MISSION AUSTRALIA

Submission

Submission to the Productivity Commission's Review of the National Agreement on Closing the Gap 2026

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Acknowledgement

Mission Australia respectfully acknowledges the Traditional Custodians of the lands and waterways across this vast country. We pay our deepest respects to Elders past and present, and we extend that respect to the young leaders who are rising to guide our communities into the future.

With open hearts and deep respect, Mission Australia is committed to walking alongside Aboriginal and Torres Strait Islander peoples in a spirit of listening, partnership, reconciliation, and shared learning. We acknowledge the unbroken cultural and spiritual bonds to Country and the importance of these relationships to the health and wellbeing of communities. We hold in great esteem the knowledge, resilience, and aspirations of Aboriginal and Torres Strait Islander peoples.

With gratitude and humility, we thank Aboriginal and Torres Strait Islander peoples for allowing us to live, work, walk, and breathe on Country.

Executive summary

Mission Australia welcomes the opportunity to provide input into the Review of the National Agreement on Closing the Gap 2026. We are committed to working as an ally alongside Aboriginal and Torres Strait Islander groups and communities to serve their needs, provide a platform for their voices and drive real and sustained social and systems change. We strongly believe that successfully accomplishing Priority Reform 2: Building the community-controlled sector must centre Aboriginal and Torres Strait Islander peoples' self-determination, which starts with understanding the priorities of communities, then supporting their choices on their terms.

Previous Closing the Gap reports and ongoing dialogues suggest that current efforts to progress Priority Reform 2 are falling short. Reasons cited for this include a lack of dedicated investment to build the Aboriginal and Torres Strait Islander Community-Controlled Organisation (ACCO) sector's capacities, and decisions about service delivery that do not reflect the views of Aboriginal and Torres Strait Islander communities regarding the type and characteristics of the services they want. Rapid, underfunded and unplanned changes that replace trusted, reliable and established service providers with new ones without appropriate community consultation or support to transition creates distrust and dissatisfaction among communities and service providers and may stall or reverse progress towards the Closing the Gap socioeconomic targets. This undermines the intent of Priority Reform 2 and does not ensure that Aboriginal and Torres Strait Islander peoples have access to high-quality, holistic services that effectively meet their needs.

To effectively build the community-controlled sector and facilitate equitable, coordinated, connected and culturally appropriate service delivery, we recommend system-level reforms in five areas: collaborative commissioning, formal relational contracting, funding the full cost of service delivery, providing longer grant terms and investing in place-based work. Together, and alongside practical and genuine ways of embedding voice and choice, sharing knowledge, building capability and respecting

cultural authority, these mechanisms can generate and sustain meaningful progress towards Aboriginal and Torres Strait Islander self-determination and the Closing the Gap socioeconomic targets.

Empowering communities to make decisions that are right for them, alongside shared decision-making and robust, respectful partnerships with governments, mainstream community service organisations (CSOs) and ACCOs will help to deliver high-quality services that meet the needs of Aboriginal and Torres Strait Islander people across the country, and better address persistent and complex disadvantage.

Summary of recommendations

1. Reform commissioning approaches to enhance their efficiency and effectiveness, including through introducing co-commissioning practices with CSOs and people with living/lived experience
2. Make voice and choice mechanisms a standard part of collaborative commissioning, particularly for cross-cutting issues such as housing and homelessness
3. Ensure that Aboriginal and Torres Strait Islander communities receive services led by Aboriginal and Torres Strait Islander staff, regardless of whether they belong to an ACCO or a mainstream CSO
4. Implement formal relational contracting to provide long-term stability and sustainability for complex human services and the people they serve
5. Ensure formal relational contracts match resourcing to the scale, complexity and depth of need
6. Fund the full cost of service delivery, including infrastructure, management and administration costs, and appropriate indexation
7. Actively involve CSOs in determining the full cost of service delivery to ensure arrangements are realistic, transparent and evidence-informed
8. Implement contract durations of at least seven years for most programs and 10 years for place-based programs in communities with persistent and entrenched disadvantage or in remote Aboriginal and Torres Strait Islander communities
9. Fund community-led, place-based initiatives that empower communities to make their own decisions about service involvement and delivery
10. Facilitate successful service delivery by pairing place-based approaches with a shared governance model that encourages all levels of government to be part of co-designed solutions that meet the community's needs
11. Create an easily accessible resource hub to centralise useful documents, tools and examples of strong practice
    a. Identify knowledge gaps in the resource hub and work to address these, particularly at the national level

b. Ensure that the resource hub includes a function that links communities, ACCOs, mainstream services, peak bodies and councils with each other and the resources needed to enact voice and choice in service delivery decisions

c. Promote, distribute and implement the resource hub widely across governments and CSOs to ensure their uptake alongside systems-level changes, e.g. through communities of practice

12. Appropriately resource the implementation of appropriate, effective, sustainable and culturally safe service delivery both locally and within sectors

About Mission Australia

Mission Australia is a national Christian charity that has been standing alongside Australians in need since 1859. In 2024-25, we supported 141,552 people through 494 programs and services across several areas including homelessness, housing, strengthening communities, children and families, youth, employment, disability, mental health and alcohol and other drugs.

