

Community Sector Grants Engagement Framework



Contents

Vision	
Introduction	1
Connection to the National Agreement on Closing the Gap	3
The relationship between the sector and the government	3
Consultation on the Framework	4
Purpose of the Framework	5
Using the Framework	5
Timeframe for implementation	
Grants lifecycle	6
Key stakeholders	
Intersecting policies	8
Monitoring and reporting	8
Contact details	9
Pillars of the Framework	9
Appendix A - Activities	13
Appendix B - Intersecting policies	19
Appendix C - Membership lists	30

Community Sector Grants Engagement Framework

Vision

The Australian Government (the government) is committed to administrative and cultural change across the Australian Public Service (APS), to strengthen its relationship with the community services sector (the sector) by providing grant settings that are designed to better serve the sustainability of the sector and ensure better outcomes are achieved by placing the needs of individuals, families and communities at the centre in delivering government policy.

Introduction

The sector provides critical services to Australian individuals, families and communities and is a major contributor to Australia's social and economic wellbeing. The sector heavily relies on funding arrangements with the Australian Government, as well as other levels of government. Typically, this is through a grant arrangement, which provides financial assistance or a financial contribution to help address one or more of the government's policy outcomes while assisting organisations to meet their objectives.

Feedback from public consultation, identified the sector has experienced challenges that are undermining the sector's potential to provide high support to people in need, including¹:

- greater community need and demand on services
- · workforce shortages, exhaustion and burnout
- a reduction in volunteering numbers
- increasing compliance and administration requirements
- current funding arrangements.

These challenges are being compounded by greater costs of delivering services due to inflation pressures, the impacts of the COVID-19 pandemic and disasters, shortage of housing in Australia and increasing complexity of supports required.

In response to increasing challenges experienced throughout the sector, the government has already increased financial support:

- In the October 2022–23 Budget, the government provided an additional \$560 million over 4 years from 2022–23 to support community sector organisations in recognition of additional cost pressures.
- In the 2023–24 Budget, the government provided ongoing adjustments to its indexation framework to better align it with changes in economic circumstances, providing around \$4 billion in additional funding across government over and above the usual indexation increases in the Budget.

¹ DSS (Department of Social Services) (2023) <u>A stronger, more diverse and independent community sector</u>, DSS website, accessed 3 January 2025.

The government has also looked to provide funding certainty to the sector where it can. For example, the government provided increased and ongoing funding to the National Access to Justice Partnership in the 2024-25 MYEFO. The government also committed to index funding under the National Access to Justice Partnership and the National Partnership Agreement on Family, Domestic and Sexual Violence Response, meaning funding will no longer go backwards in real terms. Other examples include:

- An additional investment of \$138 million over 5 years from 2023–24, and ongoing, in the Financial Wellbeing and Capability (FWC) Activity, along with 5-year grants being offered to successful individual providers, from 1 July 2025 to 30 June 2030
- An additional \$64 million over 6 years from 2023–24 to 2028–29, under the Targeting Entrenched Disadvantage (TED) package, to continue and enhance the Stronger Places, Stronger People initiative. Funding is enabling community-led change and supporting development and sustainment of the capabilities and capacity required to work in effective partnership.

The Community Sector Grants Engagement Framework (the Framework) sets out to change the way government agencies work, including how they develop policy settings, and deliver grant programs involving community sector organisations. The Framework will encourage government agencies to bring about whole-of-government administrative and cultural change to the way agencies work with the sector. This includes how agencies undertake policy design and manage their grants to improve the sustainability of the sector, by helping organisations to better plan their service delivery, retain their workforce, and support a vibrant and diverse sector.

The Framework does not sit under, nor forms part of, the formal Australian Government Grants Framework.² However, it should be read in conjunction with the 4 elements of the Australian Government Grants Framework, including the *Public Governance, Performance and Accountability Act 2013* and the *Commonwealth Grants Rules and Principles* 2024, which sets out 9 key principles for grants administration:

- 1. robust planning and design
- 2. collaboration and partnership
- 3. proportionality
- 4. an outcomes orientation
- 5. merit-based processes
- 6. achieving value with relevant money
- 7. consistency with grant guidelines and established processes
- governance and accountability
- 9. probity and transparency.³

The Framework will not compromise internal and external scrutiny of grant programs (including by the Australian National Audit Office) or commitment to appropriate governance. These will continue in parallel with this Framework, including the requirement that agencies ensure that value for money, and appropriate outcomes are achieved from the use of public funds.

² Department of Finance, <u>Australian Government Grants Framework</u>, Department of Finance website, accessed 9 January 2025

³ Department of Finance (2024) Commonwealth Grants Rules and Principles 2024, Department of Finance website.

Connection to the National Agreement on Closing the Gap

The Framework supports the National Agreement on Closing the Gap (National Agreement).⁴ The Framework's 5 Pillars reinforce commitments, including the Priority Reforms, in the National Agreement. Pillar 1 (Build and maintain engagement) supports a focus on partnerships and shared decision making. Pillars 2 and 3 (Greater certainty and sufficiency of funding and Reduced Administrative Burden) promote grant design and settings that focus on outcomes. Pillar 4 (Encourage diversity and flexibility) aligns with the commitment to build the Aboriginal and Torres Strait Islander community-controlled sector. Pillar 5 (Develop capability and promote innovation) champions transforming how we work with the sector.

Activities under the Framework complement several government initiatives that also support embedding the National Agreement Priority Reforms across the government (see <u>Appendix B</u>). An activity included under the Framework is development of a business case to the government for a proposed Commonwealth Grant Connected Policy to give effect to a funding prioritisation policy under the National Agreement on Closing the Gap.

The relationship between the sector and the government

The sector consists of a range of organisations, including charities, not-for-profits, for profits and volunteer organisations. It is supported by a combined professional and volunteer workforce. Many community sector roles are part time, the majority of the workforce is female, and workers often contribute unpaid time to meet increased levels of community need.⁵ The sector relies heavily on funding arrangements with the Australian Government, as well as other levels of government, for the purpose of delivering services to people in need.

