



Australian Government

Guide to Government Partnership with Philanthropy



Acknowledgement of Country

The Australian Government acknowledges Aboriginal and Torres Strait Islander peoples throughout Australia and their continuing connection to land, water, culture and community. We pay our respects to the Elders both past and present.

Artwork: Reconciliation Journeys.

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Introduction

Government and philanthropy working together can find new ways to break cycles of disadvantage and address some of Australia's most intractable challenges.
Glyn Davis AC, Kenneth Myer Lecture on the great impact of philanthropy (2024)

Philanthropy in Australia is increasing, and government policies are supporting this growth (Productivity Commission (PC) 2024). The funding provided by philanthropy has different benefits (and costs) to government support and can complement, or inform areas for, direct government funding (PC 2024).

As philanthropy in Australia grows, there is an increasing opportunity for governments and philanthropic organisations to work together to achieve shared aims. Partnership between philanthropic organisations and governments has the potential to achieve ambitious, measurable outcomes, that could not be achieved by either government or philanthropic organisations working alone (Rishworth 2023).

The Government, as well as state and territory governments, have engaged with philanthropic organisations for many years (Williams 2020). The Government incentivises philanthropic giving through tax settings and many charitable organisations receive funding from governments and philanthropy. The Australian Government has also committed to collaborating with the philanthropic sector, amongst other stakeholders, to double philanthropic giving by 2030 (Leigh 2023).

There are myriad ways in which philanthropy and governments will work together in the coming years to change the lives of Australians for the better (Wood 2023). This document focuses on working together through partnership. It considers the Australian Government's role in partnering with philanthropic organisations and serves as a guide for Australian Public Service (APS) officials when establishing a partnership between the government and philanthropic organisations.

About this document

This document focuses on the Australian Government's role in partnering with philanthropic organisations. It serves as a guide for Australian Public Service (APS) officials when establishing a partnership between the government and philanthropic organisations.

Partnerships between the government and philanthropic organisations can take different forms:

- financial co-contributions to joint initiatives
- collaborating to avoid duplication and undertake complementary work
- making connections and exchanging ideas across sectors
- a combination of these collaborative approaches.

This document provides context on the current landscape for potential partnerships. It outlines roles that government and philanthropy play in Australian society and identifies the unique operating environments of potential partners. The document seeks to provide guiding principles to support a consistent government approach to partnering with philanthropic organisations.

The document also establishes five key principles to support APS officials as they work in partnership with philanthropic organisations. The principles highlight that partnerships between the government and philanthropic organisations should:

1. be purposeful
2. establish trust
3. reflect integrity
4. be informed by lived experience
5. seek improvement through feedback and evaluation.

The document also presents case studies of the Investment Dialogue for Australia's Children to share key insights and learnings on relevant principles.

Understanding partnership

Types of partnership

Strategic and ongoing partnerships between the government and the philanthropic sector represent a relatively new way of working. They rely on a shared purpose, genuine collaboration and joint action. Effective and impactful partnerships can help to create better outcomes for Australians.

When embarking on an ongoing and strategic partnership between government and philanthropy it is important to recognise that partnerships can take different forms. Partnerships may involve single, or multiple forms of collaboration. Some of the options for partnership mechanisms are outlined below.

Making financial co-contributions to joint initiatives

Partners contribute funding to a joint initiative, or separate initiatives as part of a joint package of work. This can create a greater pool of resources, help to share risks and fill funding gaps. Co-funding can, however, require significant amount of effort to coordinate.

Sharing information and making decisions to complement the work of partners

Partners share information so that each partner can make well-informed decisions. This can reduce duplication and fragmentation of efforts, leading to better coordination within support systems. Partners can utilise the strengths and respective roles of one another.

Making connections and exchanging ideas across sectors

Partners come together to exchange ideas, information and learnings to work more effectively in a shared landscape. This can support improved coordination between partners and across sectors. Solutions and holistic responses to cross-cutting issues can be identified.

Partnerships and types of collaboration will not all look the same. In some cases, a formal partnership may not be needed or not needed at the outset but could be a future possibility.

Understanding the partners

Role of government

Australia has three levels of government that work together to help provide people with the services they need (Parliamentary Education Office 2023). Each level is responsible for providing different services. Sections 51 and 52 of the Australian Constitution list the areas the Australian Government can make laws about.

Funding is only one option available to governments to achieve a particular outcome. Governments have a range of policy levers they can use. Options available to the Australian Government include making amendments to the law and regulations, economic instruments such as taxation or subsidies, organisational structures (allocation of physical and human capital), and community education (achieved through guidelines or media campaigns) (Esdaile et al 2019). Governments can also influence outcomes, convene stakeholders, generate insights and invest strategically.

Role of philanthropic organisations

Philanthropic funding can have a different risk profile from government funding and can have a greater tolerance for – and even expectation of – failure when trialling new models of service delivery. This can have important positive spillovers for government. Productivity Commission, Future Foundations for Giving Inquiry Report (2024)

Unlike the roles and responsibilities of governments outlined by the Australian Constitution, the role of philanthropy in Australia has changed over time and perceptions vary throughout society.

Philanthropy can support leaders, individuals, organisations and communities, by:

- growing the capacity of community-sector organisations
- supporting innovative projects and ideas and investing upfront capital in projects which may have a higher risk profile (PC 2024)
- supporting collaboration, advocacy and research in the not-for-profit sector
- providing immediate and responsive support in times of great need
- elevating diverse voices and building evidence to shape policy development (Philanthropy Australia 2024).

