

Progressing community services reform

Discussion Paper

July 2026





Acknowledgement of Country

The Health and Community Services Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

© Australian Capital Territory, Canberra 2026

Material in this publication may be reproduced provided due acknowledgement is made.

Produced by the Health and Community Services Directorate.

Enquiries about this publication should be directed to the Health and Community Services Directorate.

GPO Box 158, Canberra City 2601
HCSDCommissioning@act.gov.au
Telephone: Access Canberra – 13 22 81

If you are deaf, or have a hearing or speech impairment, and need the telephone typewriter (TTY) service, please phone 13 36 77 and ask for 13 22 81.

For speak and listen users, please phone 1300 555 727.

For more information on these services, contact us through the National Relay Service:
www.accesshub.gov.au.

If English is not your first language and you require a translating and interpreting service, please telephone Access Canberra on 13 22 81.

Contents

Contents	3
A message from the Minister	4
Next phase of reform	6
Context	7
Alignment with the ACT Wellbeing Framework	7
Progressing sustainability	8
Policy, process and practice improvement	9
Improving commissioning	11
What we've heard	11
Revising and simplifying the commissioning model	12
Prioritisation	14
Prioritisation – an evolving approach	16
Prompts for feedback	17
Improving design and procure	18
Improving deliver and monitor	18
Improving evaluate and integrate	19
Prompts for feedback	19
Updating the social compact	20
The case for a refreshed social compact	20
Key considerations	21
Key elements	21
Prompts for feedback	24

A message from the Minister

The ACT Government is continuing to progress reform of community services policy and funding.

The Government has provided additional support to the community sector through a \$10 million funding boost over 2 years, which has been allocated to all eligible organisations. The boost followed the Government's decision in 2025, drawing on expert advice, that while applying a population adjustment alongside annual indexation of funding for community organisations is one way to adjust for population or increased service demand it is not the only or most appropriate way.

Meaningful and lasting improvement requires policy, process, and practice reform across both government and the community sector so we can more effectively identify, resource, and deliver the services Canberrans need most.

Good outcomes can only be achieved through genuine collaboration, where all parts of the system are working effectively and aligned to shared goals of improving the lives of Canberrans, including those facing the greatest vulnerability.

This includes the Government and the public service as:

- Steward and policy maker, responsible for understanding the changing needs of the Canberra community, setting and communicating its policy priorities.
- Provider responsible for the delivery of some of the health and community services priorities at a territory and local government level.
- Funder of community services provided by non-government organisations informed by its priorities.

As I stated in my 2025 Ministerial Statement to the ACT Legislative Assembly on community sector reform and subsequent communication with Government funded community organisations, the next phase of work will involve community consultation including with non-government organisations, especially those delivering health and community services on:

- Renewal and refresh of the social compact as an important statement of understanding and agreement that underpins how the Government and the sector will work together.
- Further work on approaches to identifying and communicating the Government's priorities for community services, including our approach to community needs analysis, which will in turn support an updated commissioning framework to deliver better outcomes in partnership with the community sector.

The Government has unified health and community services policy functions in the public service into a single directorate. When the organisational redesign of the directorate is complete, this will include establishment of a dedicated unit to lead, coordinate and drive reform. Community sector sustainability goals will be central to this work.



Outlined in this paper is the next phase of the reform agenda – updating the social compact and evolving the commissioning process.

Together with the sector, we will update and refresh the Social Compact—a jointly agreed statement of our shared values, our respective roles and how we work together.

I have heard open and constructive feedback on varied experiences of commissioning, and I am grateful for the time organisations have taken to share their experience.

One of the key takeaways from these discussions was that the Government and its public service should be clearer in the outcomes they are seeking to achieve and more considered in how we work with the sector to deliver them. The idea of an approach that aligns decision making to known community vulnerabilities to underpin the commissioning process arises from this key reflection.

The proposed approach seeks to strengthen the government’s stewardship, policy and needs identification role in the commissioning process.

The proposed approach aligns community services commissioning into 4 streams of work that will be clear in intent, informed by evidence and insights from people with lived experience, practical to implement, and strengthened through ongoing engagement with the sector and the community. This will support high-level system oversight and foster better integration across the health and community services system.

I welcome your continued frank and constructive feedback on these proposals as we move into the next phase of reform—working together to deliver a stronger, more sustainable community services system for all Canberrans.

