



**National Child and Family Hubs Network**

# **2025 Pre-budget Submission**

**The 'glue' needed to unlock the potential of Child and Family Hubs**

**January 2025**

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## Executive Summary

The National Child and Family Hubs Network proposes that the Commonwealth Government invest \$270 million over four years, followed by \$95 million annually to provide critical glue funding for 200 Child and Family Hubs (Hubs) to improve child and family outcomes and unlock the value of existing investment in Hubs by improving integration and connection.

There are approximately 478 Hubs across Australia that offer a range of education, health, social and other services, giving children and their families crucial access to quality support. However, the mere existence of these facilities does not guarantee effective service delivery or improved outcomes for children and families. The concept of ‘glue’ refers to the leadership, structures, and practices that unite the diverse services, supports and staff within a Hub, facilitating convenient and life-changing access to an integrated and holistic approach to service provision.

Research has consistently shown that the effectiveness of Hubs is largely dependent on how well these services are connected—the ‘glue’ that ensures seamless operations. Glue plays a vital role in maximising the impact of existing services through three key domains – internal integration, external integration and service relationships, and family outreach and community engagement. It is the often unfunded elements that help give children and their families a seamless experience, and ensure that staff are operating in an integrated and consistent way.

Glue improves the experience for children and families and improves their outcomes. These benefits can be particularly powerful for disadvantaged children and families, who are more likely to find it difficult to navigate a complex and fragmented service system or lack social networks and other support systems. Glue also improves the efficiency and effectiveness of existing government investment in the system, leading to higher service utilisation and staff retention, and lower future expenditure for government.

Glue does not happen automatically in a Hub; it needs to be intentional, and it takes time and resources. It involves increasing levels of cooperation, coordination, and information exchange, and joint planning, responsibility and accountability. It requires investment in people and systems.

However, current funding streams are generally service-specific and do not allow for the cost of glue. In some cases, state and territory governments or philanthropy provide some funding for glue, or Hubs have re-purposed other funds, but this is inconsistent and often short-term funding that does not provide a sustainable or systemic solution.

It is proposed the Commonwealth Government establish a new glue grant to fill this funding gap and maximise the effectiveness of Hubs and deliver benefits for children and their families.

Hubs would be able to apply for annual glue funding of up to \$400,000, or \$600,000 for Aboriginal Community Controlled Organisations. The grant would be phased in over three years, eventually funding glue in 200 Hubs each year.

Funding would be used to provide each funded Hub with a dedicated Integration Lead and administrative support. Remaining funding could be used flexibly by Hubs in ways that respond to local need, for example for the appointment of additional family support workers or community facilitators, or to fund time release to allow for Hub-wide practice consistency and strategic planning.

The glue grant would improve the implementation and effectiveness of existing government commitments and policies, including the Early Years Strategy, Partnerships for Local Action and Community Empowerment (PLACE), and the Better and Fairer Schools Agreement.

## About the National Child and Family Hubs Network

The National Child and Family Hubs Network is a national, multidisciplinary group dedicated to strengthening Child and Family Hubs across Australia. The Network unites service providers, community-based organisations, advocates, researchers and policymakers to build the capacity of Hubs and enable more children and families to access the care they need to thrive.

**Further detail of the Network's membership and activities is in Attachment 4.**

# 1. What is a Hub?

**Child and Family Hubs (Hubs) provide a ‘one stop shop’ for families to support child development and improve child and family health, education and wellbeing via three critical roles:**

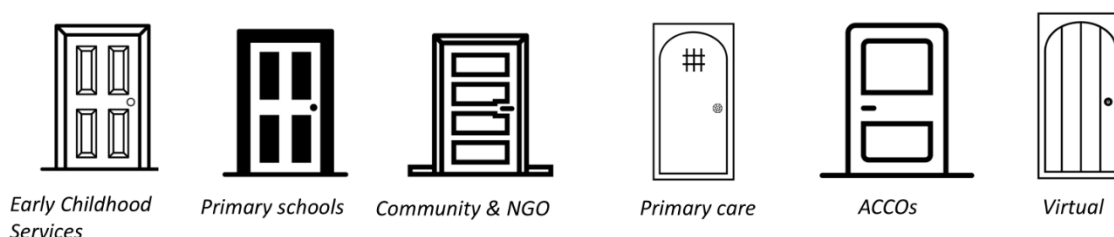
- improving equitable access to a range of health, education, social and other services using a family centred approach;
- supporting families to create social connections; and
- providing opportunities to build caregiver capacity.

*It’s great place to come for anyone, whether you have special needs, no needs or just want to socialise, would like some information on your child or yourself, your parenting skills, your partner. It doesn’t matter what sort of help you need, they will provide you with the help that you’re looking for. Mother of children with special needs <sup>1</sup>*

Hubs provide families with access to a wide range of supports and services, all in one place. By bringing together supports across health, education and social care, as well as providing parents with the opportunity to build skills and social connections, Hubs can help to identify emerging issues before they become entrenched and difficult to address, and help children to thrive. Hubs work closely with the communities they serve, to understand their needs and preferences, and tailor their operations in ways that best meets their needs and increases the Hub’s effectiveness.