The government typically uses grant arrangements to provide financial assistance by, or on behalf of, the government, administered in line with Commonwealth rules, guidelines and legislation.⁶ Grants are intended to contribute to one or more government policy and program outcomes and support an individual or organisation to achieve its objectives.⁷ Types of grants may include but are not limited to, arrangements that provide for the delivery of services such as community services, or grants that help build capacity.

To achieve real and sustainable outcomes, the government needs to work collaboratively with the sector to meet the needs of communities, including the growing demand from diverse cohorts, including but not limited to, Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people with disability.

There are several frameworks to support APS employees to deliver grants and engage with non-government agencies, such as organisations delivering services to communities. However, there is no framework that considers the specific needs and particular challenges raised by the sector over many years, including in recent consultation.⁸

⁴ Department of Prime Minister and Cabinet (2020) <u>National Agreement on Closing the Gap</u>, Closing the Gap website, accessed 7 January 2025.

⁵ Cortis, N. and Blaxland, M. (2023) <u>At the precipice: Australia's community sector through the cost-of-living crisis, findings from the Australian Community Sector Survey</u>, Australian Council of Social Services (ACOSS).

⁶ Department of Finance (2024) Changes to the <u>Commonwealth Grants Framework 2024</u>, Department of Finance website, accessed 7 January 2025.

⁷ Department of Finance, <u>Grants, Procurements and other financial arrangements (RMG 411)</u>, Department of Finance website, accessed 7 January 2025.

⁸ DSS (2023) A stronger, more diverse and independent community sector, DSS Engage, accessed 3 January 2025.

Consultation on the Framework

This Framework is informed by 237 submissions received in response to public consultation on how to build a stronger, more diverse and independent community sector, conducted by the Department of Social Services in late 2023.⁹

Submissions were received from a range of individuals and organisations, including community sector organisations, peak bodies, intermediaries, research organisations, for-profit providers and local governments. The individuals who provided submissions included sector employees, volunteers, service users and advocates. For a summary of findings from the public consultation, see <u>A stronger, more diverse and independent community sector – Consultation summary report.</u>

Additional validation of findings from the public consultation was achieved in a series of workshops with community sector organisations in June 2024, which focused in more depth on key issues raised in consultation. The workshops reiterated the importance of:

- · longer term grant duration for staff recruitment, retention and capacity building
- grant flexibility to enable ongoing adaptation of services to meet community needs
- better understanding of the cost to deliver quality services, including consideration of and reduction of restrictions on eligible expenditures within grant agreements.

Finally, the Framework has been developed in consultation with the Community Services Advisory Group (CSAG), comprising a membership of 27 organisations most of which deliver community services on behalf of government, and an interdepartmental committee (IDC) on a stronger more diverse and independent community sector, comprising agencies from across government who deliver grants to the sector. Refer to <u>Appendix C</u> for membership lists.



Consultation with the Community Services Advisory Group and Interdepartmental Committee, including bi-monthly meetings

⁹ DSS (2023) A stronger, more diverse and independent community sector, DSS Engage, accessed 3 January 2025.

Purpose of the Framework

The Framework has been developed to bring about whole-of-government administrative and cultural change by supporting a transition to strengthened transparency, consistency and equity of the government's grants processes, to better support the sector's needs.

It aims to support greater efficiency for government, including through supporting higher quality grant agreements, creating more capacity for APS employees to focus on improved policy and program design.

The Framework seeks to build a stronger, open and more collaborative relationship between the sector and government, to better respond to the context that community sector organisations operate within, and to improve the outcomes for the Australian communities they support.

Similarly, the Framework aims to support organisations to dedicate more capacity towards supporting the many Australians they service, by considering funding models for community services, reducing unnecessary administrative burden and sharing information to better plan their service delivery, attract and retain their workforce, and support a vibrant and diverse sector as a result.

The Framework also highlights many existing, innovative ways the government works with the sector, which are providing positive outcomes for the diverse Australian communities they support. Acknowledging intersecting policies and initiatives relevant to the Framework supports APS employees and the sector to learn from and build upon successes already achieved.

The Framework will be implemented through a range of activities. These activities are not designed to be prescriptive, so as to drive innovative and flexible approaches and to allow activities to be implemented in a way that meets the needs of diverse cohorts and, where appropriate, delivered through tailored delivery models.

Activities to be implemented in the short to medium term will largely take a whole-of-government approach, while others will be applicable to a specific agency. To ensure transparency on implementation, activities under the Framework will be monitored and publicly reported against to demonstrate progress.

Using the Framework

The Framework is for APS employees within agencies that have, or potentially will have, a funding relationship with the sector. Specifically, the Framework is designed to assist APS employees who are responsible for policy development and grants administration throughout a grant lifecycle. This may include activities such as seeking policy and legislative authority and securing funding for a grant program, planning and design, selection and decision-making, the making of a grant, the management of grant agreements, the ongoing relationship with grantees, reporting, and review and evaluation. Individuals, families and communities will be the beneficiaries of this Framework. They should be at the centre of policy and programs delivered by the government through grants to the sector.

It is expected that government agencies will actively monitor their progress against the Framework and encourage its implementation. Senior executives within government agencies will play a role in overseeing this.

¹⁰ Department of Finance (2024) <u>Commonwealth Grants Rules and Principles 2024</u>, Federal Register of Legislation, Australian Government.

This Framework provides APS employees with 5 pillars to adopt, to ensure grants are fit-for-purpose in the delivery of community sector services and related activities. These 5 pillars shaped overall direction of this Framework and the activities within the Framework at Appendix A.

The Framework is only intended for grant agreements between the government and community sector organisations to deliver services to Australian communities. The Framework does not apply to grants administered by local, state or territory governments or to grants to other types of organisations or individuals.

Additionally, this Framework is an important resource for the sector and the broader public, outlining how government intends to improve administration of community grants. Community sector organisations that have, or seek to have, a funding relationship with the government, specifically through a grant arrangement, will find this Framework relevant.

Timeframe for implementation

Implementation of the Framework will commence in 2025, with short to medium term activities to be undertaken through to the end of 2026.

