



Australian Government

Community Sector Grants Engagement Framework Progress Measurement Plan



Aim of the Community Sector Grants Engagement Framework Progress Measurement Plan

The Progress Measurement Plan outlines how the government will measure and publicly report on the impacts and implementation progress of activities under the Community Sector Grants Engagement Framework (the Framework) on an annual basis.

Community Sector Grants Engagement Framework

The Framework, released in March 2025, was developed in consultation with Community Services Advisory Group (CSAG) and the Stronger, More Diverse and Independent Community Sector Interdepartmental Committee. The Framework will encourage government agencies to bring about whole-of-government administrative and cultural change to the way agencies work with community sector organisations (CSOs).

Activities are organised around 5 pillars for change identified by the community services sector (the sector):

1. Build and maintain engagement
2. Greater certainty and sufficiency of funding
3. Reduced administrative burden
4. Encourage diversity and flexibility
5. Develop capability and promote innovation.

Progress Measurement Plan Implementation

The Progress Measurement Plan takes a phased approach based on planned activity implementation timeframes and data availability.

Accurate data on whether indexation payments have been received will be available in the 2026–27 financial year, following the implementation of a system change that enables grant recipients to receive indexation as a separate payment. To ensure data accuracy and consistency of data between agencies and across financial years, this data will not be collected for the first Annual Progress Report.

Data on notices of change relating to indexation, and on the consistency of grant agreements and reporting requirements will also be collected only for the Department of Social Services (DSS) as the associated activities within the Framework were for DSS action only.

The first Annual Progress Report will contain data from 1 July 2025 to 30 June 2026, which will form the baseline data. The Annual Progress Report will present progress against items outlined in Table 1 and Table 2 below.

The Framework Measurement Plan will be reviewed on a regular basis. Additional measures may be considered, and existing measures may be adjusted during the review process.

Limitations

It is important to recognise that the changes expected under the Framework will take time given a range of limitations relating to the grant lifecycle, including:

- Agencies are still developing the necessary access to systems and processes to support data collection and meet reporting requirements
- The Framework objectives, such as longer-term grant agreements, require decisions of government as part of the Budget process and external factors, such as the broader fiscal environment, influence government decision making.

TABLE 1: Progress on measurable key actions

Objective	Measure	Data source/ method	Phase of reporting	Associated activities
			- Phase 1: from 2025–26 - Phase 2: 2026–27	
1. CSOs receive grants from government agencies that are inclusive of indexation if the program is indexed	1.1. 100% of grants that are indexed receive indexation payment	• DSS Grants Payment System (GPS)	Phase 2	2.1.3
2. Notice of Change (NoC) is issued in first quarter of the financial year	2.1. 90% of eligible^ grants received a Notice of Change (NoC) by 30 September each year if the program is indexed	• GPS	Phase 1 (DSS grants only)	2.1.1
3. CSOs receive long-term grant agreements from government agencies	3.1. Average length of all grant agreements to CSOs (by government agency) 3.2. Bandwidths for all grants and new grants (reported separately): - Less than 1 year - More than 1 year and less than 3 years - More than 3 years and less than 5 years - More than 5 years and less than 7 years - More than 7 years and less than 10 years - Over 10 years 3.3. Average length of new grants 3.4. Number of grants and proportions of extensions, including average length of extensions by government agency 3.5. Duration of grants ceased	• GrantConnect	Phase 1	2.2.1 2.2.2 2.2.3

Objective	Measure	Data source/ method	Phase of reporting	Associated activities
			- Phase 1: from 2025–26 - Phase 2: 2026–27	
4. CSOs receive earlier notification for renewal/cessation of grants	4.1. Average length of notification to CSOs prior to cessation or renewal of the grant (as provided by the government agency)	Manual data collection	Phase 1	2.4.1 2.4.2
5. New grant opportunities or whole of program variations are shifting to the streamlined approach, providing CSOs with consistent grant agreement and reporting designs	5.1. % of new grant opportunities and whole of program variations that use the DSS FAST for the respective Financial Year*	- GPS - Community Grants Hub tracking system	Phase 1 (DSS grants only)	3.2.2

^eligible NoCs include grants that aren't already undergoing a variation, novation, have compliance issues etc. which prevent their indexation payment.

*Any external reporting will include caveat to explain any themes for exemptions.

TABLE 2: Activity implementation progress update

Activity ID	Activity short description	Lead agency	Agencies in scope	Implementation timeframe	Implementation status*	Progress on activity (summary)
1.1.1	Development of operational guidance for Australian Public Service (APS) employees on stronger collaboration with CSOs and communities	Department of Social Services	All agencies	Medium term		
1.1.2	Development of cross government consultation mapping	Department of Social Services	All agencies	Short term		
1.2.1	Development of Ways of Working Statement	Department of Social Services	All agencies	Short term		
2.1.1	Exploring mechanisms to facilitate earlier communication and provide increased transparency on indexation	Department of Social Services	All agencies	Short term		
2.1.2	Revised grant guidelines and grant agreements to include how indexation is applied to grants	Department of Finance	All agencies	Short term		
2.1.3	Agencies to pass on indexation in full to grantees, with annual monitoring	Department of Social Services	All agencies	Short term		
2.2.1	Development of operational guidance for APS employees on longer term grants	Department of Social Services	Department of Social Services	Short term		
2.2.2	Review of Whole-of-Government grant guidelines and templates (longer term grants)	Department of Finance	All agencies	Short term		
2.2.3	Annual monitoring and public reporting (longer term grants)	Department of Social Services	All agencies	Short term		