While they may go by many names – such as Integrated Children and Families Centres, Early Years Places, or Child and Family Learning Centres – and contain different mixes of services – including health, primary schools, early childhood education and care (ECEC), maternal and child health (MCH), playgroups, and adult education – Hubs all provide a welcoming ‘front door’ for families within their community, and access to important services.

**Figure 1: Different Hub front doors.**



There are approximately 478 Hubs operating across Australia. They operate in every state and territory, and many are located in disadvantaged areas, and in rural and regional areas. Many are operated by Aboriginal Community-Controlled Organisations (ACCOs). Further detail on the current distribution of Hubs is in Attachment 2.

## 2. What is glue and why does it need to be funded?

*Landmark inquiries into the early years over the past 12 months have highlighted the fragmentation and inconsistency of services and supports available to families and young children and made recommendations towards creating a far more integrated, seamless and navigable service system. Connecting services through physical co-location at schools, ECEC sites or in community settings and through connector, navigator or “glue” roles are seen as good practice solutions with many current on-the-ground examples of successful service delivery. Economic Inclusion Advisory Committee<sup>2</sup>*

Governments and other providers often seek to create Hubs, co-locating different services – for example, putting a long day care service on a school site, or a preschool with a maternal and child health (MCH) Service and playgroup. This seeks to respond to strong evidence that integrated service delivery approaches are a critical element of an effective service system.<sup>3</sup> However, while co-location can be convenient for families, it does not by itself create integration or coordination, and is insufficient to realise the benefits of a Hub.

*It’s a great model because it teaches us not to work in isolation. It teaches us to really...work in collaboratively and wrap around the family. We can give you strategies, we can introduce you to other people that have experienced what you are experiencing, and we can give you hope that things are going to be OK. And that’s probably the best thing about it. Early Childhood Speech Therapist<sup>3</sup>*

The value of a Hub does not come from an MCH nurse sharing the milk in the kitchen fridge with an ECEC educator, or from the physical presence of the preschool on the same block of land as the primary school. The most valuable benefits come from the different services and professionals operating in an integrated and coordinated way.

In practice, this can look like:

- an MCH nurse working with an ECEC educator on how to best support a child with a speech difficulty
- children’s learning progressing faster because their preschool and primary school have adopted a shared pedagogical approach

- parents and children being comfortable with the primary school before their child even begins there, because the school offers an onsite playgroup for the children and parents to get to know the school staff and facilities
- a child's health concern that may otherwise be overlooked being addressed because a community facilitator builds a trusting relationship with a family and walks across the hall with the parent to make a warm, in-person referral to an MCH Nurse
- a parent accessing financial counselling or domestic violence support, because they have established a trusting relationship with a Hub staff member, who identified the need for this support during informal interactions.

Glue enables this kind of integration and coordination – the often unfunded ways of working that link the different services together to give children and their families a seamless and non-stigmatising experience, ensure that staff are operating in an integrated and consistent way, and make best use of the Hub's facilities and services. These pivotal, value-adding linkages are too often left to chance, unless specific funding for the glue to make them happen is provided.

*The work of the early childhood workforce in connecting families to the supports they need is often referred to as 'the glue'. The Interim Report found this work is underfunded and under-recognised. ... Even if a community has an integrated service delivery hub, there is a need to ensure there is 'glue' between the full network of actors in early childhood education and care in the local community...*

*To truly fulfil its purpose 'the glue' must be more than a building, a co-located group of professionals, an integrated service hub or a Children's Centre. The Commission understands that what will work best in communities differs and there are many innovative ideas. South Australian Royal Commission <sup>4</sup>*

The glue is a core part of a Hub's effective operation. It is the leadership, structures and practices that bring all the individual services and staff together to create an integrated, holistic service model. Done well, it means that a Hub operates effectively as a service delivery Hub where families and children receive the support they need, and also as a community Hub, where families can go and build connection with other families, building their social and support networks.

Figure 2. Elements of glue.



**Glue can be broken down into three components:**

- **Internal integration:** Coordination and collaboration between co-located services and professionals, including joint planning, information sharing, common practice approaches, and the governance, IT, systems and processes that underpin a high-quality service experience for families.
- **External integration and service relationships:** The way a Hub relates to other parts of service systems, including warm referrals.
- **Family outreach and community engagement:** How a Hub and its staff engage with and welcome families, and ensure their operation is responsive to local communities and their needs. This can include active outreach, involvement in a Hub's governance, or the Hub's design and operation (for example, having a 'drop in' community space where parents can gather and meet other parents or talk casually with staff).

These three components combine to powerful effect. The glue improves the experience for – and outcomes of – families and children, as they are able to access multiple services in the same place, build trust with services and staff, not have to re-tell their story many times over, and have a warm, welcoming community facility where they can meet other families and build their social networks. The glue builds the capacity and capability of services and staff to work together in support of families and children, enabling their needs to be identified earlier and addressed in the same building, or through effective connections to other services in the community.