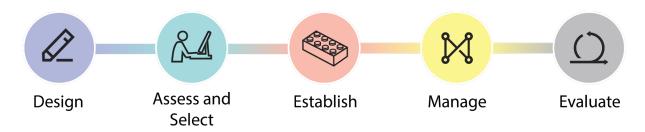
As activities seek to embed fundamental changes, including to grant administration processes within the government, the outcomes from some activities will take some time to be realised, noting there will be reporting on progress made.

Different elements of the Framework apply across the lifecycle of grant development (including establishing policy and legislative authority and securing funding) and management. Much of the Framework will come into effect on a case-by-case basis, as opportunities arise within the appropriate stage/s of a grant program's lifecycle, for example, when a grant program is improved, varied, renewed or newly developed. Similarly, the Framework should be considered as part of policy development, when establishing policy and legislative authority and securing funding. While activities under the Framework are being introduced over the next 18 months, the objective of this Framework is to embed enduring and long-lasting change.

Grants lifecycle

Grants administration encompasses all processes involved in the grant's lifecycle including:

- the design of grant opportunities and activities (including establishing policy and legislative authority and securing funding)
- 2. the assessment and selection of grantees
- 3. the establishment of grants
- 4. ongoing management of grantees and grant activities
- 5. the evaluation of grant opportunities and activities. 11



¹¹ Department of Finance, The grants process, Department of Finance website, accessed 7 January 2025.

Activities set out in <u>Appendix A</u> of the Framework should be considered by APS employees throughout the grant's lifecycle, wherever necessary and relevant.

For example, the suite of operational guidance that will be developed under the Framework, should be utilised by APS employees:

- when developing policy settings, to inform development of materials to seek policy and legislative authority and secure funding
- when designing grant opportunities, to take into account meaningful consultations
 with the sector, longer term grant arrangements, grant flexibility and proportional
 approaches to encourage diversity.

Key stakeholders

To ensure its success, the Framework requires support, and ongoing input and oversight from all levels within and across the government, from relevant Ministers down to APS employees, as well as from the sector. Key stakeholders outlined below will be engaged on an as needed basis to provide strategic direction to ensure success of the Framework.



The Framework will be reviewed annually, in consultation with CSAG and the IDC on a stronger more diverse and independent community sector. In addition to this review point, there will be opportunities to nuance existing activities or add further activities under the Framework, on an as needed basis. Existing government mechanisms and forums, such as the Partnerships Priorities Committee, a sub-committee of Secretaries Board, will be utilised to ensure oversight of implementation is provided by senior executives of government agencies.

Intersecting policies

A number of government reforms, frameworks and strategies (including sector-led) contribute to the sector development, and complement this Framework's objectives. These include but are not limited to the:

- National Agreement on Closing the Gap
- Not-for-profit Sector Development Blueprint (sector-led)
- Targeting Entrenched Disadvantage package
- Australian Public Service Reforms
- National Strategy for Volunteering
- Australia's Disability Strategy 2021-2031
- Safe and Supported: National Framework for Protecting Australia's Children 2021-2031
- Working for Women: A Strategy for Gender Equality
- Workplace relations reform
- National Strategy to Prevent and Respond to Child Sexual Abuse
- Commonwealth Child Safe Framework.

The Framework, through its activities on operational guidance, will support tailored approaches to grant design policy to enable and include people and groups who face barriers to accessing community services, to build stronger competencies of those who deliver services (i.e. the sector) as well as those who administer the grants (i.e. APS employees). It is acknowledged this capability uplift may include finding ways to deliver services effectively to diverse cohorts, such as Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people with disability, which may require approaches that are different to traditional grant arrangements. Further detail on intersecting policies which provide tailored approaches is set out at Appendix B.

Monitoring and reporting

An Outcomes Measurement Plan will be developed to monitor and publicly report on progress of actions undertaken by all government agencies which have a funding relationship with the sector. The Outcomes Measurement Plan will be developed in consultation with CSAG and the IDC on a stronger more diverse and independent community sector.

A high-level progress report from government on the implementation of the activities within this Framework will be published on the Department of Social Services' website on an annual basis, commencing from 2025–26.

Where required, activities will be reviewed and adapted to ensure they remain fit-forpurpose in line with changes in community, sector and government needs and expectations.

Contact details

The Department of Social Services will facilitate engagement between the sector and government agencies by sharing and updating information related to the Framework and working with agencies to support implementation of the Framework.

Please contact <u>CSAGSecretariat@dss.gov.au</u> for any queries, comments or more information.

Pillars of the Framework

The Framework sets out 5 pillars for change, each of which has a number of priority areas for reform that have been consistently identified through feedback from the sector. Each pillar includes activities for lead government agencies to implement to address priority areas.

Pillar 1: Build and maintain engagement

Objective: Deliver high quality policy and programs for communities, by building and maintaining engagement opportunities between the government and the sector.

Description: To continue delivering quality services to individuals, families and communities across Australia will require government and sector collaboration. It will require creating opportunities to solve problems together through meaningful engagement and supporting community-led solutions. This includes working with the sector and people with lived experience to design programs and services (within probity constraints) to ensure they meet the needs of communities, improve outcomes and develop a shared understanding of expectations. To ensure the sector and community have a voice, interaction between the sector, the government and Australian communities needs to be strengthened.

This pillar is supported by the Charter of Partnerships and Engagement, under the APS Reform agenda, which states that when developing policy and delivering services, APS employees will strive to be open, responsive, transparent, accountable, informed and collaborative. In addition, the pillar aligns with the collaboration and partnership key principle outlined in the *Commonwealth Grants Rules and Principles* 2024.

Under this pillar, the APS is committed to:

- meaningful collaboration, including with target cohorts, prior to development of grant opportunities
- the principles of engagement outlined in the Ways of Working Statement

¹² Australian Public Service Commission (2023), <u>The Charter of Partnerships and Engagement</u>, APS Reform website, accessed 7 January 2025.

Pillar 2: Greater certainty and sufficiency of funding

Objective: Enhance business planning, service quality, workforce and volunteering, through greater certainty and sufficiency of funding.