Flexible or untied philanthropic support can provide a form of 'risk capital', enabling not-for-profit organisations to innovate by trialling new initiatives or approaches to service delivery and evaluating their effectiveness.

Philanthropy can also contribute to the building of social capital or leverage networks and influence to promote collaboration and advocate for certain issues (depending on the scope of the organisation).

Different operating environments

Philanthropic organisations

Philanthropic organisations in Australia have unique governing documents and different structures. Philanthropic organisations are legally bound by their governing documents. These documents outline the purpose of the organisation, the governance requirements of the organisation, and how and where the organisation can allocate its funds. This is different for each philanthropic organisation.

When APS officials engage with philanthropic organisations it is important to demonstrate an understanding of the broader philanthropic operating environment, before asking questions to understand the unique enabling environment and strategy of that organisation. Understanding these issues will help to build trust and demonstrate a genuine desire to work together in partnership.

It is important that APS officials do not underestimate the complexity associated with philanthropic funding. Philanthropic organisations often require approvals from their Board and/or Trustees to allocate funding and must consider the timeframes for delivering funding. As with government programs, recipients of philanthropic funding may also be required to report on how their funding is used. This can create administrative burdens for organisations that receive funding from government and philanthropic sources.

Like government, some philanthropic organisations are shifting towards longer-term funding arrangements that provide general operating support for not-for-profit organisations rather than support for specific projects, with less emphasis on detailed reporting and more focus on outcomes. There is also a growing shift for philanthropic organisations to ensure that project-specific funding properly covers indirect costs, such as by 'paying what it takes' (PC 2024).

Funding questions to ask a philanthropic partner:

- **enabling environment:** What can they spend funds on? What is their strategy?
- **geographical limitations:** Where can they spend their funds?
- **eligibility requirements:** Can they give money to any organisation or are they limited to those with charity and/or deductible gift recipient status?
- **application process:** Is the funder open to applications?
- **timeframes for approvals:** When are applications considered?

Deductible gift recipient status

Deductible Gift Recipient (DGR) status allows an entity to receive tax deductible gifts and contributions from the public. Donors can claim an income tax deduction for donations of \$2 or more to an organisation that has DGR status.

Division 30 of the *Income Tax Assessment Act 1997* contains the gift deductibility provisions of the tax law. There are 52 DGR endorsement categories, each with specific criteria. Eligibility is based on the organisation's purpose or the purpose of a fund, authority or institution it operates (ATO 2024). An organisation must be a registered charity with the [Australian Charities and Not-for-profits Commission \(ACNC\)](#) to be eligible for DGR status (ATO 2024A). If an organisation does not fit into

the DGR categories, it may apply to be specifically listed in the tax law, which only occurs in exceptional circumstances.

Organisations can be categorised as either DGR Item 1 (DGR1) or DGR Item 2 (DGR 2). DGR1 organisations are sometimes called “doing DGRs” because they directly engage in activities that serve the public. Most organisations with DGR status are type 1 DGRs.

Many philanthropic organisations will have DGR2 status. Organisations with DGR2 status are often called “giving DGRs”. They are private or public ancillary funds that disperse funds to DGR1 organisations to support them in carrying out their charitable purpose. DGR2 organisations are typically restricted from engaging in direct activities (Better Boards 2023).

If a partner has DGR status, the funding provided by the organisation will be supplemented by the government through the taxation system. It is important to consider this when partnering with an organisation with DGR status, to ensure the benefit of any co-funding and partnership impacts are appropriately considered in broader whole-of-government and fiscal impacts.

Structured giving vehicles

Private Ancillary Funds (PAFs)

PAFs are private charitable trusts to which taxpayers can make tax deductible donations, for giving to ‘Item 1’ DGR charities and other eligible entities.

PAFs can be attractive to those who want greater control over granting and investment management, while meeting compliance obligations involved with operating such a vehicle. They can be particularly attractive to people who want to use a vehicle for establishing a longer-term legacy which can be stewarded by future generations. Some corporate foundations also use PAFs.

Public Ancillary Funds (PuAFs) and Sub-funds within a PuAF

PuAFs are a vehicle for public philanthropy – meaning they are allowed to raise funds from the public (PAFs cannot). A common use of PuAFs is to enable donors to carry out their giving through a sub-fund, a form of ‘giving account’ that generally sits within a PuAF. PuAFs can donate to DGR ‘Item 1’ charities and other eligible entities.

PuAFs are generally used by community foundations or by families wishing to structure their giving, but happy to relinquish the control normally associated with PAFs.

Testamentary and private charitable trusts

Private charitable trusts are often, though not only, created through a bequest in a will.

Private charitable trusts appeal to those intending to gift to non-DGR charities, those not concerned about receiving a tax deduction for their donations, and/or making plans for the allocation of assets following end of life.

Bequests

Bequests are a way to donate directly to a charity through a will and come into effect on the passing of the donor.

Bequests appeal to people right across the population, of all income brackets.

Minimum distribution requirements

During each financial year, a PAF must distribute at least 5 per cent of the market value of the fund's net assets as valued at the end of the previous financial year. A PuAF must distribute at least 4 per cent of the market value of the fund's net assets as valued at the end of the previous financial year (ATO 2019). Exceptions may be agreed to by the Commissioner of Taxation.

Australian Government

It is important to note that philanthropic organisations may not fully understand the Government's operating environment. It may be necessary when seeking to partner with philanthropy to reinforce some of the following.

Operating environment

The Government's operating environment will be informed by the government of the day. Ministers will have different priorities and agendas.