These benefits can be particularly powerful for disadvantaged children and families, who are more likely to find it difficult to navigate a complex and fragmented service system, or lack social networks and support systems. Trusting relationships with Hub staff such as community facilitators or family support workers can encourage families to open up about their strengths and challenges, and receive warm referrals to needed supports.



Where families access services in a Hub, they can save time and travel costs by attending appointments locally, often in the same building.

Glue also unlocks existing investment and capacity in the system. For example, children attending a long day care service can receive their development checks, and if needed receive additional support from an allied health worker, in the same place at the same time. Moving from separate services to a well-functioning system can improve referral follow-up and reduce the number of missed appointments, because referrals and transitions are easier on families, and children and families are more likely to receive the early interventions and support they need, avoiding more expensive support later in life. Further detail, including quantification of the benefits of glue, is in Section 3.

### **Case study: How Our Place enables and supports integrated ways of working and engaging families**

Our Place is a backbone organisation that uses schools as a universal platform to support site partners to implement evidence-based strategies. By co-locating services, through a single entry creating welcoming environments, and using space to build relationships, Our Place creates the conditions for professionals from different disciplines to work together and with families in more holistic ways.

Integrating early learning centres, maternal and child health services, and other family support services enables families to access multiple services in one familiar, convenient location. The physical proximity encourages collaboration between professionals from different disciplines who can more easily connect with each other and with families in informal ways.

Community facilitators use the available space to build relationships with families. They spend time in waiting areas, playgrounds, and school drop-off zones to have informal conversations with families, build trust, and link them to supports. This 'loitering with intent' creates opportunities for engagement.

### **The need for glue to be funded**

This glue activity doesn't happen automatically; it needs to be intentional, and it takes time and resources. It involves a shared commitment to cooperation, coordination, and information exchange, and joint planning, responsibility and accountability. It requires investment in people and systems.

While Commonwealth and state and territory governments recognise the benefits of Hubs, their investment focus has often been on the construction of buildings and the funding of individual service offerings, rather than considering and funding the people and resources that enable Hubs to operate as integrated service delivery. In addition, there can be regulatory or industrial barriers that require additional effort and funding to overcome –

for example, releasing ECEC staff away from the floor affects ratio requirements, and school staff often have industrial protections over non-teaching time. Services and staff in Hubs can struggle to find even small amounts of time or funding to do the glue work.

Current funding streams are generally service-specific, programmatic funding (for example, for ECEC or a child health check), that do not allow for or fund the cost of glue. In some cases, state and territory governments or philanthropy have provided some funding for glue, or Hubs have re-purposed other funds, but this is inconsistent, and where it exists it is often short-term funding that does not provide a sustainable or systemic solution, or relies on the goodwill (and extra work) of individuals.

There is therefore a need – and an opportunity – for the Commonwealth to invest in the glue in Hubs to maximise the impact of existing investment, and deliver benefits for children and their families.

Funding glue would strongly support existing government priorities and commitments, including the Early Years Strategy, Partnerships for Local Action and Community Empowerment (PLACE), and the Building Early Education Fund. Further detail on alignment to government priorities and commitments is in Attachment 3.

### 3. What is the evidence for the benefits from funding glue?

*Integrated services can support children and families experiencing vulnerability or requiring services beyond ECEC. Initiatives that create the 'connection function' that links ECEC services with other child and family services can also overcome the siloing of services, providing more effective support to families.*

*Productivity Commission*<sup>9</sup>

Well-functioning Hubs, with effective glue, are better for children and their families. They make services more accessible and welcoming, increasing the likelihood that families will use the Hub and receive the benefits of the services contained in them. They can also be important community Hubs, where parents build their social and support networks with other parents, as well as their own skills and employment pathways.

The breadth and depth of these benefits are demonstrated by recent evaluations of Sure Start, a UK program that commenced in 1999 and funded nearly 3500 hubs for young children. The evaluations found:

- Access to a Sure Start centre between the ages of 0 and 5 significantly improved the educational achievement of children, with benefits lasting at least until age 16.
- Access to a nearby Sure Start centre at early ages increased the likelihood of children being recorded as having a special educational need or disability (SEND) at age 5, but significantly decreased the proportion of children recorded as having a SEND at ages 11 and 16. By age 16, the probability of having an Education, Health and Care Plan decreased by 9 per cent (or over 1,000 children a year). Sure Start likely

increased reporting of need for some children while reducing the actual need for support for others.

- Access to Sure Start increased hospitalisations among very young children, but reduced hospitalisations during childhood and adolescence to more than compensate for the increase in admissions in very young children.
- Health benefits appear to have been achieved through different channels. At younger ages, large impacts on infectious illness suggest that Sure Start significantly strengthened children's immune systems. A drop in poisonings in these age groups suggests that advice on child-proofing the home also had an effect. In early adolescence, there were far fewer hospitalisations for mental health reasons. These effects point to potential longer-term benefits from Sure Start supporting children's socio-emotional and behavioural development.
- Access to a nearby Sure Start centre between ages 0 and 4 significantly reduced youth crime that resulted in convictions or custodial sentences, with the share of 16-year-olds who had ever received a criminal conviction reduced by 13 per cent. Meanwhile, custodial sentences – the most severe sanction – fell by a fifth due to access to Sure Start.