Description: Increased community need and service demand, workforce shortages, and rising costs of delivering services continue to challenge the sector. Additional challenges for community organisations, include those providing wraparound support, operating in regional, rural and remote locations, and working with vulnerable cohorts as well as small or new organisations. While investments have been made by government recently to alleviate funding pressures, funding certainty enables the sector to adequately plan and appropriately meet workforce requirements, including attracting and retaining suitable staff. Clear communications, transparent and timely notifications and payments of indexation to support operational planning, longer term grant agreements, where longer term funding has been agreed by government, and improved understanding of the cost of delivering quality services all contribute to greater certainty and sufficiency of funding for the sector and enable better forward planning and management of resources.

Under this pillar, the APS is committed to:

 consideration of indexation, longer-term grant agreements, cost of delivering quality services and provision of earlier notification for renewal/cessation of grants when designing grant activities, including when developing new policy proposals, to better support community need.

Pillar 3: Reduced administrative burden

Objective: Enable improved focus on service delivery, through reduced administrative burden.

Description: Reducing administrative burden on the sector will create efficiencies and enable a stronger focus on the delivery of grant outcomes for Australian communities. Complex and duplicative reporting and acquittal requirements, which are disproportionate to the size, value and risk of programs, can hinder the sector's abilities to provide quality service delivery and deliver on program objectives.

Clearly defining outcomes, removing complexity, simplifying reporting requirements and where possible standardising grant management practices, including across government, will also help reduce administrative burden for the sector. While efficiencies are important, it is fundamental to create and maintain behaviours and practices that are safe. This includes consideration of potential unintended consequences, particularly for vulnerable people, where enhanced protections need to be maintained.

This pillar aligns with the proportionality key principle within the *Commonwealth Grants Rules* and *Principles* 2024, which outlines the importance of risk-based approaches to reporting to suit the specific circumstance of each grant.

Under this pillar, the APS is committed to:

- designing grant activities to focus on clearly defined outcomes
- adopting a risk-based approach to reporting
- looking for opportunities to use reporting for multiple purposes
- clearly linking reporting requirements to the objectives and outcomes of the activity.

Pillar 4: Encourage diversity and flexibility

Objective: Enable responsive service delivery tailored to community need, by increasing organisational and sector diversity and grant flexibility.

Description: There are growing expectations that grants should be tailored to the needs of communities and delivered by organisations with strong local links to the communities they serve. Diverse organisations include those of different sizes and scope, and those that represent diverse cohorts, including but not limited to Aboriginal and Torres Strait Islander people, people from culturally and linguistically diverse backgrounds and people with disability.

To encourage funding a more diverse range of organisations, grant application processes should be simplified and proportionate to the desired outcome of programs. The sector expressed that grants which are too rigid can act as a barrier to a diverse range of organisations accessing funding. They can also inhibit the sector's ability to deliver quality services tailored to meet the needs of communities, including, for example, services that are culturally appropriate. Where legally feasible, flexibility within grant funding and administration can lead to better meeting the intended outcomes of a grant program, particularly where there is demonstrated evidence to support a changing or emerging need.

This pillar aligns with the National Agreement on Closing the Gap Priority Reform 2: Building the community-controlled sector. This Priority Reform states that a strong and sustainable Aboriginal and Torres Strait Islander community-controlled sector is required to effectively meet the needs of Aboriginal and Torres Strait Islander people.

Under this pillar, the APS is committed to:

- consideration of flexibility within grant funding and administration
- undertaking proportional approaches to encourage more diverse organisations to apply and receive community grants

¹³ DSS (2024) <u>Reforms to strengthen the community sector - Summary of submissions March 2024</u>, DSS Engage, accessed 7 January 2025.

Pillar 5: Develop capability and promote innovation

Objective: Develop capability and promote innovation, through sharing experiences, information and knowledge.

Description: Government agencies are trialling innovative ways of delivering services aligned to needs of local communities and specific cohorts. It is vital that employees of both the sector and APS are given access to tools to build their capability and capacity to improve understanding and shared perspectives. Service data, information, learnings and findings, including from innovative approaches, along with good practice and support for small and emerging organisations, should be shared with the sector and across government agencies.

This pillar also provides an opportunity to showcase best practice under the National Agreement on Closing the Gap, Priority Reform 1: Formal Partnerships and Shared Decision Making. This Priority Reform commits the government to establishing policy and place-based partnerships to respond to local priorities.

This pillar also aligns with objectives under the Whole of Government Framework to Support Community Change, which is an activity under the Framework. One of six elements of the broader Targeting Entrenched Disadvantage package, the Whole of Government Framework aims to drive a connected approach across government to support community led change, by ensuring the APS has the capability and skills needed to address entrenched disadvantage and improve long term social and economic outcomes in communities.¹⁴

Under this pillar, the APS is committed to:

• information sharing and capacity building of the sector including promotion of innovative approaches.

¹⁴ DSS, <u>Supporting community change</u>, DSS website, accessed 7 January 2025.

Appendix A

Activities

A series of activities will be implemented in the short (12 months) to medium (12-18 months) term to support the Framework. Activities within the Framework will be complementary of one another to maximise the impact under each priority area. Outcomes as a result of these activities will be achieved longer term (18 months and beyond). Similarly, activities aim to build on and influence broader intersecting initiatives, where possible, to enable a connected and consistent whole-of-government approach. To show progress, activities will be monitored by government agencies and progress will be publicly reported. Additional activities may be added, or existing activities may be altered after a review process.

Pillar 1. Build and maintain engagement

Objective: Deliver high quality policy and programs for communities, by **building and maintaining engagement opportunities** between government and the sector.