Authority and budget

The government cannot spend money without the authorisation of the Parliament. It is through the Budget process that the government gains the Parliament's authority to spend relevant money, through the passage of the annual appropriation Acts. The Budget process is underpinned by legislation and policies that enable and restrict government spending. Similarly, governments have specific requirements under the *Public Governance, Performance and Accountability (PGPA) Act* which must be met to spend government funds (Department of Finance 2024).

Preparation for any government Budget process often begins many months ahead of formal announcements and involves considerable cross-agency coordination. Philanthropy partners should be aware that funding proposals require long lead times to support their consideration.

Responsibilities

The Australian Government is given exclusive powers by Section 51 of the Constitution, over issues including, but not limited to, foreign affairs, trade, immigration, borders, travel, currency, defence, telecommunications, and old age pensions. The states are not able to legislate in these areas. On some matters the Commonwealth and the states have concurrent powers, meaning both jurisdictions may legislate.

The states retain legislative powers over matters not specifically listed in the Constitution, including but not limited to hospitals, transport, schools, public works, main roads, and waterways. The Australian Government provides funding to state and territory governments through the [Federal Financial Relations \(FFR\) Framework](#).

Principles for partnership

Every partnership between government and philanthropy will have its own story. Partnerships will look different depending on the context, portfolio responsibility and parties involved. Some partnerships may involve additional stakeholders, such as state or territory governments. It is likely that any partnership will have the foundation of a shared goal and a desire to leverage the respective strengths of partners to achieve a better outcome.

Partnerships will likely need to consider how to share power. This includes sharing power with those impacted by decisions, to ensure those with expertise and lived experience are informing all decisions. This will ensure that partnerships do not become a top-down decision-making structure, but a genuinely effective tool to achieve change.

Figure 1: Principles for partnership



This document outlines broad principles to support APS officials when embarking on any new partnership opportunity with philanthropy. While the principles are explained separately, each principle is interconnected with the others and should be considered holistically. The principles are most applicable to longer-term partnerships between the government and philanthropy. The principles may be less applicable to one-off co-funding arrangements with philanthropy, noting existing partnerships and arrangements may be leveraged in these circumstances.

Principles of shared decision-making between government and First Nations partners are already in practice through existing partnerships operating under Priority Reform One of the [National Agreement on Closing the Gap](#). These structures include both place-based and policy partnerships. When partnering with First Nations individuals or organisations, officials should consider modelling lessons learned and best practice examples from these fora and seeking to embed strong partnership elements, as identified at Clause 32 of the National Agreement (National Agreement on Closing the Gap 2020).

Principle 1. Be purposeful

It is important that any partnership between government and philanthropy is grounded in a clear and shared purpose. This will be the unifying feature of the partnership and the key motivator behind all efforts and activities.

Similarly, it is important to recognise that a partnership represents a commitment. Just like a partnership structure for a business, there are key advantages and disadvantages associated with entering this type of commitment.

Partnerships bring people, ideas, resources and knowledge together. Partnerships between government and philanthropy can leverage the strengths of partners, resulting in alignment of priorities and shared learnings. However, there are also risks associated with this, as each party has their own priorities, opinions and authorising environment (see above).

Consequently, before entering a partnership with philanthropy, APS officials should ask two key questions:

- what is the purpose of the proposed partnership?
- with the purpose in mind, is a partnership model appropriate?

Purpose of the proposed partnership

The purpose will explain the reason why the partners are collaborating, what the partners are seeking to do, and who the partnership will benefit.

Once the reason has been agreed, parties should consider the vision, goals, and values of the proposed partnership. These factors will help uncover the expectations and motivations of potential partners, while also creating a unified view of what the partnership is working towards. While these factors may be high level, the activity of agreeing these factors will provide valuable lessons about working together and help you to conclude whether a partnership will be viable.

Partners may choose to engage with a framework, like a theory of change, to think through and document how the partnership is supposed to work, why it will work, who it will benefit (and in what way), and the conditions required for success. This will be built on evidence, beliefs and assumptions, as well as experiences from partners.

- Questions to ask about the reason, vision, goals and values of a partnership include: **reason:** Why does the partnership exist? What is being done and for whom?
- **vision:** Where are you going? What do you want to achieve?
- **goals:** What are the tangible ways to carry out your purpose and progress toward your vision?
- **values:** What do you stand for? What beliefs help you carry out your goals?

Choosing a partnership

A partnership requires a considerable investment of time and resources to establish and a continued commitment to work together. Consequently, a partnership should only be entered into when it is

both viable and worthwhile. Once the purpose has been established, partners should reflect on whether the model is appropriate to achieve that purpose, before formalising the partnership.

APS officials should consider whether the partnership is viable. This requires consideration of both the scope of the partnership and the authorising environments of partners.

Scope of partnership

When considering the scope of a partnership, ask:

- what issue is the partnership seeking to address?
- is the issue in the Australian Government's remit?
- can the philanthropic partner(s) contribute funds or knowledge to the project(s), or are they limited (e.g., to a particular jurisdiction)?
- does the partnership include the relevant stakeholders, such as state and territory governments, communities, corporate foundations or not-for-profit organisations?