Suzanne Orr

Minister for Disability, Carers and Community Services



Next phase of reform

Meaningful and lasting reform requires improvements to policy, process and practice across both government and the community sector so we can more effectively identify, resource, and deliver the services Canberrans need most.

This includes strengthening the Government's role as system steward, as exercised by its public service, ensuring health and community services are well coordinated, sustainable and aligned to community need.

This discussion paper aims to inform the conversations between the Government, its public service and community sector organisations to advance this system evolution and reform towards improved outcomes for our community and greater sustainability for service providers.

Firstly, this discussion paper sets out the Government's thinking on the context within which the health and community service system evolves. No service system should be static and enabling a flexible service system that can respond to changes in the wider landscape is a core responsibility of the Government.

Secondly, the discussion paper sets out the Government's proposed vision for a refreshed approach to commissioning to provide a clearer way of defining the Government's service priorities, goals and outcomes which will, in turn, reduce the time needed for commissioning processes. We have included questions to prompt stakeholder feedback.

Finally, the discussion paper proposes the public service and community sector peaks initiate a co-design process for an updated social compact. Questions are proposed to invite stakeholder engagement with the themes outlined.



Context

The Government is committed to making the right services available at the right time to those who need support in our community. Informed by evidence including lived experience insights, the Government and public service make considered decisions about which services and supports it delivers and when it funds NGOs to provide these important services.

Through the annual ACT Budget, the Government provides funding for delivery of services through community sector organisations, who are trusted partners in delivering this vital work.

The Government endeavours to achieve a careful balance between funding certainty and the capacity to respond flexibly to emerging or changing community need. One important part of this is ensuring all work is guided by available evidence and data delivered through the ACT Wellbeing Framework. Another element considered by Government is addressing sustainability, both for the Government and for the community sector.

In addition, a range of substantial national reforms impact community services across health, disability and aged care systems which require us to work in partnership to adjust our service systems in response.

There is also important and active work to progress implementation of commitments on the Priority Reforms under Closing the Gap, and under the ACT Aboriginal and Torres Strait Islander Agreement 2019-2028 Phase 3 ACT Closing the Gap Implementation Plan. In particular, the commitment to building and growing the Aboriginal Community-Controlled Organisations (ACCOs) sector requires consideration of other shifts required across our service systems.

The current landscape also includes consideration of the wages and conditions of workers and ensuring that these settings continue to be assessed. The gender-based undervaluation – priority awards review currently underway by the Fair Work Commission is an important example of a potential future impact for both the Government and the community sector.

These changes, alongside the changing population of Canberra itself, means the Government and its public service need to steward a service system that is responsive to evolving context and can transform to best meet the current and future needs of our community.

Alignment with the ACT Wellbeing Framework

The ACT Wellbeing Framework measures what matters to Canberrans and our quality of life. It supports government decision making. The ACT Wellbeing Framework provides high-level indicators that are informed by measures using both people's subjective interpretations of quality of life, and data that charts objective progress. Subjective measures consider an individual's own preferences, needs, and experiences. Objective measures are those that can be recorded by an external observer and are frequently used as part of existing statistical frameworks. Each have an important role in a wellbeing framework and inform the Government's wellbeing priorities which are themselves informed by research.



In the ACT, wellbeing involves balancing immediate priorities that demand urgent action, with long-term factors that influence wellbeing beyond today – those things that require sustained attention, recognition and investment. This involves being clear about the key goals and objectives for the Territory, focussing the efforts of the public service around them and monitoring outcomes. Addressing increasingly complex wellbeing outcomes will also require breaking down silos and delivering policy and program outcomes through stronger collaboration across government and with our partners.

Measuring the factors that drive the wellbeing of Canberrans will help us to evaluate policy and programs, guide future policy design and support government decision making. These elements combined, support policy and service delivery that focuses on outcomes that benefit the overall wellbeing of Canberrans and support those who need it most.

In evolving the approach to commissioning, understanding the available wellbeing framework evidence alongside evidence of specific needs, lived experience, risks and vulnerabilities is essential. The combination of these elements can then be used to focus and design service responses through human services commissioning.