Many of these benefits were greater for disadvantaged cohorts – for example, improved educational achievement was larger for children from poorer background or non-white backgrounds, and the health benefits were greater for children from disadvantaged areas (at least from age 9 onwards).

These benefits alone exceeded the cost of the program by a ratio of 1.67. The benefit is composed of:

- 109 per cent of the cost in benefits for children from higher lifetime earnings due to improved school outcomes
- 31 per cent of the cost in financial benefits from reducing hospitalisations
- 19 per cent of the cost in averted youth justice and social care spending
- 8 per cent of the cost in lower special educational need or disability costs.

This does not include other benefits, including the additional tax revenue or some welfare spending reductions, which are typically associated with improved educational achievement and better health outcomes.

An evaluation of an Australian Hub program found a social return of \$3.50 for every dollar invested in community hubs, with benefits including from improvements in social connections, access to services, improved confidence and skills, improved development outcomes from children, and increased employment by Hub users.

Better service integration can lead not just to better outcomes for children and families, but a more efficient service system. For example, in Seymour, Victoria, a primary care provider moved some speech therapy, occupational therapy and a nurse practitioner to deliver onsite at Our Place, an integrated environment with a school, and ECEC and other services. Since moving onsite, the primary care provider's 'failure to attend' rate halved, and they are now reaching more highly vulnerable children. In other examples from Our Place sites in Victoria, attendance rates for the speech pathologist at Carlton have risen from 67 per cent to 100 per cent, and in Morwell MCH participation has risen from 89 per cent to 99 per cent among children enrolled in the onsite long day care centre.

Service location and integration can also contribute to increased staff satisfaction and reduced staff turnover. Research shows integrated sites have better morale, lower stress and lower staff turnover than traditional settings, with one study finding yearly staff turnover at integrated sites was less than a third the rate at comparable, non-integrated sites (13 per cent compared to 44 per cent). This is because staff are more satisfied and less frustrated as they are better able to help the families and children they see.

## 4. How should glue be funded in Hubs?

### Funding design principles

Establishing and maintaining the glue in a Hub takes time and investment. Any funding approach for glue should recognise this, and be built around the principles of:



**Certainty**, so services, funders and staff have the confidence to invest time and effort in developing the glue over multiple years.



**Equity**, recognising that some Hubs will need additional funding to meet the needs of their communities, due to greater community need or higher operating costs.



**Sufficiency**, so that Hubs are funded adequately to effectively and sustainably provide the glue.



**Flexibility**, recognising that Hubs serve different communities with different needs, and so any funding conditions should not be unreasonably restrictive on how funding can be used.

Figure 3. Funding design principles.

### Proposed grant design and conditions

It is proposed to provide eligible Hubs with annual funding of up to \$400,000 each year in the form of a glue grant. Hubs that are operated by ACCOs would be able to apply for a higher grant (up to \$600,000 each year) recognising the additional costs and benefits of operating a Hub that is focused on First Nations families and reflecting previous work that shows the need for higher funding for ACCOs.

The suggested funding level is based on existing Hubs' experience and previous estimates of the number and cost of staff and other expenses, which estimated that Hubs need a minimum of three staff to support the glue function (four in an ACCO), plus additional funding for other relevant expenses. Depending on size and need, some Hubs may not require (or be able to fully and effectively use) the maximum grant, so could apply for a lower annual figure.

While grants would be for a four-year period, Hubs would be able to re-apply at the end of the grant, reflecting that glue is an ongoing function that requires ongoing funding. This balances the need for certainty for planning and ongoing funding for glue, and the accountability that is provided through a periodic application and acquittal process. Over time, an ongoing funding model could be developed (see Section 7, below, for possible options).

### Hubs would be required to use the glue grant to:

- Appoint an Integration Lead, who would be responsible for the integrated operation of the Hub, including shared governance and supporting practice change among local services. This provides a dedicated resource with the capacity and authority to drive integration and operation of the Hub. Leadership and accountability for the glue is vital and requires the appointment of someone with the necessary skills and experience, including system expertise, emotional intelligence, creativity, flexibility, comfort with ambiguity, and strategic nous.
- Provide additional administrative support to the Hub, to support shared governance and reduce the administrative burden on other Hub staff. This could be through the employment of a dedicated person, or through other arrangements, but recognises that to effectively provide glue, there is additional work and that support is required.

These have been identified as key components of the effective operation of any Hub, and help take the burden off other staff, who would be focussed on direct service delivery.

Hubs would be able to use the remainder of funding flexibly in ways that meet their specific, local needs (but still directly related to glue). Hubs would be permitted to spend the funding on:

- **Internal integration:** For example, funding time release for staff in Hub services to participate in collaborative activities; Hub-wide professional development (such as, adopting a common approach to trauma informed practice or to improve cultural safety with a particular community group); Hub-wide strategic planning activities to ensure the Hub operates cohesively; or the costs of operating a common IT system or undertaking other work to more easily collect data, share information and evaluate performance.
- **External integration and service relationships:** For example, brokerage funding to attract new services; or time release to work with external services on warm referrals.
- **Family outreach and community engagement:** For example, employing family or community support workers to build relationships with families or undertake community outreach; funding for engagement activities; or improving mechanisms to embed community voice in decision-making

Hubs would also be able to use funding for minor building works that optimise the operation of an existing Hub – for example, to create a welcoming lobby or a tea and coffee station where families can gather.