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
1.1 Meaningful consultation to develop good policy responses	1.1.1 Development of operational guidance for APS employees on how to enable stronger collaboration with Community Sector Organisations (CSOs) and communities when designing programs with anticipated grant components, which could include guidance on issues such as how to engage appropriately within probity constraints. Department of Finance (DoF) to promote through the Commonwealth Grants Community of Practice (an online community managed by the Department of Finance which aims to connect people across the APS who work in grants administration and provides information on grants management).	Department of Social Services	All agencies	Medium term
1.1 Meaningful consultation to develop good policy responses	1.1.2 Development and publication of cross government consultation mapping (six monthly) to improve visibility of upcoming reviews and consultations (such as on grant programs) and enable government agencies to coordinate consultations to alleviate consultation fatigue experienced by CSOs.	Department of Social Services with members of Interdepartmental Committee (IDC)	All agencies	Short term
1.2 Improving interaction between the sector and the government	1.2.1 Development of a Ways of Working Statement (WWS) as a public statement of how government will work with the community sector.	Department of Social Services	All agencies	Short term

Pillar 2. Greater certainty and sufficiency of funding

Objective: Enhance business planning, service quality, workforce and volunteering, through greater certainty of funding.

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
2.1 Improved timeliness and transparency of indexation	2.1.1 Exploring mechanisms to facilitate earlier communication and provide increased transparency on indexation.	Department of Social Services	All agencies	Short term
2.1 Improved timeliness and transparency of indexation	2.1.2 Revised whole-of-government grant guidelines and grant agreement templates, to include relevant content regarding indexation and how indexation will be paid.	Department of Finance	All agencies	Short term
2.1 Improved timeliness and transparency of indexation	2.1.3 Agencies to pass on indexation in full to grantees, with annual monitoring.	Department of Social Services	All agencies	Short term
2.2 Longer term grant agreements	2.2.1 Development of operational guidance for APS employees to assist decision-making regarding duration of community sector grants when designing and advising government on new or continuing grant programs involving the community sector and not just at the grant guidelines development stage. Department of Finance to promote through the Commonwealth Grants Community of Practice.	Department of Social Services	Department of Social Services	Short term
2.2 Longer term grant agreements	2.2.2 Review of whole-of-government grant guidelines and grant agreement templates to include relevant content to encourage agencies to consider use of longer-term agreements where appropriate.	Department of Finance	All agencies	Short term
2.2 Longer term grant agreements	2.2.3 Annual monitoring and public reporting on whether agencies are implementing longer term grant agreements with CSOs.	Department of Social Services	All agencies	Short term
2.3 Grants reflect the cost of delivering quality services	2.3.1 Improving capability of APS employees, through development of operational guidance, to ensure funding for necessary functions of service delivery are considered across the lifecycle of a grant, including developing program design.	Department of Social Services	All agencies	Medium term
2.3 Grants reflect the cost of delivering quality services	2.3.2 Review of whole-of-government grant guideline templates to include improved guidance for entities regarding considering eligible expenditure activities.	Department of Finance	All agencies	Short term

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
2.3 Grants reflect the cost of delivering quality services	2.3.3 Development of a Whole of Government Framework to Support Community Change to work with communities through innovative funding, greater shared decision-making and community-led approaches, to deliver improved outcomes that respond to community needs.	Department of Social Services	All agencies	Short term
2.4 Earlier notification for renewal/cessation of grants	2.4.1 Review of whole-of-government grant guidelines and grant agreement templates to include relevant content and clauses considering appropriate notification arrangements consistent with the government's announcement (April 2024).	Department of Finance	All agencies	Short term
2.4 Earlier notification for renewal/cessation of grants	2.4.2 Annual monitoring and reporting on whether agencies are implementing earlier notification of grant cessation or extension.	Department of Social Services	All agencies	Short term

Pillar 3. Reduced administrative burden

Objective: Enable improved focus on service delivery, through **reduced administrative burden**.

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
3.1 Improving program design to focus on clearly defined grant outcomes and simplify reporting requirements	3.1.1 Improving program design, through development of operational guidance to APS employees, to be more focused on clearly defined grant outcomes (rather than outputs) and simplified reporting. Department of Finance to promote the guidance through the Commonwealth Grants Community of Practice.	Department of Social Services	All agencies	Medium term
3.2 Standardising reporting and grants management practices	3.2.1 Department of Finance will explore what can be captured in the whole-of-government grant templates with regard to reporting what mechanisms could be utilised to reduce the reporting burden.	Department of Finance	All agencies	Medium term
3.2 Standardising reporting and grants management practices	3.2.2 Streamlining grants project undertaken by the Community Grants Hub aims to reduce complexity and administrative burden on funding recipients through a more consistent and streamlined approach to grant design and reporting.	Department of Social Services	Department of Social Services (noting a similar approach is already in place for client agencies)	Medium term

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
3.2 Standardising reporting and grants management practices	3.2.3 Department of Health and Aged Care to implement a new centralised grants administration model. The model will support a Department of Health and Aged Care wide strategic capability that aims to deliver broader cultural and behavioural change and lead development of a Grant Strategy to develop and implement a more strategic and citizen focused approach to grants in the department.	Department of Health and Aged Care	Department of Health and Aged Care	Medium term

Pillar 4. Encourage diversity and flexibility

Objective: Enable responsive service delivery tailored to community need, by increasing organisational and sector **diversity and grant flexibility**.

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
4.1 Enhancing flexibility within grant funding and administration	4.1.1 Development of operational guidance for APS employees on how to consider and enhance more flexibility within a program or Grant Opportunity (within legislative authority), throughout a grant lifecycle, for example, when a grant program is improved, varied, renewed or newly developed. In particular, where there is demonstrated evidence to support a need across and between multiple grant agreements where policy objectives align (within policy and legislative authority). Department of Finance to promote through the Commonwealth Grants Community of Practice.	Department of Social Services	All agencies	Medium term
4.1 Enhancing flexibility within grant funding and administration	4.1.2 Review of whole-of-government grant guidelines and grant agreement templates will explore what, if any, additional flexibility could be provided for within grant opportunity guidelines and grant agreements templates, noting the challenges associated with constitutional, legal and policy authority and the associated risks to the government.	Department of Finance	All agencies	Short term

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
4.2 Supporting proportional approaches to encourage diversity, including Aboriginal and Torres Strait Islander community-controlled services, other Indigenous-led organisations, disability organisations, and organisations representing culturally and linguistically diverse communities	4.2.1 Development of operational guidance for APS employees to ensure effort required by CSOs in responding to grant application processes are balanced against the program outcomes being sought. This could include simplifying grant application processes, where appropriate, to improve the accessibility of grant funding to smaller and more diverse organisations with strong local links.	Department of Social Services	All agencies	Medium term
4.2 Supporting proportional approaches to encourage diversity, including Aboriginal and Torres Strait Islander community-controlled services, other Indigenous-led organisations, disability organisations, and organisations representing culturally and linguistically diverse communities	4.2.2 Delivery of a business case to government for a proposed Commonwealth Grant Connected Policy to give effect to a funding prioritisation policy under the National Agreement on Closing the Gap.	National Indigenous Australians Agency	All agencies	Short term

Pillar 5. Develop capability and promote innovation

Objective: Develop **capability and promote innovation**, through sharing experiences, information and knowledge.