Authorising environment

When considering the authorising environment of a partnership, ask:

- are there any integrity or probity concerns that would preclude a partnership with potential philanthropic partner(s)? This includes the need for transparency and the establishment of processes to mitigate any real or perceived conflict of interest.
- can the Government appropriate funds for this purpose?
- does my agency have portfolio responsibility or an appropriate link to the intended purpose of the partnership?
- will the scope of the partnership's work require the involvement of other APS agencies?
- has the responsible Minister provided agreement for the Australian Government to enter this partnership?
- is authority for the partnership needed?
- do the philanthropic partner(s) have the authorising environment (their Board and governing documents) to work towards the agreed purpose?

APS officials should also consider whether a partnership is worthwhile. This involves weighing up the effort associated with a partnership and asking whether that is justified for the intended outcome. A short-term partnership may benefit from an agreement or memorandum of understanding, even if a comprehensive partnership agreement is not established.

In some circumstances, the government and a philanthropic organisation could choose to collaborate without a formalised partnership. For example, if the government and a philanthropic organisation want to separately fund complementary initiatives in a community, as a one-off, this could be achieved through a one-time collaboration when drafting grant agreements, to ensure timeframes and KPIs are aligned. In that scenario, it is best to use available resources to achieve the short-term outcome of aligned grant agreements. The establishment of a formalised partnership agreement would likely require a disproportionate investment of resources for the intended one-off outcome.

Effort versus outcome

When considering effort versus outcome, ask:

- does the timeframe of the collaboration justify a formalised partnership?
- does the investment of resources into the collaboration (including developing mechanisms to facilitate collaboration that meet the required standards for government and philanthropic decision-making) justify a formalised partnership?
- does the intended outcome justify a formalised partnership?
- is it more appropriate to collaborate with philanthropy without the ongoing commitment of a formalised partnership?
- would a partnership pave the way for more efficient collaboration in the future?
- is there a risk of collaborating without a formalised partnership?

If the factors suggest that a partnership for the agreed purpose is both viable and worthwhile, partners should take steps to formalise the agreement in writing. This is outlined below.

Principle 2. Establish trust

Guided by the purpose, trust is the binding agent of partnerships. Trust in a partnership can hinge on the interpersonal relationships between stakeholders and be enabled by formalised agreements and governance arrangements that transfer trust in people into trustworthiness of the relationship. As APS officials work to build trust and engage with philanthropic partners in good faith, they must also uphold their responsibilities as public servants.

*People have more satisfying lives when they live in an environment where they have trust in each other and their institutions, and where those institutions are strong and effective. Trust also creates the conditions necessary for a society to make progress in pursuing policy that can improve the wellbeing of all people. **Measuring What Matters Statement (2023)***

Developing trusting relationships

It takes time to develop trust between stakeholders, and working in partnership across sectors is no different. In some circumstances, it could take a year or more to build deep trust between government and philanthropic partners. Trust can be built over time but lost easily. Trust is ongoing and will differ between individuals and organisations. The investment of time to develop trusting relationships should not be understated. It is important to establish appropriate governance and procedures to embed trust in the partnership and reduce key person risk.

Actions that can help to build trust include:

- regular interactions at the start of the partnership
- face-to-face workshops
- having a sound understanding of APS processes
- agreeing to progress deliverables, and delivering on those commitments
- a willingness to share information with partners, where possible
- a willingness to learn from partners and be open-minded
- a willingness to be transparent about motivations for entering partnership
- exploring the ideas and viewpoints of all parties, including recognition of cultural considerations that support First Nations self-determination, including:
 - cultural awareness and safety
 - Indigenous data sovereignty
 - the transformational elements and Priority Reforms contained in the National Agreement on Closing the Gap.

Early engagement is also essential to build trust, shape future engagement and develop buy-in from philanthropic organisations. As outlined in the Productivity Commission's [Future foundations for giving inquiry Report](#), the [Australian Environmental Grantmakers Network](#) suggested early engagement to shape initiatives together is an enabler of effective collaboration between government and philanthropy that can improve outcomes for beneficiaries (PC 2024).

Managing change

Change, including staff changes, will be likely and that it is important to have systems in place to support management of change. It is important to consider continuity of government involvement in the partnership. This will involve consideration of how agencies practically demonstrate and maintain the commitment to the partnership.

Elections

Any formal partnership is still subject to a government decision. Consequently, it is important that philanthropic partners understand that a change in the government may impact the partnership. The continuation of any partnership will be subject to Ministerial agreement.

Where partnerships include government members or officials, legislated election caretaker periods may apply at different times and restrict their ability to agree or endorse specific matters. While requirements may vary between different jurisdictions, caretaker conventions generally require that governments avoid making major policy decisions that are likely to commit an incoming government. Whether a particular policy decision qualifies as 'major' is a matter for judgement, (Department of Prime Minister and Cabinet 2024) noting all decisions should be documented appropriately.

Formalising the relationship

It is also essential for the government and philanthropic partners to document a partnership arrangement from the beginning. Records provide evidence of communications, decisions and actions. Good recordkeeping is essential for good government and is an essential part of meeting accountability obligations. Formal partnership documents can provide guidance for partners and be used in public communication about the partnership.

Partnership agreement

When establishing a partnership, government and philanthropic partners should seek to formalise the commitment through a written partnership agreement. This document could take many forms. It may be a formal contract that is signed by parties, a high-level guiding document that is published by the partners or an internal guiding document. Regardless, it will likely require a significant amount of time to formalise and agree the wording of the agreement between partners, as each partner brings their own ideas and agenda to the drafting process.

Key features of a partnership agreement may include:

- the purpose
- vision, goals and values
- timeframe
- membership, roles and responsibilities of each partner
- intended focus areas for future work
- decision-making functions
- governance arrangements, including how to manage probity concerns
- a mechanism to signal agreement to the partnership (such as a signature)

- an agreement of non-negotiable elements
- definitions of key terms.