This approach provides a balance between ensuring that each Hub has in place essential elements that have been identified as necessary for every Hub and recognising that each Hub will serve a different community that will have different needs and priorities, and the Hub is best placed to understand this and allocate funding accordingly.

Hubs would need to report on how the grant was used, and the benefits generated, although the reporting burden should not be too onerous. Reporting would inform an evaluation, and potentially a revised funding model in the future.

## Limitations on use

Hubs would not be able to use the glue grant to fund the construction of a new Hub, although new Hubs could seek the grant in order to support their operation – for example, a Hub whose construction is funded by the recently announced Building Early Education Fund could apply for the grant to support its operation.

Hubs would also not be permitted to use the glue grant for service delivery – for example, employing an additional allied health worker or child health nurse. These uses would detract from the dedicated investment in glue, and risk incentivising cost-shifting from other service funding sources. However, it could fund time release for existing staff to enable participation in glue-related activities.

## Grant eligibility and prioritisation

To be eligible for a grant, a Hub would need to demonstrate:

- **Internal integration.** That the Hub offers multiple services to children and their families, and that all services are committed to joint governance and operationalisation of the Hub (including use of the glue grant). This could include how services have or are developing integrated ways of working.
- **External integration and service relationships.** The Hub's commitment to working with other services and systems that serve the same community.
- **Family outreach and community engagement.** The Hub's commitment to family outreach and community engagement, and its understanding of its community's specific needs and how its services and supports are tailored to them.
- **Additionality.** How the Hub would use glue funding, and how this would improve its operation over and above what it was currently doing. This would prevent the grant being used to 'double fund' existing activities.

Hubs would not need to have all aspects of this in place before applying for the grant, but could use the glue grant to expand and improve their operations. This is an important part of how the grant would help build the glue in Hubs that currently are unable to do so.

## Timing of introduction

The glue grant would be phased in over three years, starting with 50 Hubs in 2025 and growing to 200 Hubs by 2027. This provides for a gradual expansion of the program that keeps the cost lower in the initial years, allows both Hubs and government to learn from the initial years of the grant process, and recognises some Hubs may need time to mature and develop an approach to glue that meets expectations and requirements. Further detail on roll-out is in the costings (Section 6, below, and Attachment 1).

## 5. Supporting initiatives

In addition to glue funding for Hubs, three inexpensive but high impact supporting initiatives are also proposed:

- **Evaluation.** The glue grant should be independently evaluated, including to measure the impact of funding, and determine the adequacy and suitability of the proposed funding model and whether changes should be made over the medium term (see Section 7 below). An evaluation will also improve government's understanding of Hubs' operation and can inform broader reforms (such as different funding models and approaches to disadvantage).
- **Capability building for Hub staff.** Given the current service fragmentation and underfunding, there is relatively limited experience in Australia of delivering glue in Hubs. Investment in glue capability in Hub staff, particularly the Integration Leads, would help promote the development of a high-quality workforce and ensure that the funding provided delivers value for government. Funding could be provided to the National Child and Family Hubs Network to develop and deliver Hub-specific training, including the identification and sharing of better practice in 'glue' and Hub operation. This would be distinct from the professional development in individual Hubs that may be funded through the grant itself, which would focus the needs of the individual Hub (such as promoting cultural safety, in the context of the specific communities served by a Hub), rather than, for example, the most effective governance systems and practices that can be put in place to optimise the operation of a Hub.
- **Staffing within the Department of Social Services (DSS).** A small team of staff is proposed to be established within DSS to administer the glue grant and related supports, including possible changes to the funding model in the longer-term. The team could also work within the Commonwealth Government and with state and territory governments to improve governments' understanding of Hubs (including developing and maintaining an authoritative list of Hubs) and develop commissioning models or advice on programs and funding streams to better deliver integrated services.

## 6. Costing

**Table 1. Estimated costs of proposal**

<b>\$m</b>	<b>25-26</b>	<b>26-27</b>	<b>27-28</b>	<b>28-29</b>	<b>Total</b>	<b>Ongoing</b>
<b>Glue Grant</b>	20.80	42.85	88.11	90.75	<b>242.51</b>	<b>93.47</b>
<b>Evaluation</b>	1.04	2.14	4.41	4.54	<b>12.13</b>	-
<b>Capability Building</b>	1.50	2.50	2.50	3.00	<b>9.50</b>	-
<b>DSS Staffing</b>	1.33	1.37	1.41	1.45	<b>5.55</b>	<b>1.49</b>
<b>Total</b>	<b>24.67</b>	<b>48.86</b>	<b>96.42</b>	<b>99.74</b>	<b>269.68</b>	<b>94.97</b>

The costing assumes an average grant of \$350,000 per year, or \$500,000 for ACCOs (each indexed annually), reflecting that not all Hubs would apply for the maximum grant, but that many would. In the event that many Hubs seek a lower grant amount, the projected funding would be able to provide grants to more Hubs. It is assumed that the number of ACCOs funded is proportionate to their current share of all Hubs (43.3%).