Priority areas	Activities	Lead agency	Agencies in scope	Implementation timeframe
5.1 Improved information sharing and capacity building of the sector	5.1.1 Development of a dedicated community sector webpage to increase public facing communications with CSOs about regular updates, evidence, events and innovative approaches.	Department of Social Services	All agencies	Short term
5.2 Promoting innovative approaches	5.2.1 Share learnings with CSOs, through a dedicated Department of Social Services webpage, on trials of new and innovative ways of delivering services, particularly those that align to community need and specific cohorts, such as place-based and shared decision-making models of service delivery.	Department of Social Services	All agencies	Short term
5.2 Promoting innovative approaches	5.2.2 Promote innovative approaches through case studies and information sessions to the Commonwealth Grants Community of Practice, to assist building capability across agencies.	Department of Social Services and other agencies to work with Department of Finance	All agencies	Short term

Appendix B

Intersecting policies

Policy	Description	Relevant intersections with the Framework pillars
Closing the Gap Priority Reforms	Closing the Gap is an agreement between the Coalition of Aboriginal and Torres Strait Islander Peak Organisations and all Australian governments to improve life outcomes and reduce disparities. As the centre of the National Agreement on Closing the Gap, the Priority Reforms focus on changing the way governments work with Aboriginal and Torres Strait Islander people.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government
Closing the Gap - Grants Prioritisation guide	 The Priority Reforms will: strengthen and establish formal partnerships and shared decision-making (Priority Reform 1) build the Aboriginal and Torres Strait Islander community-controlled sector (Priority Reform 2) transform government organisations so they work better for Aboriginal and Torres Strait Islander people (Priority Reform 3) improve and share access to data and information to enable Aboriginal and Torres Strait Islander communities to make informed decisions (Priority Reform 4). Commonwealth agencies may choose to prioritise Aboriginal and Torres Strait Islander organisations, particularly Aboriginal and Torres Strait Islander community-controlled sectors, during the grant administration process by implementing funding prioritisation within internal policies and practices, which are reflected in the Grant Opportunity Guidelines. 	 Pillar 4: Encourage diversity and flexibility Embedding flexibility within grant funding and administration Proportional approaches to encourage diversity

Policy	Description	Relevant intersections with the Framework pillars
Not-for- profit Sector Development Blueprint (NFP Blueprint)	The sector-led Not-for-profit (NFP) Blueprint sets out a ten-year vision, framework, core initiatives and implementation approach for a thriving Not-for-profit (NFP) sector that supports Australia's people, communities and environment. The NFP Blueprint identifies the priorities and initiatives needed to ensure Australia's already vibrant NFP sector advances consistent with its role as a critical national contributor. The NFP Blueprint includes pragmatic reform options to improve how the NFP sector functions, as well as transformative action to change the systems within which Not-for-profit organisations operate. Both are required so NFPs are better able to fulfil their purposes and are ready for changing conditions. The NFP Blueprint is owned by the NFP sector, with the sector noting that government collaboration is required for successful implementation. It puts forward a path for implementation including foundational initiatives that, taken up early, will set the sector up for future success, short-term initiatives that will alleviate key pressures, and longer-term initiatives that will continue to support the NFP sector's contributions into the future. The NFP Blueprint will also mature over its ten-year life as early reforms inform new opportunities and challenges.	 Pillar 2: Greater certainty and sufficiency of funding Improved timeliness and transparency of indexation Longer-term grant agreements, where appropriate Grants reflect the cost of delivering quality services Earlier notification for renewal / cessation of grants Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Policy	Description	Relevant intersections with the Framework pillars
Australian Public Service (APS) Reform	The APS Reform aims to strengthen and empower the public service and increase trust and confidence in Australia's public sector institutions. Initiatives will build the capability and capacity of the APS, support greater transparency and genuine partnership with the community, and position the APS to work in collaborative and dynamic ways.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government
The Charter of Partnerships and Engagement	 The APS Reform agenda is structured around 4 priority pillars, 8 program outcomes, and an initial portfolio of 44 initiatives: Pillar 1: The APS embodies integrity in everything it does Pillar 2: The APS puts people and business at the centre of policy and services Outcome 3: The APS delivers human and user-centred policy and service excellence Outcome 4: The APS has effective relationships and partnerships with First Nations peoples Pillar 3: The APS is a model employer Pillar 4: The APS has the capability to do its job well. The Charter of Partnerships and Engagement was developed as part of the APS Reform aiming to support agencies to build capability to genuinely partner and engage with Australia's people and communities, nongovernment sectors, academia and industries to develop more responsive policies and programs. When developing policy and delivering services, the APS will strive to be open, responsive, transparent, accountable, informed and collaborative. 	 Pillar 4: Encourage diversity and flexibility Embedding flexibility within grant funding and administration Proportional approaches to encourage diversity