Additional steps should be taken if the partnership agreement is a contract, requires signature or imposes obligations on the government. An agency should obtain legal advice and seek advice from the Department of Finance regarding how to allocate funds before signing or agreeing to a partnership agreement to fully understand the obligations on the Government. An agency should seek agreement from its Minister. This should be done to obtain agreement to the partnership and will determine which Minister or APS official is the most appropriate to signal the Government's agreement to the partnership. Commonwealth agencies will have their own internal requirements and processes.

Partners will also need to decide if the partnership agreement will be published or publicised through additional communication such as a media release. Depending on the type of partnership agreement there may be requirements for the Government to publish; for example, if it is in the form of a grant, it must be published on the Australian Government's [GrantConnect](#). This will require communications advice and may require a Ministerial decision.

APS officials should also consider the [National Agreement on Closing the Gap](#), as it outlines the Australian Government's commitments to First Nations partnerships and provides guidance for establishing partnerships in line with Priority Reform One - Formal Partnerships and Shared Decision-Making. If the partnership is with the Community Controlled Sector, APS officials should refer to Priority Reform Two - Building the Community-Controlled Sector.

Case study

The Investment Dialogue for Australia's Children - Working Together Agreement

The [Investment Dialogue for Australia's Children](#) (IDAC) was formally established in 2023, as an outcome of the Jobs and Skills Summit in September 2022.

APS officials worked with an initial group of philanthropic partners, supported by the Australian Research Alliance for Children and Youth (ARACY) as the IDAC Strategic Convenor, to craft a document that accurately captured the proposed partnership. Partners also wanted to highlight the respective strengths of government and philanthropy to be leveraged through a partnership approach.

The creation of the IDAC *Working Together Agreement* (IDAC 2023) demonstrated a genuine willingness between government and philanthropic organisations to work together. The drafting of the document required a significant amount of time and effort to reach agreement between partners but was a useful trust-building exercise.

The inaugural National IDAC Roundtable was then held at Parliament House on 4 December 2023, bringing together key stakeholders and representatives of government and representatives of the philanthropic dialogue members. The Treasurer, the Minister for Social Services, the CEO of the Paul Ramsay Foundation, the CEO of The Ian Potter Foundation and the Executive Director of The Bryan Foundation, signed the final version of the *Working Together Agreement* as a commitment to the establishment of the IDAC partnership.

The *Working Together Agreement* outlines the Investment Dialogue's shared 10-year vision, commitments, priorities and ways of working. It outlines that government and philanthropic partners are committed to a long-term collaboration to improve the wellbeing of children, young people, and their families by working with communities to reduce intergenerational disadvantage in Australia. It also includes: the vision of the partnership; an explanation of the need for a partnership approach; the commitments of partners, including collaboration, a long-term approach, community-led, meaningful outcomes and continual improvement; and the focus domains of the partnership.

The *Working Together Agreement* has served as a successful foundational document, supporting collaborative work between philanthropy and the government. This includes commitments to back in communities-led change by jointly investing in the Partnerships for Local Action and Community Empowerment (PLACE), establish a working group to collaborate on early learning models and integrated service delivery and support improved outcomes measurement in the early years. There is also an invitation for current and future philanthropies and governments to commit to the vision and shared objectives of the Investment Dialogue.

Governance arrangements

The governance of a partnership between the government and philanthropy is crucial to the success of the collaboration. However, the arrangements may also take a considerable amount of time to agree, formalise and establish.

Governance arrangements will need to outline the involvement of partners and any other external participants. It may include leadership groups, advisory bodies or steering committees. The governance structures may also include groups or committees with representatives from government, philanthropy, First Nations communities, peak bodies, community sector organisations, community backbone organisations, not-for-profit organisations, and academia.

To determine the appropriate governance arrangements, partners will need to consider:

- which governance structures already exist within the government context
- how involved the relevant Minister(s) and their Office(s) will be
- what governance structures already exist within the philanthropic partners
- how involved the board members/trustees of the philanthropic partners will be
- which other voices should be embedded into the partnership through a governance mechanism (voices may include First Nations, community, academia, not-for-profit sector)
- how governance structures meet the shared decision-making requirements in the National Agreement on Closing the Gap
- if relevant Aboriginal and Torres Strait Islander' bodies have been engaged.

Partners must also agree on a decision-making mechanism for the partnership. Government and philanthropy will likely enter the partnership with different perspectives, expectations and ways of working. However, decisions will need to be made by the partnership to progress the purpose of the collaboration. Government processes, especially the Budget rules and frameworks, or philanthropic processes, may create limitations if they are not properly considered from the start.

A government partner should seek to understand the internal structure, governance limitations and decision-making processes of philanthropic partner(s). There is immense value in sharing information about the government's decision-making and Budget processes with the philanthropic partner.

Partners should also consider whether the partnership would benefit from appointing a neutral convening body to act as an intermediary between parties. Partners should consider how to manage requests to join the partnership, and whether the partnership is open to additional partners or closed to the existing parties. Partners may also wish to consider a dispute resolution process, for if disputes were to occur.

Communicating the limits

When operating in an environment of trust, APS officials must also recognise the frameworks and limitations placed on the Australian Government. The relevant frameworks that could impact the partnership should be communicated clearly to philanthropic partners to avoid frustration or misunderstanding. Relevant considerations may include:

- budget and Mid-Year Economic and Fiscal Outlook (MYEFO) timeframes
- where authority needs to be sought to bring forward a Cabinet submission
- the Federal Financial Relations system
- the Commonwealth Grants Rules and Guidelines
- the Public Governance, Performance and Accountability Framework
- the Australian Constitution
- advice from the Australian Government Solicitor
- probity and integrity.