The costings provide the glue grant to 50 Hubs in the first year, 100 Hubs in the second year, 200 Hubs in the third year and all years thereafter (with each year beginning 1 July). This does not fund every Hub in Australia, but it is expected that not all would apply – for example, some have glue funding from other sources, and some would lack the requisite operational maturity of participating services to operate effectively as a Hub (and therefore would not meet the conditions of the grant). It is therefore assumed that around 200 Hubs would receive the glue grant. If demand exceeded this, grant applications could be prioritised (for example, prioritising more disadvantaged communities) or the total funding envelope could be expanded.

Evaluation is calculated as 5 per cent of total glue grant funding in each of the first four years.

Further detail of the costings (including assumptions) is provided in Attachment 1.



## 7. Options

### Roll out options

The proposed funding approach starts with a relatively small number of Hubs receiving glue funding in the first two years, before expanding in later years to achieve coverage of 200 Hubs. This provides some early progress, while providing an opportunity for government to learn from the initial tranches of funded Hubs before scaling up the program.

#### Options that were considered but are not proposed include:

- **Excluding ACCO-operated Hubs from this funding stream.** There has been significant work undertaken under the auspices of the Early Childhood Care and Development Policy Partnership to consider future funding approaches for early childhood ACCOs, which considers the holistic funding needs of ACCOs, including glue. This proposal is not intended to displace this work. Depending on how this work progresses, many ACCO-operated Hubs may not need additional glue funding as it may be provided for under a new funding model. As many Hubs are early childhood ACCOs, this could reduce the cost of the proposal significantly. However, given the status of this work is uncertain, ACCOs are proposed to be included.
- **Only fund glue in Hubs in low socioeconomic (SES) areas.** Restricting funding to Hubs in lower-SES areas is not recommended as even high-SES areas can contain disadvantaged families or Hubs that support disadvantaged families in neighbouring areas, and any cost saving would be small as 88% of Hubs are in SEIFA 1-5 areas. Priority could be given to Hubs serving higher needs communities in the event the grant is over-subscribed.
- **Funding the building of new Hubs.** This is not proposed as there are existing programs at a Commonwealth and state or territory level that fund the construction of new services, and the purpose of this funding is optimising the operation of Hubs through glue funding, rather than funding major infrastructure works. New Hubs could apply for the grant – for example, a Hub being built with funding from the Building Early Education Fund could apply for the glue grant so that it opens with better integration and community relationships.
- **Funding glue in more Hubs sooner, or funding glue in fewer Hubs.** As the proposed approach seeks to provide for a gradual expansion of the program that keeps the cost lower in the initial years, allows both Hubs and government to learn from the initial years of the grant process, and recognises some Hubs may need time to mature and develop an approach to glue that meets expectations and requirements. It also assumes that even in the long-term, not all Hubs would apply for the glue grant. However, it is possible that demand for the glue grant could be higher or lower, or uptake could be faster. To illustrate the range of costs, other roll out options are outlined in the Table 2 below. While the proposal is generally scalable, funding glue in fewer Hubs is not recommended as it would limit the coverage and impact of the proposal, and many communities would miss out on the benefits.

Table 2. Costing of alternate roll out approaches.

\$m	25-26	26-27	27-28	28-29	Total	Ongoing
<b>As proposed</b>	20.80	42.85	88.11	90.75	242.51	<b>93.47</b>
<b>In 200 Hubs from year 1</b>	83.05	85.54	88.11	90.75	347.45	<b>93.47</b>
<b>Grow to 300 Hubs by year 4</b>	<b>31.20</b>	<b>64.12</b>	<b>110.17</b>	<b>136.04</b>	<b>341.54</b>	<b>140.13</b>

Note: Figures are only for the ‘glue grant’ element, other costs (such as evaluation) may need to be adjusted.

### Alternative funding designs

In the future, it may be beneficial to consider more sophisticated funding approaches that better reflect the size of a Hub (in terms of families served, services delivered, or annual turnover) and the need of its community served (for example, with family-specific socioeconomic data to inform a needs-based funding model). However, this detail is not currently systemically collected or otherwise available in a consistent way. Implementing such a funding model now would be complex for government (which currently does not hold much of this data) and risks creating administrative burden (in collating and providing this information) and uncertainty (over future funding amounts) for services and Hubs. In addition, in the absence of an existing data set on which to model different funding approaches, the design of such a model would risk inadequacy and unintended consequences. For example, a model that funds glue as a percentage of a Hub’s annual turnover would need to accommodate different forms of Hubs – for example, Hubs that include a primary school or a large long day care service could have significantly skewed turnover figures compared to a Hub based at a small preschool service.