Progressing sustainability

The Government remain committed to working with community sector organisations to address sustainability. This will always be a priority as the landscape evolves. The Government needs to continue to assess and evolve how to best address sustainability as this landscape changes, in partnership with sector representatives. Much has already progressed, including:

Sector Sustainability Project

The Sector Sustainability project was an important initiative that provided helpful information and evidence for both government and community sector organisations. It ran for 18 months and has now concluded. The information, tools and insights garnered through the project will continue to inform future sector sustainability work. Key outputs included:

- Understanding that human resources; information and technology; safeguarding; premises; business development and fundraising are the areas of most pressure for organisations.
- A set of [costing tools](#) developed collaboratively with the University of Western Australia that enable the Government, its public service and the sector to have a better understanding of the full cost of service delivery.
- A set of priority efficiencies that can be achieved through process and practice improvements in government's contract and relationship management.

Community sector funding boost

The Government's community sector funding boost, announced in the 2025-26 Budget, demonstrates the Government providing practical sustainability measures to the sector. The data collected through the reporting on the boost is already providing greater insight to inform future practice.



In March 2026, the ACT Legislative Assembly passed a motion on the sustainability of community organisations in the ACT. The motion identifies specific actions for the Government to focus on as we progress service system reform, and through future budget processes. Many of those actions are already underway. The Government will report to the Assembly on this issue by September 2026.

Current funding

The 2026-27 Budget includes approximately \$327 million in 2026-27 for contracts with NFP community sector organisations, subject to Community Sector Indexation, to deliver health and community support services alongside Government. This is an increase from about \$252 million in 2025-26.

Community sector funding uplift

This initiative commences once the funding boost ceases and will provide a new way to deliver sector funding uplift from 2027-28. This approach will allow the Government to address the structural inequality in funding arrangements with NGOs.

The government will seek subject matter expertise to develop a community sector funding model. The model is intended to address sector sustainability through consideration of baseline funding and contract terms, accounting for impacts such as increases to superannuation and/or insurance costs alongside other factors. Once the model is developed, it will be used by the Government to inform future allocation of the funding uplift.

Policy, process and practice improvement

Government and its public service are responsible for determining policy settings, establishing and implementing fair, robust and consistent procedures, and to go about its work using practices that foster strong relationships with stakeholders. Government has committed to these improvements through establishing a Unit within HCSD that focusses on its interactions with the sector.

The way the public service undertakes its roles directly impacts community service providers. Improving policy, process and practice is essential to supporting a sustainable, well-functioning community services sector.

The ACT Government acknowledges that it is early in the reform process and that specific details on implementation approaches, transition arrangements, timelines, and impacts on the community sector are still being determined. We recognise that this uncertainty can be challenging and commit to working transparently with the community sector as policy development progresses, providing clearer information as it becomes available.

This work is informed by consistent sector feedback about the impacts of administrative burden, inefficiencies and uncertainty in funding and procurement processes. Improving internal practice will include a focus by the public service on more efficient end-to-end processes; clearer and more timely decision-making; improved consistency in pricing and costing approaches; and reducing unnecessary duplication across approvals, reporting and compliance requirements. The intent is to ensure that funding and procurement arrangements

better support service sustainability and workforce stability, enabling providers to focus more time and resources on delivering outcomes for the community.

A key focus for the Government will be to strengthen and uplift procurement and grant practice by improving how funding programs are designed, communicated and managed. This includes clearer and more consistent program guidelines, and more deliberate selection of procurement and grant approaches that are fit-for-purpose, proportionate to risk and scale, and aligned to the outcomes being sought. The public service will also provide stronger implementation guidance for commissioning, grant and procurement cycles.

With more than 90 per cent of all existing NGO contracts administered by Health and Community Services Directorate (HCSD), there is a significant opportunity to improve consistency, quality and predictability across funding and contracting arrangements. The Government will emphasise and focus on improving contract management practices to better support service delivery, reduce unnecessary administrative burden, while remaining flexible and responsive to different program and community needs. This includes clearer articulation of outcomes and performance expectations, improved use of standard templates and guidance, and more proportionate, risk-based approaches to monitoring and reporting.

The Government and its public service are aware that many community organisations seek to engage about their immediate funding arrangements as well as to inform Government policy priorities and future decisions on program and policy development. HCSD staff will better enable these interactions through providing a more consistent and primary point of contact. More standardised processes aim to reduce administrative burden and improve flexibility for funded community sector partners.