Principle 3. Reflect integrity

Integrity is... "the pursuit of high standards of professionalism, which in turn means doing the right thing at the right time to deliver the best outcomes for Australia sought by the government of the day." Stephen Sedgwick AO (2020)

Integrity in the APS is a multi-layered concept that is shaped by frameworks and policies, assurance mechanisms, its employees and broader organisational culture. All APS employees and their agencies must have a genuine commitment to upholding and championing integrity. This is driven by the APS Values, Employment Principles and Code of Conduct which set the expectation that APS employees are accountable for their decisions and act consistently in the public interest (Australian Public Service Commission 2024).

It is important to communicate these features of the government's operating environment to philanthropic partners, where relevant. More information can be found in the *Public Service Act 1999*.

In the partnership context, APS officials should consider how to apply these policies and frameworks. This includes consideration of whether philanthropic partners and external stakeholders (who may be advising the partners about decisions) need to declare their private interests, or the interests of their organisation, through a conflict-of-interest declaration. APS officials are already required to declare these interests as part of their employment.

When partnering with philanthropy, APS officials must ensure that the partnership satisfies the integrity standards required of working for the government. Embedding integrity into a partnership's culture ensures integrity is a core consideration in all it does—from the conduct of its individual partners to its activities.

It is important that all stakeholders and partners are clear about probity and integrity requirements, as well as the limits of the partnership.

Principle 4. Be informed by lived experience

A partnership that incorporates the perspectives of those it is intended to support has considerable potential to achieve real outcomes. Like all good policy development, approaches initiated through a partnership should be shaped by the views of the people the approach will impact. In many cases it is also important to consider power structures and how this may impact the ability for frank feedback from individuals, communities and funded entities.

Both the government and philanthropic organisations hold power, resources, and influence in society. There is a risk that any partnership between government and philanthropy will be, or will be perceived as, a concentration of power in decision makers that is detached from real life perspectives and Australian communities. If that perception is realised, the partnership will not deliver the best outcomes for Australians. Consequently, it is important for partners to embed the perspectives of individuals with relevant lived experience into the partnership's regular activities such as governance processes. This may include collective community experiences and expectations.

The purpose of a partnership between government and philanthropy will inform who is captured by the terms "lived experience" and "people with lived experience". This should be determined from the establishment of the partnership. Lived experience may be less relevant in an arts context, however, is crucial to embed lived experience in partnerships focusing on social service provision. For example, a partnership with the purpose of improving the lives of young parents should seek to embed the views of people who have been young parents into the governance, decisions and activities of the partnership. Other examples of people and groups with lived experience that may be relevant to a partnership between philanthropy and government may include:

- Aboriginal and Torres Strait Islander peoples
- people from culturally and linguistically diverse backgrounds
- people with disability
- people living in regional or remote communities
- women and gender diverse people
- young people
- people who identify as part of the LGBTQIA+ community.

It is fundamental that APS officials and philanthropic partners consider the best mechanisms to engage people with lived experience and embed their perspectives into governance and decision-making structures of the partnership. This will require foregrounding the voices, ideas, and perspectives of people with lived experience and involving people with lived experience in decision-making. To genuinely embrace and value lived experience, partners should:

- consult a wide range of people with relevant lived experience
- trust the expertise and lived experience of those being asked to provide their perspective
- respectfully apply the information and insights provided by people with lived experience
- enable ongoing capacity building of all participants

- develop a safe space for dialogue and respectful inclusion of people with lived experience
- challenge the status quo regarding mindsets, values, culture, and current work practices
- create or adopt existing practical tools for change and provide support and training to partners as they implement change
- consider acknowledging the contributions of people with lived experience through remuneration
- draw on other frameworks for lived experience
- commit to ongoing collaboration through co-leadership, co-design, co-creation, co-production, evaluation and shared accountability
- share how the contributions of people with lived experience contributed to the outcomes of the partnership.

Both government and philanthropic partners should also separately consider how to elevate voices of lived experience to decision makers within their own organisations. This will reflect a truly new way of working and help to breakdown rigid decision-making processes that lack the insight gained from voices of lived experience. This will also require partners to invest the time and effort to listen to people with lived experience and be willing to change in response to feedback. For government, this may look like giving community members the opportunity to speak at an interdepartmental committee or share their experiences with senior APS officials or government Ministers. Partners should empower community members to co-design and partner to realise joint outcomes.

Government partners should also be aware that people with lived experience are rarely funded to provide input into government processes. While all parties will likely recognise the importance of sharing and learning from these experiences, there should also be recognition that this engagement requires resourcing and compensation. In the partnership context, resourcing and compensation will be a shared responsibility.

Similarly, if people with lived experience have already shared their story with one partner, it may be draining and possibly re-traumatising if they are consistently asked the same questions by other partners or other government agencies. Partners should recognise a person's preferences on sharing their story, as it will vary between individuals. Partners should also ask for an individual's preferences on how they would like to lead, engage, partner and collaborate with the partnership, and partners need to respect these preferences. Partners will need to consider how to maintain the language used by those with lived experience and avoid adding a bureaucratic layer to any advice, including through cross-agency communication. Partners must also recognise that there are specific requirements for partnerships that impact Aboriginal and Torres Strait Islander peoples, as per the [National Agreement on Closing the Gap](#), as outlined below.