The funding approach for glue could also be revised to reflect lessons from the proposed evaluation and any future funding reforms, for example if there is a change in Commonwealth and state and territory government responsibilities in early childhood, or there is a move to more supply-side funding in ECEC. However, any such changes are not certain, and may take many years to be fully implemented. This proposal rolls funding out quickly to deliver benefits to families, and provides a platform for government to learn more while any longer-term funding arrangements are progressed.

Another alternative, potentially linked to other funding reforms, would be to develop an alternative, standalone funding model for Hubs separate to current service-specific funding such as the Child Care Subsidy. This could build on existing work to develop a funding model for ACCOs as well as other work to develop a Hub funding approach.

## Attachments

**Attachment 1:** Costings spreadsheet (separate file)

**Attachment 2:** Distribution of Hubs – data

**Attachment 3:** Alignment with existing government priorities and commitments

**Attachment 4:** The National Child and Family Hubs Network Steering Committee Members

### Attachment 2: Distribution of Hubs across Australia

SEIFA	Number	Percentage
1 (most disadvantaged)	185	39%
2	87	18%
3	59	12%
4	52	11%
5	36	8%
6	23	5%
7	20	4%
8	10	2%
9	5	1%
10 (least disadvantaged)	1	0%
<b>Grand Total</b>	<b>478</b>	

Location	Number	Percentage
Australian Capital Territory	6	1%
New South Wales	96	20%
Northern Territory	35	7%
Queensland	109	23%
South Australia	72	15%
Tasmania	21	4%
Victoria	86	18%
Western Australia	53	11%

Location	Non-ACCO	ACCO	Total
Major Cities of Australia	179	40	219
Inner Regional Australia	45	55	100
Outer Regional Australia	30	45	75
Remote Australia	10	34	44
Very Remote Australia	7	33	40
<b>Total</b>	<b>271</b>	<b>207</b>	<b>478</b>

### Attachment 3: Alignment with other government priorities and commitments

There is considerable government activity and investment dedicated to getting better, earlier supports to children and families. This is welcomed, however there is a risk this can increase siloing or complexity. In addition to aligning with these reforms, glue funding can also help ensure investments are integrated at a community and family level, and maximise the intended benefits.

The proposal helps meet Government’s commitments as part of the Early Years Strategy and First Action Plan including to empower parents, caregivers and families; support and work with communities; and strengthen coordination. It would support the achievement of many aspects of the Outcomes Framework, including:

- 2.1 Children are free from serious preventable disease, illness or injury
- 2.3 Children have developed appropriate social, emotional, physical and cognitive skills by their first year of school
- 3.1 Children participate in learning activities at home
- 5.1 Children participate in creative and recreational activities
- 5.2 Children participate in play and physical activities
- 7.1 Caregivers are confident and have agency in their parenting
- 7.2 Families are socially connected and can access informal support when needed
- 7.3 Families can access formal support and resources when needed
- 8.2 People feel a sense of belonging in their community.

The proposal complements the Building Early Education Fund, and could provide important operating support for new services funded through the Fund to operate effectively as Hubs.

The proposal supports the work of Partnerships for Local Action and Community Empowerment (PLACE), which also recognises that social problems cannot be solved through traditional service-based program delivery models. The proposal is also

consistent with the Investment Dialogue for Australia's Children, which recognised Early learning models and integrated services as a priority in its Second Roundtable.

The proposal is consistent with the Productivity Commission inquiry into ECEC, which recognised the value and importance of integrated services for families, and that funding should be available to support this.

The proposal supports reforms to the NDIS and Foundational Supports, as it supports Hubs to identify need and get children additional support earlier. Hubs can also play broader roles in their communities, for example hosting allied health and other supports, that can be easily accessed by both children attending an ECEC service onsite or others in the nearby community.

The proposal supports the National Children's Mental Health and Wellbeing Strategy and the National Mental Health and Suicide Prevention Agreement, which emphasise the value of earlier intervention and system integration that glue helps provide.

The proposal supports the Better and Fairer Schools Agreement, which commits governments to 'Initiatives that support connections between schools and other non-school services to support students to come to school ready to learn, for example through full-service school models where appropriate'.

The proposal responds to several recommendations of the Economic Inclusion Advisory Committee, including to build a national early childhood development system that 'connect[s] child and maternal health services, early learning, family supports and other services' (recommendation 11a), to 'support through [a] reformed funding mechanism the delivery of new, more holistic models of ECEC that include opportunities for health and family support services' (recommendation 12c) and to 'wider scale delivery of integrated child and family centres and holistic "full service" school models targeted to communities of highest need.' (recommendation 14).