Policy	Description	Relevant intersections with the Framework pillars
Targeting Entrenched Disadvantage (TED) Package	The Department of Social Services in partnership with the Australian Treasury and the Australian Bureau of Statistics (ABS) are delivering the Targeting Entrenched Disadvantage (TED) package, to enable the Australian Government to demonstrate the policy approaches and partnerships required to disrupt intergenerational disadvantage. The TED package is comprised of:	Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government
	 the Whole of Government Framework to Support Community Change (activity 2.3.3 of the Framework) Pillar 1: Partnering to Achieve Change Pillar 2: Working in Place Pillar 3: Funding for Impact Pillar 4: Data, Evidence and Evaluation and Information Commonwealth Outcomes Fund 	 Pillar 4: Encourage diversity and flexibility Embedding flexibility within grant funding and administration Proportional approaches to encourage diversity
	 social Enterprise Development Initiative (SEDI) extension and enhancement of the Stronger Places, Stronger People initiative the Investment Dialogue for Australia's Children (IDAC) life Course data initiative (LCDI) – led by the ABS partnerships for Local Action and Community Empowerment (PLACE). The department is aligning and reinforcing the TED package commitment to the National Agreement on Closing the Gap to ensure the Priority Reforms are embedded throughout all aspects of this work. 	 Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Policy	Description	Relevant intersections with the Framework pillars
Safe & Supported: The National Framework for Protecting Australia's Children 2021–2031	Safe and Supported: The National Framework for Protecting Australia's Children 2021–2031 (the National Framework) is Australia's framework to reduce child abuse and neglect and its intergenerational impacts. The National Framework is for all children and young people, but it focuses on children and families who are experiencing disadvantage and/or are vulnerable, particularly the 4 groups that are at significant risk of entering out-of-home care: • children and families with multiple and complex needs • Aboriginal and Torres Strait Islander children and young people experiencing disadvantage or who are vulnerable • children and young people and/or parents / carers with disability, experiencing disadvantage or who are vulnerable • children and young people who have experienced abuse and/or neglect, including children in out-of-home care and young people leaving out-of-home care and transitioning to adulthood. Based on research, evidence and consultations, the National Framework has 4 focus areas to improve outcomes for the above 4 priority groups. • Focus Area 1 - A national approach to early intervention and targeted support for children and families experiencing vulnerability or disadvantage • Focus Area 2 - Addressing the over-representation of Aboriginal and Torres Strait Islander children in child protection systems • Focus Area 3 - Improved information sharing, data development and analysis • Focus Area 4 - Strengthening the child and family sector and workforce capability.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Policy	Description	Relevant intersections with the Framework pillars
The Multicultural Framework Review	The Multicultural Framework Review (the Review) report, <i>Towards Fairness: A Multicultural Australia for all</i> was released to the public on 24 July 2024. The Review Panel identified the need for a multi-decade, coordinated, and strategic response to Australia's growing multicultural diversity. The Report is the first major examination of the state of our Australian multiculturalism in a generation, and outlines 29 recommendations by the Panel, noting the particular importance of data, research and evaluation to underpin future work. • The recommendations emerge from 3 core principles of the Review: • connection – setting the foundations of a multicultural Australia through leadership, planning, and accountability between three tiers of government and communities • identity and belonging – creating a welcoming Australia through English language programs, citizenship policy, and participation in arts, culture, sports, and media • inclusion – building cultural capability into public services, modernising grant programs, ensuring digital inclusions, and meeting the unique needs of young people and regional areas. • Recommendation 26 – Improve efficiency and effectiveness of multicultural grants and funding programs, with consultation and co-design of guidelines and common standards across the Australian Government, state and territory and local governments and community sectors: • The distribution and accessibility of grants funding was one of the main issues in the Review's findings. • To maximise the efficacy of grants provided to multicultural communities, the Panel propose that improvements to reshape grants and funding arrangements be immediately implemented, focusing on the existing grants process.	 Pillar 2: Greater certainty and sufficiency of funding Improved timeliness and transparency of indexation Longer-term grant agreements, where appropriate Grants reflect the cost of delivering quality services Earlier notification for renewal / cessation of grants Pillar 3: Reduced administrative burden Improving program design to focus on clearly defined grant outcomes and simplify reporting requirements Standardising reporting and grants management practices

Policy	Description	Relevant intersections with the Framework pillars
Australia's Disability Strategy 2021 - 2031	Australia's Disability Strategy 2021 – 2031 (the Strategy) is the national disability policy framework agreed to by all levels of government, that is an enabler to people with disability being able to fulfil their potential as equal members of their communities. Supporting the 1 in 5 Australians that identify with disability, the Strategy is in line with Australia's commitments under the United Nations Convention on the Rights of Persons with Disabilities (UN CRPD). Its vision is for an inclusive Australian society that ensures people with disability can be who they want to	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government
	be, live the life they want to live and are treated the same as other people in the community. The Strategy: provides national leadership towards greater inclusion of people with disability guides activity across all areas of public policy to be inclusive and responsive to people with disability drives mainstream services and systems to improve outcomes for people with disability	 Pillar 4: Encourage diversity and flexibility Embedding flexibility within grant funding and administration Proportional approaches to encourage diversity
	• engages, informs and involves the whole community in achieving a more inclusive society. The Strategy recognises the importance of adopting an intersectional approach that does not assume experience and impact of disability is the same. It meaningfully addresses the lived experiences of intersectional cohorts by ensuring all governments consider tailoring responses to meet the discrete needs of intersectional cohorts, with First Nations people with disability as a priority cohort under the crosscutting disability measure under Closing the Gap.	 Pillar 5: Develop capability and promote innovation Improved information sharing with the sector and capacity building of the sector Promoting innovative approaches to provide for the needs of people with disability

Policy	Description	Relevant intersections with the Framework pillars
The National Strategy for Volunteering	The National Strategy for Volunteering is a ten-year blueprint to guide the actions needed to achieve a better future for volunteering in Australia. It is co-owned by the volunteering ecosystem, and everyone has a shared responsibility—as well as a shared opportunity—to participate in its implementation. Three interconnected focus areas from the framework for the National Strategy for Volunteering: • individual Potential and the Volunteer Experience • community and Social Impact • conditions for Volunteering to Thrive. The 11 strategic objectives identify what needs to be achieved over the National Strategy for Volunteering's ten-year timeframe to achieve the visions and aims. The first 3-Year Action Plan (2024–2027) contains 22 co-designed concrete actions aiming to make volunteering safe, inclusive, accessible, meaningful, celebrated, and create the right conditions for volunteering to be effective and sustainable. The Australian Government is leading the delivery of 7 actions, with the Department of Social Services responsible for 4 actions and the Australian Bureau of Statistics, the Australian Sports Commission and the National Office for Child Safety each responsible for one action.	 Pillar 2: Greater certainty and sufficiency of funding Improved timeliness and transparency of indexation Longer-term grant agreements, where appropriate Grants reflect the cost of delivering quality services Earlier notification for renewal / cessation of grants Pillar 3: Reduced administrative burden Improving program design to focus on clearly defined grant outcomes and simplify reporting requirements Standardising reporting and grants management practices