Case study

The Investment Dialogue for Australia’s Children – Community and First Nations Leadership Councils

At the inaugural National IDAC Roundtable, government and philanthropic IDAC partners made a ten-year commitment to work together with communities to improve outcomes for children, young people, and their families. As part of this commitment, partners agreed to prioritise the establishment of Community and First Nations Leadership Councils (the Councils) to elevate community and First Nations voices and guide the IDAC process.

The role of the Councils is to embed the lived experience of communities and First Nations people in all facets of IDAC. The inaugural chairs of the Councils were appointed in early 2024. Membership of the Councils was then determined by an open Expression of Interest process in early 2024. The Councils have each agreed a Terms of Reference to guide their work (IDAC 2024 and 2024A).

The Councils themselves are not decision-making bodies but play a key role in providing insights and knowledge to shape the actions of IDAC. They provide strategic advice and leadership, working collaboratively with the other governance structures of IDAC.

The role of the Councils is also expected to evolve over time, to adapt to new information and priorities as identified by Council members.

Place-based responses

One way to embed lived experience in the activities of the partnership is through adopting place-based responses. Place-based responses target the specific circumstances of a place and engage local people from different sectors as active participants in development and implementation. They can happen without government, but, when government is involved, they require government to share decision-making with community to work collaboratively towards shared outcomes (Victorian Government 2020). Working in place is a collaborative and flexible response to local needs, challenges and priorities, in which local communities are at the centre of driving solutions in partnership with and with support from government and other stakeholders. There is no single way of working in place. Place initiatives need tailored methods and strategies to meet the unique needs of the stakeholders and the situation.

First Nations perspectives

When partnering with philanthropic organisations, APS officials must consider how to genuinely engage Aboriginal and Torres Strait Islander peoples, embed voices of lived experience, adhere to the commitments under the [National Agreement on Closing the Gap](#) (the Agreement) and support sustainable economic empowerment and social development. This should include consideration of involving First Nations-led philanthropic organisations in partnerships with the Commonwealth.

As Parties to the Agreement, all Australian Governments have acknowledged the strength of Aboriginal and Torres Strait Islander people in sustaining the world’s oldest living culture, despite too many experiencing entrenched disadvantage, political exclusion, intergenerational trauma and ongoing institutional racism (National Agreement on Closing the Gap 2020).

For meaningful progress to be made towards Closing the Gap, governments have agreed they must share power, recognising that the right of Aboriginal and Torres Strait Islander people to have control over decisions that affect their lives is central to self-determination. This right is set out in the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP), of which Australia is a signatory.

Although philanthropic organisations are not subject to the Agreement, the commitments within the Agreement are relevant to philanthropy. Changing the approaches of philanthropic donors and enhancing access to philanthropy for Aboriginal and Torres Strait Islander organisations seeking such resources, involves significant and ongoing effort within the philanthropic sector. Structural shifts in the practices of some philanthropic donors working with Aboriginal and Torres Strait Islander people may be necessary. Following these principles would enable the philanthropic sector to keep pace with government funders, and to provide better access to philanthropy for Aboriginal and Torres Strait Islander communities (PC 2024).

The Australian Public Service Commission has developed a [First Nations Partnership Playbook](#) (2025) to better enable the APS to work in genuine partnership with First Nations People. These documents should also be used alongside the [Charter of Partnerships and Engagement](#) (the Charter) (2023), when entering into partnerships with First Nations organisations and engaging First Nations People in existing partnerships between the Government and philanthropy.

Principle 5. Seek improvement through feedback and evaluation

Evaluation is the systematic and objective assessment of the design, implementation or results of a government program or activity for the purposes of continuous improvement, accountability and decision-making... It provides a structured and disciplined analysis of the value of policies, programs and activities at all stages of the policy cycle. Australian Centre for Evaluation

Given that partnerships between Government and philanthropy are a relatively new way of working, it is important that all partners learn from the collaborative experience. It is important to recognise the need to monitor and evaluate both the partnership itself and the outcomes achieved by the partnership. This distinction will help uncover lessons that can contribute to continual improvement. When evaluating the partnership, partners may engage in regular health checks to provide feedback on the relationship, the shared values and the goals of the partnership.

Philanthropic organisations already consider learning and evaluation in their work, as do government agencies. Given their experience and unique insight, it is important to value philanthropic contributions, practices and expertise when working in partnership.

Evaluating a partnership and the partnership outcomes

For partnerships, ask:

- are the governance arrangements working?
- are all partners contributing to the partnership?
- are the decision-making processes working?
- what can be learned?
- what are the enablers and barriers to collaboration?
- how have voices of lived experiences influenced the work of the partnership?
- what action is required?

For outcomes, ask:

- what has the impact of the partnership been?
- what evidence is available?
- are the programs and activities leading to the intended outcomes?
- are the program or activity operating as planned?
- what can be learned?
- what action is required?
- what evidence is available?

Regular evaluation of collaborative partnerships will enable partners to embed what they have learnt from past experiences into future practices. This would enhance the effectiveness of government and philanthropic collaborations, so that once established, they have more prospect of providing better outcomes for the community while also furthering the partnership's objectives (PC 2024).