Public-facing information to support these improvements may include:

- Clear communication of legislative, policy and compliance requirements governing procurement and grants processes, including indicative timeframes for decision-making.
- Pricing and costing principles, supported by practical guidelines and tools to enable realistic and sustainable funding proposals.
- Plain-language explanations of different procurement and grant approaches, including how and why particular approaches are selected for specific funding or grant cycles.
- Information on funding agreement and deed options, and how these are typically used across different funding and commissioning arrangements.
- Quality standards and other compliance requirements.
- Treatment of unspent funds.
- Transition policy and processes.
- Reporting and financial acquittal requirements at both contract and program levels.

Policy, process and practice improvements are intended to support clearer expectations, more consistent practice, and a stronger, more transparent partnership between the Government, its public service and the community sector.

Improving commissioning

From 2018, the Government progressively moved towards a commissioning approach for outcomes in the human services sector. The change in approach was significant, although there are still opportunities to improve outcomes for both government and the sector.

Commissioning is used in many sectors and defined simply as a way of 'authorising a person or organisation to do or produce something.' We commission services within a system to meet the needs of the Canberra community.

Identification of service needs, and opportunities for re-design, are best served when we have a collective understanding of community needs and service delivery gaps. Further, we can only integrate our services into a system when we see where community needs overlap.

Commissioning helps the Government, the public service, those with lived experience and the sector develop this collective view of need, services and the whole system. A continuous improvement approach to evaluating commissioning has been in place since 2021. There is strong agreement that the shared goals, objectives and principles of commissioning do not need to change. The goals remain:

- Better respond to community need, both existing and emerging, through increased flexibility and opportunities for innovation.
- Improve integration across the service systems to support seamless and holistic care, and transitions between services.
- Reduce pressure on our hospitals and other crisis services, such as homelessness or statutory services for children, young people, and families, by prioritising prevention and early support.
- Improve equity in health and life outcomes for priority population groups, through commissioning decisions made about where and how to focus support.
- Improve sector sustainability through closer partnerships and better understanding the needs of our service delivery partners.

In contrast, significant feedback identifies that change to the processes of commissioning would be welcome and would support commissioning meeting its goals.

Significant change to the commissioning model will take time. As changes are worked through/considered, existing commissioning cycles will progress using the current model.

What we've heard

Through feedback on the first commissioning cycles, the Government and its public service have overwhelmingly heard that the level of consultation and input asked of sector partners in the commissioning process – especially when applied for single or narrow groupings of services – was too demanding and time intensive.



Timeframes for progress were not always achieved, and in some instances may not have been achievable. Adequacy and capability of internal resources (public service) to progress commissioning within directorates was questioned.

Feedback on the first cycles of the commissioning approach indicated that commissioning and procurement processes had often become conflated with each other. Feedback also notes that commissioning processes were constrained by limited access to timely and relevant data, reducing the ability to make fully evidence-informed investment decisions.

Although procurement is a part of the commissioning process, commissioning is not a procurement process in and of itself. It is important for this distinction to be clearer and for the responsibilities of the public service and stakeholders through each phase to be clearer also.

The expectation that evidence built through commissioning would inform budget processes was not realised. Government has also heard the need for more specific funding clarity to guide each commissioning cycle and ensure the right decisions can be made through the process.

Additionally, the close alignment of commissioning cycles to contract expiration and renewal deadlines added a pressure on the early planning phases and possibly contributed to the conflation of the commissioning approach with procurement. An imminent competitive procurement process may also have limited the willingness of stakeholders to share and shape new service models.

It is apparent from the feedback that the outcomes achieved in delivering an improved service system were highly varied for each sub-sector process. We heard that the Government and its public service have an important responsibility to identify and communicate priorities and goals early, to provide the consistency and certainty needed to inform a sound commissioning process.

Often, commissioning cycles were applied to existing program and service sub-sectors, which limited the opportunity to respond to the intersectional experience of vulnerable cohorts in our community, and to areas of emerging need.

Future evolution of commissioning will benefit from looking more holistically across areas of community need and enable a more flexible, intersectional perspective to inform the process. The commissioning approach generally lends itself more readily to larger scale service system considerations than to specific or narrow programs.