Mission Australia provides support services to more than 30,000 Aboriginal or Torres Strait Islander peoples each financial year and are committed to a partnership-centred approach between Aboriginal and Torres Strait Islander and mainstream non-government organisations. In 2024-25 we recorded 611 Aboriginal and Torres Strait Islander partnerships across community, state and national levels, and approximately $494,000 in procurement spend through 54 Supply Nation suppliers.

Together, we're building hope and possibility for all.

Introduction

Mission Australia welcomes the opportunity to provide input into the Review of the National Agreement on Closing the Gap 2026.[1] We are a mainstream non-government organisation that works closely with Aboriginal and Torres Strait Islander communities and ACCOs across Australia. We support the aims and intent of the Closing the Gap Agreement, its 17 socioeconomic outcomes and its four Priority Reforms, particularly for this submission Priority Reform 2: Building the community-controlled sector. Our submission primarily relates to the Review's assessment of:[1,2]

- Progress against Priority Reform 2 and socioeconomic target 9 (People can secure appropriate, affordable housing that is aligned with their priorities and need), including identifying successful approaches, partnerships and delivery models that have demonstrated positive impact
- Whether commitments that relate to prioritising and reporting on funding and resourcing to First Nations community-controlled sectors are being met, and whether they are driving changes in the way investments are made and improved outcomes against the Priority Reforms
- Areas of improvement and where additional effort is required to inform ongoing implementation

The information in this submission may also be relevant to questions asked in the Call for Submissions document and other Closing the Gap priority reforms and socioeconomic targets.

It is our strong belief that building the community-controlled sector and making meaningful progress towards the Closing the Gap targets must centre Aboriginal and Torres Strait Islander peoples' self-determination by platforming voice and choice in service design, delivery, monitoring and evaluation. Empowering communities to make decisions that are right for them, alongside shared decision-making and robust, respectful partnerships with governments, mainstream CSOs and ACCOs will help to deliver high-quality services that meet the needs of Aboriginal and Torres Strait Islander people across the country, and better address persistent and complex disadvantage.

Building the community-controlled sector starts with enacting self-determination

Self-determination refers to the right of Aboriginal and Torres Strait Islander peoples to make decisions about their own lives, communities, and futures by having control over policies, services and systems that affect them.[3] Voice and choice are the practical tools that enable individuals and communities to exercise self-determination. Voice is the right and ability to express opinions, share perspectives, and participate directly in decision-making processes, while choice involves having genuine options available to select from and, consequently, the power to meaningfully direct resources and outcomes.

Mission Australia supports the self-determination of Aboriginal and Torres Strait Islander peoples. We are committed to working as an ally alongside Aboriginal and Torres Strait Islander groups and communities to serve their needs, provide a platform for their voices and drive real and sustained social and systems change. This starts with understanding the priorities of the people and communities they serve, then supporting their choices on their terms. We do this by being ready to respond across a range of types, methods and levels of support, from complete transfer of our services to ACCOs, across a spectrum of partnership models, through to maintaining standalone services.

Mission Australia is a signatory to ACOSS's Principles for a Partnership-centred Approach for Non-Government Organisations Working with Aboriginal and Torres Strait Islander Organisations and Communities,[4] which commits us to:

- Not directly compete with an ACCO to provide services
- Work in partnership with ACCOs and communities if appropriate, with a transparent strategy for the ACCO to become the lead provider and implement key performance indicators and outcomes that demonstrate our commitment to developing community capacity, governance, decision-making, control, accountability and evaluation mechanisms

Our genuine commitment to these principles forms the basis for the practical actions we take to deliver, or facilitate the provision of, effective and culturally appropriate programs and services to individuals, families and communities. This includes centring and supporting the experience, knowledge, contributions and leadership of our Aboriginal and Torres Strait Islander staff. We also strive to ensure that services to Aboriginal and Torres Strait Islander communities are led by Aboriginal and Torres Strait Islander staff, regardless of the type of support chosen.