Indigenous Evaluation Strategy

The Strategy sets out a new approach to evaluating policies and programs affecting Aboriginal and Torres Strait Islander people aimed at improving the quality and usefulness of evaluation. It puts Aboriginal and Torres Strait Islander people at its centre, and emphasises the importance of drawing on the perspectives, priorities and knowledges of Aboriginal and Torres Strait Islander people when deciding what to evaluate and how to conduct an evaluation. Productivity Commission (2020)

The Productivity Commission's *Indigenous Evaluation Strategy* provides principles-based guidance for Commonwealth agencies when selecting, planning, conducting, and using evaluations of policies and programs affecting Aboriginal and Torres Strait Islander people. It also outlines the governance arrangements needed to strengthen accountability and support the centring of Aboriginal and Torres Strait Islander people, perspectives, priorities and knowledges (PC 2020).

When evaluating partnerships (including partnerships between Government and philanthropy where the partnership aims to improve outcomes for First Nations people and communities), the evaluation planning, design, conduct, reporting and use should all be informed by First Nations people's perspectives, priorities, and knowledge.

Evaluation in this context includes shaping key evaluation questions and methodologies to assess outcomes and make evaluative judgment by centring First Nations people's perspectives, priorities, and knowledge. Examples of monitoring questions that could inform a basis for engaging with First Nations people to further refine and design key evaluation questions to assess the process, implementation, and outcomes of partnerships are below.

Monitoring and data

Monitoring refers to the routine collection, analysis and use of data, to track how an initiative's previously identified activities, outputs and outcomes are progressing (Victorian Government 2023). While there is flexibility in how partnerships can choose to monitor progress, partners should consider the sources and types of data that are needed to track and evaluate progress.

Partners should determine an approach from the establishment of the partnership to ensure that all lessons are adequately captured. Partners should also be willing to adjust their actions to reflect any lessons learnt throughout the process of the partnership.

Government partners should seek to implement the *Framework for Governance of Indigenous Data (2024)*, particularly the focus on working in partnership and monitoring and accountability. Partners should also adhere to the requirements under the National Agreement on Closing the Gap Priority Reform Four – Shared Access to Data and Information at a Regional Level.

Types of data

Quantitative and qualitative data provide different outcomes and are often used together to get a full picture (ABS). Whilst quantitative data uses numeric values to communicate a message, qualitative data can be used to tell a story or share an experience.

It is important to value both types of data in a partnership between Government and philanthropy, to capture and convey a full picture of the operation and impact of the partnership. Data is essential for high-quality evaluation. Partners should identify the data needed for an evaluation early in the partnership.

Data planning should consider:

- what questions an evaluation might ask, and what data is needed to answer those questions
- what data is needed to produce credible results (both qualitative and quantitative data)
- what existing data is available
- what data needs to be collected.

To ensure data is relevant for Aboriginal and Torres Strait Islander people and then collected and managed in a culturally safe manner, agencies should also develop and use:

- appropriate Indigenous data governance arrangements, with consideration of the *Framework for Governance of Indigenous Data (2024)*. This will include partnership with Aboriginal and Torres Strait Islander people in the development, collection, use and management of data.
- appropriate data standards
- appropriate data sharing and release protocols
- ethical and culturally safe data collection processes.

Evaluation

Evaluation uses robust analytical methods to provide evidence and input to decision-makers about performance and good practices across the policy cycle. It contributes to continuous improvement in policy design and organisational effectiveness. Evaluation activities are important at all stages of the policy cycle.

Evaluative approaches can:

- help understand the need for a government program or activity
- identify best practice in responding to a particular issue
- improve the design and performance of a government program or activity
- define expected benefits of a program or activity in the early planning stage
- establish baseline information to measure and assess changes over time
- determine effects/impacts by assessing whether expected benefits are being delivered
- report on, and be accountable for, results achieved by a particular program or activity
- inform decisions about future policy development.

In a partnership context, evaluation may focus on how the partners are feeling about their engagement with each other. This could include regular health checks about the relationship. An evaluation may consider whether voices of lived experience have been genuinely consulted, and result in partners being willing to revise how they work to share power more effectively.

Evaluation in the Commonwealth is underpinned by a principles-based approach. However, given that philanthropic organisations also have expertise in evaluating programs and activities, it is important to consider their insight and reach an agreement on the partnership's approach.

APS officials should engage with the [Australian Centre for Evaluation](#) to guide any evaluation activity across the Commonwealth and consider their principles for evaluation.

Conclusion

This document has sought to outline sufficiently broad principles to support government officials when embarking on any new partnership opportunity with philanthropy. While the principles are explained separately throughout the paper, each principle is interconnected, requiring APS officials to consider the principles holistically. APS officials also need to discern the application of each of the principles when partnering with philanthropy, as each partnership will be different.

When considering a partnership between government and philanthropy, partners need to recognise the different roles of each institution within Australian society and the operational governance that enables each partner to function.

Partners must also recognise that partnerships between government and philanthropy are often a new way of working. Government and philanthropy may have inherently different priorities and perspectives when entering a partnership. However, when collaborating to achieve the same purpose, the strengths of each partner can be harnessed to create a positive impact.

A partnership needs to be established in trust, with effort put into both the relationship between partners and formalised agreements. Partners need to uphold integrity, with government consideration of public accountability for decision-making as well as budgetary constraints and election cycles. Partnerships between government and philanthropy need to be informed by lived experience, use opportunities for shared decision-making and embed different perspectives into governance and activities. And partnerships should seek opportunities for continuous improvement through monitoring and evaluation.

Overall, the prospect for partnership between government and philanthropy presents a valuable opportunity to leverage strengths across sectors, embrace a spirit of collaboration, share power, and create long-lasting change in Australian society.

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