Revising and simplifying the commissioning model

The Government has paid close attention to the feedback from the sector. The proposed improvements to commissioning seek to:

- Retain the goals, principles and intent of commissioning.
- Sequence relevant decisions of government ahead of collaborative design of the service system with stakeholders – so that parameters and scope are clear early.
- Focus commissioning as a process to progress system change alongside system stewardship.

- Improve process and consistency.
- Use more efficient procurement or grant processes when discrete programs funding arrangements are due to refresh, but major reform is not being sought.

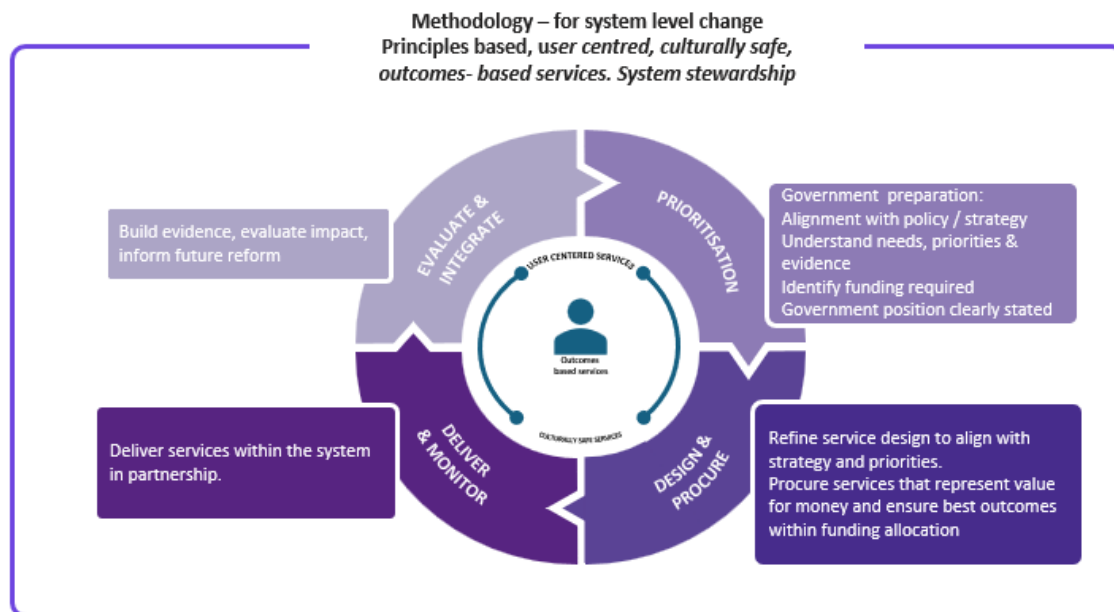
The proposed sequencing recognises that the Government will determine its priorities, desired outcomes and funding parameters ahead of commissioning. Consultation and engagement between the public service and the sector will then focus more directly on service design. This approach is intended to provide greater clarity about the purpose of engagement and reduce duplication in consultation processes.

The Government proposes to replace this commissioning model for all parts of the system outlined in diagram 1, with an approach that focusses on commissioning at a system level where the need for change is a priority as outlined in diagram 2

Diagram 1 Existing Commission Model



Diagram 2. Proposed new commissioning model for consultation



Prioritisation

This phase of a commissioning cycle is intended to provide clear direction from Government on community need, government priorities, the existing landscape, and current approaches. It encompasses some activities previously undertaken through the discover and strategise phases. It requires Government to have determined what system change it is seeking to achieve, and what resources are being applied, early in the commissioning process. This process is likely to require whole of government decisions through the Cabinet process.

Evolving the approach in the early phases of a commissioning cycle, to consider a range of needs together more holistically is proposed to provide clearer leadership and direction for each commissioning process. It will ensure that what we commission prioritises and responds to the needs experienced by the Canberra community without overwhelming those involved in the process.

The diagram below proposes a process that Government could use to inform its prioritisation. It is proposed that four streams of work become the focus for commissioning, informed by the key areas of risk experienced by communities. This would provide an overarching structure for a more robust approach that better aligns outcomes and the services to support these with the needs of the community and creating a more integrated system.

The 4 proposed streams are:

- Material basics and safety
- Early development
- Community-based health, mental health, and supports
- Community development and participation



Having four streams of focus means the commissioning process would be able to consolidate the many parallel processes undertaken in the first cycles of commissioning and reduce the time-intensive and demanding consultation requirements experienced previously.