Policy	Description	Relevant intersections with the Framework pillars
Working for Women: A Strategy for Gender Equality	The Australian Government's Working for Women: A Strategy for Gender Equality was launched by the Minister for Women, Senator the Hon Katy Gallagher on 7 March 2024. This Strategy outlines the Australian Government's vision for gender equality – an Australia where people are safe, treated with respect, have choices, and have access to resources and equal outcomes no matter their gender. It sets out a path to make progress towards this vision over the next 10 years, with a focus on 5 priority areas: • gender-based violence • unpaid and paid care • economic equality and security • health • leadership, representation and decision-making. It outlines the need for everyone to work together to shift the attitudes and stereotypes that drive gender inequality. Implementation of the Strategy is supported with 6 guiding principles for the Australian Government, including: • Principle 2: Gender equality benefits everyone and we are all responsible for bringing about change • Principle 5: Action on gender equality must be evidence based and informed by lived experience. To deliver practical changes to improve gender equality, it is critical for government to hear the views of experts and the lived experience of women. The government will track, measure and report on progress under the Strategy through a reporting framework that provides specificity about what success looks like, what steps the Australian Government needs to take to get there and how the government will know if it is reaching its goals.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government Pillar 4: Encourage diversity and flexibility Embedding flexibility within grant funding and administration Proportional approaches to encourage diversity Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Policy	Description	Relevant intersections with the Framework pillars
Workplace relations reform	The government has delivered significant workplace relations reforms to address job security and gender equality, get wages moving and address loopholes that undermine the workplace relations system. The government has also acted to implement recommended work health and safety reforms. These reforms include: • Fair Work Legislation Amendment (Secure Jobs, Better Pay) Act 2022 • Work Health and Safety Amendment Act 2023 • Fair Work Legislation Amendment (Protecting Worker Entitlements) Act 2023 • Fair Work Legislation Amendment (Closing Loopholes) Act 2023 • Fair Work Legislation Amendment (Closing Loopholes No. 2) Act 2024. The reforms contribute to addressing some of the sector's most prominent workforce challenges by strengthening legislation to further promote job security and workplace safety and embed principles of gender equality and flexibility. The legislative changes support a significant proportion of the sector's demographic (women and part-time workers).	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector and government Pillar 2: Greater certainty and sufficiency of funding Longer-term grant agreements where appropriate Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Support for small and emerging organisations
National Strategy to Prevent and Respond to Child Sexual Abuse	The National Strategy is the first of its kind in Australia, and provides a nationally coordinated, strategic framework for preventing and responding to child sexual abuse. It seeks to reduce the risk, extent and impact of child sexual abuse and related harms in Australia. The National Strategy was a key recommendation of the <i>Royal Commission into Institutional Responses to Child Sexual Abuse</i> (Royal Commission) and responds to approximately 100 other Royal Commission recommendations to address child sexual abuse in all settings.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector, communities, people with lived experience and government Deliver quality services Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Policy	Description	Relevant intersections with the Framework pillars
Commonwealth Child Safe Framework (CCSF)	To increase the reach of the Commonwealth's commitment to child safety, Commonwealth entities are encouraged to put in place measures to promote the protection of children in services and activities they fund. It is recommended that, where appropriate, entities impose child safety requirements consistent with the Commonwealth Child Safe Framework on the third parties they fund for child-related services - Application to funded third parties National Office for Child Safety. The National Office also has work underway to consider options to expand the Commonwealth Child Safe Framework (CCSF) and is currently consulting across relevant Commonwealth departments and agencies.	 Pillar 1: Build and maintain engagement Meaningful consultation Improving interaction between the sector, communities, people with lived experience and government Deliver quality services Pillar 5: Develop capability and promote innovation Improved information sharing with the sector Promoting innovative approaches

Appendix C

Membership lists

The Framework has been developed in consultation with the Community Services Advisory Group (CSAG), comprising a membership of 27 organisations most of which deliver community services on behalf of the Department of Social Services, and an interdepartmental committee (IDC), comprising agencies from across government who deliver grants to the sector.

At the time of publication, the 27 members of CSAG are:

- 54 reasons
- Anglicare Australia
- Australian Council of Social Service (ACOSS)
- Australian Services Union (ASU)
- Australian Red Cross
- Baptist Care Australia
- · Carers Australia
- · Catholic Social Services Australia
- COTA Australia (Council on the Ageing)
- Family & Relationship Services Australia (FRSA)
- Far West Community Partnerships
- Federation of Ethnic Communities' Councils of Australia (FECCA)
- Financial Counselling Australia
- Foodbank
- · Mission Australia
- National Disability Services
- · Relationships Australia
- SNAICC National Voice for our Children
- Settlement Council of Australia (SCoA)
- Southern Youth & Family Services Association
- St Vincent de Paul Society
- The Benevolent Society
- The Salvation Army
- The Smith Family
- The Social Policy Group (Migration Council Australia)
- UnitingCare Australia
- Volunteering Australia

At the time of publication, the 19 members of the IDC on a stronger, more diverse and independent community sector are:

- · Department of Social Services
- Attorney-General's Department
- Australian Public Service Commission
- Department of Agriculture, Fisheries and Forestry
- · Department of Climate Change, Energy, the Environment and Water
- · Department of Defence
- · Department of Education
- Department of Employment and Workplace Relations
- · Department of Finance
- Department of Foreign Affairs and Trade
- Department of Health and Aged Care
- Department of Home Affairs
- Department of Industry, Science, Energy and Resources
- Department of Infrastructure, Transport Regional Development, Communications and the Arts
- Department of the Prime Minister and Cabinet
- The Treasury
- · Department of Veterans' Affairs
- National Emergency Management Agency
- National Indigenous Australians Agency