Activity ID	Activity short description	Lead agency	Agencies in scope	Implementation timeframe	Implementation status*	Progress on activity (summary)
2.3.1	Development of operational guidance on cost of delivering services	Department of Social Services	All agencies	Medium term		
2.3.2	Review of Whole-of-Government grant guidelines and templates (cost of delivering services)	Department of Finance	All agencies	Short term		
2.3.3	Development of a Whole-of-Government Framework to Support Community Change	Department of Social Services	All agencies	Short term		
2.4.1	Review of Whole-of-Government grant guidelines and templates (earlier notification)	Department of Finance	All agencies	Short term		
2.4.2	Annual monitoring and reporting on whether agencies are implementing earlier notification of grant cessation or extension	Department of Social Services	All agencies	Short term		
3.1.1	Development of operational guidance on clearly defined outcomes and simplified reporting	Department of Social Services	All agencies	Medium term		
3.2.1	Review of Whole-of-Government grant guidelines and templates (reducing reporting burden)	Department of Finance	All agencies	Medium term		
3.2.2	Streamlining grants project to reduce complexity and administrative burden on funding recipients	Department of Social Services	Department of Social Services	Medium term		
3.2.3	Implementation of a new centralised grants administration model	Department of Health, Disability and Ageing	Department of Health, Disability and Ageing	Medium term		

Activity ID	Activity short description	Lead agency	Agencies in scope	Implementation timeframe	Implementation status*	Progress on activity (summary)
4.1.1	Development of operational guidance for APS employees on grant flexibility	Department of Social Services	All agencies	Medium term		
4.1.2	Review of Whole-of-Government grant guidelines and templates to explore additional grant flexibility	Department of Finance	All agencies	Short term		
4.2.1	Development of operational guidance for APS employees to encourage diversity	Department of Social Services	All agencies	Medium term		
4.2.2	Delivery of a business case to government for a proposed Grant Connected Policy funding prioritisation policy on Closing the Gap	National Indigenous Australians Agency	All agencies	Short term		
5.1.1	Development of a community sector webpage to provide regular updates, evidence, events and innovative approaches	Department of Social Services	All agencies	Short term		
5.2.1	Share learnings with CSOs on trials and innovative ways of delivering services through the DSS website	Department of Social Services	All agencies	Short term		
5.2.2	Promote innovative approaches through case studies and information sessions (Department of Finance Commonwealth Community of Practice)	Department of Social Services	All agencies	Short term		

* A series of activities will be implemented in the short (12 months) to medium (12-18 months) term to support the Framework.

TABLE 3: Case studies

Where activities within the Progress Measure Plan are not measurable or data sources are not available, the department will create opportunities to share information and knowledge to build capability of APS employees and CSOs, through publishing a series of case studies on its dedicated DSS webpage. A list of potential topics is below.

Points to highlight through case studies	Associated activities
Communities and CSOs are involved in the design of grants	1.1.1
Decision on grant length is based on evidence and feedback from CSOs	2.2.1
CSOs insight following longer-term grant agreements	2.2.1 and 2.2.2
CSOs receive grants from Australian Government agencies that are reflective of the cost of delivering quality services in different community settings e.g. the government agencies worked with communities to determine the right priorities and actions	2.3.3
Grant programs have clearly defined outcomes and simplified reporting requirements	3.1.1
CSOs have the ability to adapt to emerging needs e.g. grant agreements that allow CSOs to adapt to emerging needs in the community	4.1.1 and 4.1.2
Grant processes that allow flexible application approaches e.g. grants that are accessible for small and diverse organisations with strong local links	4.2.1

Glossary

Term	Definition
Community Sector Organisation (CSO)	Community service organisations are established for community service purposes (except political or lobbying purposes ¹). The Ways of Working Statement ² acknowledges the sector consists of a range of organisations, including charities, not-for-profits and for profits that have or seek to have a funding relationship with the Australian Government.
Grant program	A 'program' carries its natural meaning and is intended to cover a potentially wide range of related activities aimed at achieving government policy outcomes. A grant program is a group of one or more grants under the Portfolio Budget Statement program for each government agency.
Grant	For the purposes of the Commonwealth Grants Rules and Principles, a 'grant' is an arrangement for the provision of financial assistance by the Commonwealth or on behalf of the Commonwealth: a. under which relevant money³ or other Consolidated Revenue Fund (CRF) money⁴ is to be paid to a grantee other than the Commonwealth b. which is intended to help address one or more of the Australian Government's policy outcomes while assisting the grantee achieve its objectives.
GrantConnect⁵	Is the Australian Government's whole-of-government grants information system, which centralises the publication and reporting of Commonwealth grants in accordance with the Commonwealth Grants Rules and Principles 2024 ⁶ .
Grant agreement	Sets out the relationship between the parties to the agreement and specifies the details of the grant.
Indexation	Indexation is a standard process used by the Australian Government to adjust the value of programs for changes in the level of prices, living costs or wages in accordance with policy objectives ⁷ .
Government	The government is the parliamentary party or coalition of parties which holds a majority of seats in the House of Representatives ⁸ .

¹ [Community service organisations | Australian Taxation Office](#)

² [Ways of Working Statement](#)

³ Relevant money is defined in the PGPA Act. See section 8, Dictionary.

⁴ <https://www.finance.gov.au/about-us/glossary/pgpa/term-consolidated-revenue-fund-crf>

⁵ <http://www.grants.gov.au/>

⁶ <https://www.finance.gov.au/government/commonwealth-grants/commonwealth-grants-rules-and-principles-2024>

⁷ Department of Finance, [Indexation - Grants](#), Department of Finance website, accessed 30 September 2025

⁸ Parliament of Australia, [View the Constitution as a single document](#), Parliament of Australia website, accessed 30 September 2025