More broadly, our commitment to realising Aboriginal and Torres Strait Islander peoples' self-determination drives our support for local, state and national-level initiatives that restore Aboriginal and Torres Strait Islander peoples to a place of equity, dignity and respect, including community truth-telling pathways,[5] jurisdictional First Nations Voices to Parliament[6,7] and the Uluru Statement from the Heart.[8]

Genuine, coordinated and connected efforts to build the community-controlled sector will close the gap

Current efforts to accomplish Priority Reform 2 are not in keeping with its intent and do not enable voice or choice

Service providers[3] and governments[9] are aware of two general trends that do not reflect genuine attempts to build the community-controlled sector. Firstly, some governments are attempting to comply with their obligations under Priority Reform 2 by 'shifting' resources from non-Indigenous providers to ACCOs without due consideration, or funding, for building the ACCO sector's capacities or well-planned long-term transition pathways. Secondly, governments' inflexible and directive grants, and competitive funding and procurement processes, do not enable effective investment in ACCO capacity building or partnerships and do not reflect the views of Aboriginal and Torres Strait Islander communities regarding the type and characteristics of the services they want (e.g. culturally appropriate, effective, embedded in community rather than outreach). Community consultation appears to be rare, and is typically tokenistic and extractive when it does happen.

The consequences of these actions are to:

- Undermine the intent of Priority Reform 2, which was to ensure that Aboriginal and Torres Strait Islander peoples have access to high-quality, holistic services that effectively meet their needs, and not to build up the community-controlled sector at the expense of community supported and culturally safe mainstream services
- Prioritise short-term quantitative targets, such as the number of government contracts or amount of government funding awarded to ACCOs,[10] over longer-term efforts to support, strengthen and sustain community services in general and the community-controlled sector in particular, and meaningfully address entrenched disadvantage
    - This may partly stem from the fact that there is currently no agreed-upon way to assess progress towards the Priority Reforms,[11] and that published output and outcome indicators for Priority Reform 2 related to funding are not necessarily accurate reflections of the overall outcomes of sector strength and sustainability, and high-quality service delivery
- Create distrust and disillusionment across communities and service providers. Replacing trusted, reliable and established service providers with new ones without appropriate community consultation or support to transition:
    - Undermines self-determination for communities. Not all Aboriginal and Torres Strait Islander people will choose an ACCO as their service provider[9] (e.g. because they know or have family ties to people who work there and would prefer to see someone they do

not have an existing relationship with), so constraining the range of available service providers may inadvertently limit their access to support, particularly in rural and remote areas

  - Undermines self-determination for Aboriginal and Torres Strait Islander staff of mainstream services, who also have the right to choose who they work for and with, and can contribute valuable information and insights about the communities they serve, effective service models for the local context and what else may be needed to address needs and build community strengths
  - Erodes the cultural safety capability of mainstream CSOs, particularly when the positions of frontline staff with extensive expertise and strong relationships are no longer funded. This is also the case when funding precludes the employment of staff responsible for strengthening work environments or work practices, e.g. by developing policies, procedures, protocols or strategies, delivering training, monitoring progress against Reconciliation Action Plans (RAPs) and supporting Aboriginal and Torres Strait Islander staff
  - Disrupts existing relationships between stakeholders (e.g. service users, other local services, local governments) that may have taken years to build and may have been functioning well up to the point at which a service provider lost funding
- Stall or reverse progress towards the Closing the Gap socioeconomic targets as a result of rapid, underfunded and unplanned changes

People and communities, including Aboriginal and Torres Strait Islander peoples and communities, will benefit from a service ecosystem made up of strong, capable and sustainable ACCOs and culturally safe and appropriate mainstream CSOs. In recognition of this, Mission Australia constantly looks to improve its culturally safe service delivery, consistent with our Stretch RAP.[12] As one example of our commitment to this, one of our Stretch RAP targets is to develop, pilot and disseminate a culturally appropriate impact measurement tool to effectively capture and understand the experiences of our Aboriginal and Torres Strait Islander service users. The box below summarises our preliminary findings.

Spotlight on practice: Enabling voice to measure service impact

Effectively measuring the progress and outcomes of any program requires a tailored and phased Monitoring, Evaluation and Learning (MEL) strategy. This should capture short- and medium-term outcomes, which are critical precursors to long-term population-level results that often take years to materialise. Evaluation should not only demonstrate outcomes and impact but also serve as a tool for ongoing learning and continuous improvement.

Mission Australia is committed to using evidence and insights, including rich data from our services, the experiences of our practitioners and the voices of people with a lived experience, to find out

what is working well and where our services may need to improve. Ultimately, we want to ensure we deliver the best possible services to the people and communities we serve.