Having four streams of focus also means the commissioning process would be able to “scale-up” or broadband allowing for better consideration of systems in their entirety rather than looking at separate components in parallel. The needs of specific cohorts would still be identified and articulated, but in a more integrated way reflecting our growing understanding of the complex experience of intersectional needs.

In addition to the four streams, priority reform areas are identified. Each commissioning process must align with the priority reform areas relevant to the stream or sub-system being commissioned, to ensure consistency of approach with relevant existing reforms. Priority reform areas are areas of policy where there may be a significant level of national reform underway (and Government may exercise less direct control over the drivers and direction of change), emerging areas of understanding, or where Government is seeking to evolve its policy and response settings.

Overarching plans for each of the four streams that are clear in purpose, well informed, practical to implement and strengthened through engagement with the sector and the community would be produced. These overarching plans are intended to provide a clear link between the policy settings and the program guidelines required for associated service or grant funding. They would be the responsibility of Government to develop, in consultation with the sector and other stakeholders required.

This process is intended to provide much needed clarity on Government policy and funding parameters. The process will need to pay attention to existing contract timelines when planning timing for each of the streams of commissioning.

Prioritisation – an evolving approach



Prompts for feedback

Proposed approach:

The proposed approach set out here is intended to replace the discover and strategise phases as they have occurred in the current commissioning model, and to clarify and reinforce Government's stewardship role in setting priorities and making early decisions through a prioritisation phase.

Questions:

1. What elements are important to support more integrated, consistent and robust decision-making across Government?
2. What aspects of the proposed approach could be restructured or refined to better support this intent?
3. What other approaches or mechanisms could further strengthen Government's capability to make evidence-informed, system-wide decisions early in a commissioning cycle?

Updating the commissioning model

We have heard clearly that commissioning program by program has not achieved the outcomes sought from commissioning and has been too resource intensive.

Questions:

1. In what circumstances is a system level commissioning approach likely to achieve the best outcomes and value?
2. What information would provide greater clarity and certainty about how future commissioning processes will happen?
3. How would you prefer to work with Government as we continue to improve the commissioning approach? What other changes would better support engagement and collaboration?

Improving design and procure

Commissioning seeks to achieve system level reform, but government also continues to fund a range of activity that is broadly already well targeted, aligned with government policy and priorities, efficient and effective.

Once Government is clear about its strategy, priority and funding settings at a system level, these will need to be refined in the service design changes being sought in the program guidelines. Government and the public service intend to work closely with stakeholders to refine service design expectations collaboratively before processes to allocate funding get underway.

Determining the most fit for purpose strategy for the procure phase will continue to be a part of the commissioning process. It would be based on assessment of market, specific service requirements and other relevant factors. Recent commissioning cycles have often determined that a mix of direct, select and open processes should be used, and this may continue to be the case.

Where little change to current priorities and service mix is required, where funding is certain, and to ensure important services and supports continue to be available to people in need, the procurement approach can consider more streamlined or expedited processes and result in longer-term contracts. Government remains committed to moving toward longer-term contracts, however, contract length will continue to be informed by service type and broader system needs.

While in areas of significant reform or change, emerging areas of need, thin service provider coverage, and for new or pilot program offerings procurement processes and funding arrangements will need to reflect and facilitate changing priorities and an evolving service system.

As described on page 9 above, improvements to procurement and grant processes are also underway. These have a focus on timeliness, consistency, and ongoing compliance with law. Where improvements to procurement and grant processes are necessary, Government intends to progress this work so that both existing and prospective funded partners can access clear guidance about expectations, processes and practices.

Improving deliver and monitor

Government and the public service have heard feedback from the sector that government doesn't have a consistent approach to how it partners with funded organisations to deliver and monitor services. The policy, process and practice improvements described above are intended to respond to this feedback.

Government and the public service are keen to continue to improve their role as delivery partner and system steward across the delivery phase. This includes improved contract management practices to support delivery, reduce unnecessary burden and improve shared understanding of expectations.

Government intends to focus on improved consistency across contracting arrangements including clearer articulation of outcomes and performance expectations, a more proportional approach to risk, monitoring and reporting.

