, which differentiates responsibilities through the allocation of Responsible, Accountable, Consulted and Informed roles, providing greater clarity regarding governance, decision-making and accountability under the Relational Contracting model.

Grant Manager

CSSA notes that the Grant Manager is defined in the Glossary however, there is no corresponding reference to the Relational Manager, despite this role being referenced throughout the Governance Framework. While CSSA understands that the terms Grant Manager and Relational Manager are intended to refer to the same role, this should be made explicit to avoid ambiguity. Consistent terminology across all Relational Contracting documentation will improve clarity for providers and support a shared understanding of governance roles and responsibilities.

Other Terms

Escalation Pathway

CSSA recommends including a definition of Escalation Pathway within the glossary or governance documentation, as there remains some uncertainty about how the pathway is intended to operate in practice. For example, the *Decision-Making Matrix*, under the Governance function for 'Escalate governance or relationship issues' states that unresolved or systemic issues are to be 'escalated through departmental and organisational leadership channels in line with dispute resolution and governance frameworks.'

While this provides a high-level direction, additional guidance would assist providers to understand the circumstances that warrant escalation, the respective roles and responsibilities of each party, indicative timeframes, and the process to be followed.

CSSA considers that a practical case study or worked example demonstrating the operation of the escalation pathway would be a valuable resource during the 'Test and Refine' phase and would support more consistent application of the Relational Contracting model.

Other Contributions

CSSA supports public release of the *Guide to Impact Placemat* to support provider applications in recommissioning for services and programs under the new CaFS program no later than September 2026.

Contact Us

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