## Attachment 4: National Child and Family Hubs Network Steering Committee Members

Membership of the Network Steering Committee is currently represented by researchers, evaluators and policymakers in member organisations working in multidisciplinary fields related to Child and Family Hubs:

- Centre of Research Excellence in Childhood Adversity and Mental Health, Centre for Community Child Health, Royal Children’s Hospital and Murdoch Children’s Research Institute (Prof. Sharon Goldfeld AM, Prof. Harriet Hiscock, Dr Suzy Honisett and Dr Trina Hinkley)
- Sydney Local Health District / University of Sydney (Prof. Sue Woolfenden, Prof. John Eastwood)
- University of New South Wales/ Early Life Determinants of Health, Sydney Partnership for Health, Education, Research and Enterprise (SPHERE) (Prof. Valsamma Eapen)
- University of New South Wales/ Sydney Local Health District/ Early Life Determinants of Health, Sydney Partnership for Health, Education, Research and Enterprise (SPHERE) (Dr Michael Hodgins)
- University of Sydney (Dr Katarina Ostojic)
- Children’s Health Queensland, Queensland (Dr Dana Newcombe)
- University of Tasmania, Menzies Institute for Medical Research (Dr Kim Jose)
- ARC Centre of Excellence for Children and Families Across the Life Course and The Kids Research Institute (Dr Rosemary Cahill, Assoc. Prof Hayley Christian)
- Australian Research Alliance for Children and Youth (ARACY) (Nicole Deen)
- Thriving Queensland Kids Partnership (Sophie Morson)
- Beyond Blue (Karlee Waru)
- Social Ventures Australia (Emma Sydenham, Caitlin Graham)
- National Children’s Commissioner, Human Rights Australia (Anne Hollonds)
- Karitane NSW (Grainne O’Loughlin)
- SNAICC – National Voice for Our Children (Gretchen Young)
- Our Place (June McLoughlin AM and Elfie Taylor)
- Health Justice Australia (Kate Finch)

### The Network:

- supports meaningful connections between Hubs across Australia and creates opportunities for shared learning and capacity building
- builds the evidence to enable a common and best practice approach to developing and evaluating Child and Family Hubs
- advocates for sustainable funding models to ensure Hubs have the resources required to meet the diverse needs of children and families.
- makes evidence and resources accessible to help drive improvements in Hubs, children’s development and family health and wellbeing.

Further detail can be found at <https://www.childandfamilyhubs.org.au/>

## Contact

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## References

1. Mother of children with special needs.
2. Economic Inclusion Advisory Committee, [Report for the 2024-25 Budget](#), 26 April 2024, p 90.
3. See, for example, Hogan, M., et al., [Joint Project on Systems Leadership for Child and Youth Wellbeing: Stage 1 Synthesis Report](#).(2021), Every Child and Australia and New Zealand School of Government.
4. Early childhood Hub speech therapist
5. South Australian Royal Commission into Early Childhood Education and Care, [Final Report](#), pp. 63, 66.
6. See, for example SA Royal Commission, Final Report; Social Ventures Australia, [Happy, healthy and thriving: enhancing the impact of our Integrated Child and Family Centres in Australia](#), 2023; Morson, S. et al. (2024), [Child and Family Hubs Framework](#), Thriving Queensland Kids Partnership.
7. Warm referrals are referrals that support a person to connect to another service. For example, rather than just providing a phone number, a warm referral could include phoning the service with the person to make an appointment, or to pass on information so the person doesn't have to repeat their story.
8. Adapted from Social Ventures Australia and dandolopartners, [Integration in early years services](#) (September 2024).
9. Finding 7.5, Productivity Commission, [A path to universal early childhood education and care](#), Inquiry report no. 106, 2024.
10. Carneiro, P., et al., [The short- and medium-term impacts of Sure Start on educational outcomes](#), Institute for Fiscal Studies (April 2024); Cattan, S., et al., [The health impacts of Sure Start](#), Institute for Fiscal Studies (August 2021); and Carneiro, P., et al., [The effect of Sure Start on youth misbehaviour, crime and contacts with children's social care](#), Institute for Fiscal Studies (October 2024).
11. Social Care in the UK is roughly equivalent to the children protection system in Australia.
12. Deloitte Access Economics, [Community Hubs Australia - Social return on investment evaluation of the National Community Hubs Program, 2023](#) (Feb 2024).
13. Barbee, A., and Antle, B., [Cost effectiveness of an integrated service delivery model as measured by worker retention](#), Children and Youth Services Review, Volume 33, Issue 9, 2011, Pages 1624-1629.
14. See SNAICC, [Funding Model Options for ACCO Integrated Early Years Services Final Report](#), (which estimated a need for 4-6 full time equivalent (FTE) staff depending on Hub size, plus operational costs), compared to Deloitte Access Economics (DAE), [Exploring need and funding models for a national approach to integrated child and family centres](#) (which estimated a need for 3-8 FTE depending on Hub size and any economies of scale, plus additional loadings for operational costs and operating in regional areas).
15. See, for example, DAE and SNAICC, *ibid*. The DAE work used an estimate of \$120,000 per FTE, which for 3 staff equates to \$360,000 or 4 staff to \$480,000.
16. See, for example, Social Ventures Australia and dandolopartners, [Integration in early years services](#) (September 2024).
17. See SNAICC, [Funding Model Options for ACCO Integrated Early Years Services Final Report](#), above note 16. Note that not all ACCO-operated Hubs are considered early childhood ACCOs – for example, some are Aboriginal Community Controlled Health Organisations (although many of these also offer some early years services).