Improving evaluate and integrate

The insights and learnings that come from the evaluation phase of the commissioning cycle are integral to future commissioning cycles. Everybody benefits – government, the sector and the community – when evidence of the impact of services is available. Government recognises the important role that many peaks play in ensuring a strong evidence base is available to inform future decision making.

The Government understands the importance of learning from both what is working and where improvements can be made to achieve the outcomes we want to see for our community.

The Government also acknowledges the insight and learnings arising from continuous monitoring of programs. Continuous innovation and improvement in response to those learnings is equally important. As steward of the health and community services system, government seeks to enable its funded partners to adopt a flexible and continuous improvement approach to service delivery.

Prompts for feedback

Improving other phases

The proposed approach here sets out improvements to the other phases of the new commissioning cycle. These recognise where process improvements are needed.

Questions:

1. What information about procurement and contract management processes is most helpful or important to community organisations that participate in Government funding and grant processes?
2. Are there other improvements, approaches or mechanisms in program delivery and monitoring that could further strengthen capability for both government and community sector to make evidence-informed and consistent system-wide decisions?
3. How should government distinguish between system level commissioning and streamlined processes for discrete funding arrangements? What else do stakeholders want to know about how this change will be delivered?

Improving evaluate and integrate

Questions:

1. How can evaluation, both at a program and system level, be improved?
2. Are there challenges ahead for future integration?

Updating the social compact

Social compacts were adopted by many Australian and international jurisdictions in the late 1990s to early 2000s and were important statements that served to guide the relationship between the Government, the public service and the sector.

The Government developed its first social compact in 2001. It was refreshed in 2004, then again in mid-2012 following a concerted effort to address low awareness and adoption by both government and the sector.

The 2012 social compact broadly articulated:

- A shared vision for the Government and the sector.
- The respective role and contribution of the Government and the sector.
- Principles for working together (respect, open communication, engagement, continuous improvement, leadership, and diversity).
- Undertakings by Government and the sector to implement those principles.

A key learning from the 2012 social compact was the need to find better ways to ensure it remained current and embedded into interactions between the parties.

In addition to previous social compacts, a refreshed compact could incorporate learnings from more recent examples of strong relationships between Government, the public service and the sector, such as initiatives during the COVID-19 pandemic that relied on trust, and effective everyday practices to achieve outcomes for the community.

The case for a refreshed social compact

Government acknowledges the ever-changing environment and increasing demand and complexity of service needs of the Canberra community. The pressures on the sector to deliver these critical services is further compounded by increasing costs and the funding and prioritisation challenges that government faces under a fiscally tight economy.

Government is committed to meaningful reform that improves the whole health and community service system. Undertaking this reform requires the combined work of the Government and the sector, grounded in mutual respect and good relationships.

As the Government continues to progress its commitments and a shared reform agenda, the social compact can be an important statement of understanding and agreement that underpins how the Government and the sector will work together to undertake critical community service reform work.

It is also necessary for this work to align with Government commitments to the National Agreement on Closing the Gap, including Priority Reform 2: Building the community-controlled sector and the ACT Aboriginal and Torres Strait Islander Agreement 2019-2028.

Specific engagement with the ACCO sector is required about how a new social compact may complement or interrelate with existing work to build and strengthen the community-controlled



sector. This work needs to be grounded in mutual respect and good relationships. It will be necessary to hear from ACCO representatives what should be captured within the Social Compact or whether there is a need for a companion document specific to the relationship between the Government and the ACCO sector.

Key considerations

To begin the process of review and refresh, the Government proposes adopting the following considerations:

- The social compact must focus on the relationship between Government, the public service and the sector, articulating an intended working relationship
- The social compact needs to be clear, easily understood and succinct so that it can be easily adopted and put into practice.
- The social compact is simple and describes the roles, principles and behaviours that the community would expect of Government, the public service and the sector.
- The principles and behaviours can be measured.
- The social compact can stand on its own.

Government recognises that an updated social compact should be co-designed with the sector. It particularly recognises the important role peak body organisations could play as they represent perspectives of the groups they serve. It proposes that a social compact co-design working group be established, co-chaired by HCSD and ACT Council of Social Service, with members determined through an expression of interest process. More information is available on the [Your Say](#) page.

The Minister looks forward to receiving advice arising from the codesign about the refreshed Social Compact.

Key elements

The Government is keen to co-design the social compact. It has identified some core elements of a future social compact and provides these as conversation starters for feedback. It recognises that additional sections will also be needed, including accountability and how the compact will be implemented, and looks forward to co-designing these together with the sector.

A shared vision and intent

The ACT Wellbeing Framework identifies the outcomes that matter to Canberrans, while the Social Compact supports how government and the sector work together to achieve them.

The goal of the Social Compact refresh is to improve the existing relationship between the Government, its officials and community sector, ensuring it reflects shared expectations, strengthens partnership and accountability, and supports improved outcomes.

It is a statement of collective vision and commitment to a robust and effective relationship between the parties. We share a commitment and intent to support those in our community who need it most.

To achieve this, we intend to plan, learn and work together, build on existing strengths, encourage innovation and make sound decisions informed by evidence and lived experience insights.

The social compact:

- Recognises the vital role played by the sector as an independent partner in Canberra's social infrastructure, with a long standing and significant contribution to community life.
- Acknowledges the distinct and complementary roles of each party, including the Government and its public services' role in stewardship, policy and funding, and the sector's role in advocacy, community connection, lived experience insight and service delivery
- Affirms that through working as effective partners, together the Government, its officials and the sector can build an inclusive, equitable and sustainable community where all individuals thrive.
- Provides an agreed set of principles and behavioural statements that underpin how the parties work together in the design, planning, funding and delivery of community services in the ACT.
- Is a living document that reflects and adapts to evolving relationships and changing environments. Its focus is to ensure the Government, its public service and the sector can work together seamlessly to meet community service needs now and into the future.
- Promotes mutual understanding and guides representatives from each party to adopt processes and behaviours that value the role, contribution and expertise of each other.

Principles for working together

Principles were included in earlier social compacts and developed as part of the commissioning framework. Settling on a single set of principles that guide how the Government, its public service and the sector work together will be a central element. Such principles might be:

LEADERSHIP	As Government, the public service and sector leaders, we: • take ownership of our respective roles and are accountable for our decisions and actions. • act with integrity and are ethical in our behaviours and practices. • model the principles of the social compact and honour the relationship with each other.
RESPECT & UNDERSTANDING	We have mutual respect and understanding for our separate roles and recognise that all parties bring expertise, knowledge and value to the relationship.
OPEN COMMUNICATION	Our relationship is supported by open and honest communication, and transparent processes.
ENGAGEMENT	We engage with each other professionally and appropriately in the planning and development of policies, processes and practices to achieve outcomes that benefit the ACT community.
CONTINUOUS IMPROVEMENT	We work together to find innovative ways to continuously improve the planning and delivery of services, and workforce development that benefits the community.
DIVERSITY	We respect, acknowledge and value the diversity of lived experiences, expertise, knowledge and capability that government, the sector and the community bring to the table.



VALUE TIME AND RESOURCES	We are respectful of competing priorities and the need to use time and resources wisely.
SHARED COMMITMENT	We commit to meaningful change and learning through experience.
PURPOSE DRIVEN	We are guided by shared outcomes, with a focus on problem solving and solutions, ensuring our work provides value to all stakeholders.
ACCOUNTABLE	We hold each other to account for demonstrating these principles through our behaviour during all interactions between government and the sector.

Prompts for feedback

Co -design:

We propose a co-design approach that supports sector-wide engagement to collaboratively inform the development of the refreshed Social Compact. The process should enable meaningful participation and inclusion of diverse perspectives.

Questions:

1. Do we need to co-design the co-design process for the Social Compact?
 - a. How would sector stakeholders like to participate?
 - b. Are there better alternatives to a working group?
2. What role should peak bodies play?
3. How would a process ensure all perspectives are heard?

Potential updates:

Updates to the principles and accompanying statements could further articulate the values and behaviours that support effective relationships between government and the sector. The 2012 Social Compact contained aspirational principles and language that may no longer reflect current expectations. Future revisions could explore more behavioural and inclusive statements, including principles developed as part of the ACT commissioning framework.

Questions:

1. What principles and statements could guide how the government and sector work together?
2. What elements from the current Social Compact should remain in the refreshed version?
3. What new elements could be captured?
4. How should the Social Compact recognise a shared commitment to Closing the Gap?
5. How else could a refreshed Social Compact best serve the needs of the sector?