Over the last two years, Mission Australia has developed and piloted a culturally appropriate wellbeing tool (My Life, My Culture, My Community) to accurately capture the experiences of Aboriginal and Torres Strait Islander peoples who use our services. Early results from the pilot study (n=243) show that:

- For the question asking whether the person would like to complete the tool with an Aboriginal or Torres Strait Islander worker, 50% of respondents completed the tool with their Aboriginal or Torres Strait Islander case worker, 31% were happy to complete the tool with their non-Indigenous worker, 13% completed the tool online independently, and 6% requested to complete the tool with an Aboriginal or Torres Strait Islander worker (not their regular case worker)
- The question about whether people feel that the services they receive support from are respectful of their culture consistently receives the highest average score of all questions in the tool (4.8 out of 5 for the initial survey and, for the 45 people with matched data, 4.9 out of 5 in the latest survey)

Qualitative feedback from the tool indicates that service users emphasise service effectiveness and professionalism over receipt of services from an Aboriginal or Torres Strait Islander case worker:

"Client discussed that she is happy with the support she receives. 'Does not care' that she has a non-Indigenous case manager. Client stated, 'Sometimes it's better to not know them.'"

"Client stated 'It's not the colour of the worker. You help us and that makes us happy. Thank you.'"

"…I would prefer to work with a non-Indigenous case manager cause I don't trust Aboriginal workers to keep my information to themselves and I am related to or friends with some of the workers and I don't want them knowing my stuff and feel it is a conflict of interest. My case manager has explained to me that there are rules about privacy and confidentiality."

Pending the final results of the pilot, My Life, My Culture, My Community will be independently validated by an Aboriginal and Torres Strait Islander researcher and, if deemed fit for purpose, rolled out across the organisation.

In line with our belief that coordinated and systematic efforts at all levels are needed to close the gap, we extend an offer to the Productivity Commission to visit our services, staff and the communities we serve to better understand how they view government efforts to achieve self-determination, how they experience service delivery from different providers and what they need to flourish.

System-level changes are needed to lay the foundations for effective, culturally appropriate service delivery

As noted in previous reviews of the Closing the Gap Agreement,[3,9] a range of system-level changes are needed to support self-determination and the four Priority Reforms. Five of the most important measures are briefly described in this section.

Embed collaborative commissioning practices

The current commissioning of services is neither efficient nor effective. Achieving the best possible outcomes for communities, including Aboriginal and Torres Strait Islander communities, requires a strong understanding of need that is informed by government, service providers and lived experience. Collaborative commissioning, also known as co-commissioning or outcomes commissioning, involves governments and organisations working in partnership to identify needs, design solutions, procure services and evaluate outcomes, ideally with the participation of the community and practitioners throughout the process.[13,14] This supports place-based decision-making authority and flexible funding at the local level, and allows actors to shift from a funder/provider relationship to a cooperative relationship based on joint stewardship, with deeper shared responsibility for supporting service users and communities. For Aboriginal and Torres Strait Islander communities, this should also mean that services are led by Aboriginal and Torres Strait Islander staff, regardless of whether they belong to an ACCO or a mainstream CSO. Aboriginal and Torres Strait Islander people must ultimately still be able to exercise choice in their receipt of appropriate, person-led and culturally safe support within a CSO, e.g. in the case worker they work with or the program they participate in.

MA strongly endorses the Productivity Commission's recommendation to adopt collaborative commissioning practices;[14] some State governments and the National Indigenous Australians Agency already employ good commissioning practices such as relational contracting and local commissioning to directly address the factors that precipitate successful system-level outcomes (e.g. learning-focused organisational cultures, resources directed towards capacity-building and the design of integrated care pathways).[13] At a minimum, collaborative commissioning should include the following elements to support partnership arrangements and work towards better outcomes:

- Involve people and communities with living/lived experience to improve identification of need, program design and delivery, and to achieve Aboriginal and Torres Strait Islander peoples' self-determination goals
- Use outcomes-based contracts to incentivise performance based on change achieved for service users
- Align contract periods with the time taken to achieve the goal to increase certainty about program achievements and stabilise the human services workforce
- Understand the evidence for what works to drive better outcomes
- Consolidate contracts on a place and/or cohort and/or outcome area basis to reduce the current fragmentation of service provision, increase accountability and enable new ways of working

- Use procurement processes to encourage collaboration (rather than competition) on cross-cutting portfolio issues (e.g. homelessness) via collaborative commissioning with beneficiaries and providers and joint commissioning between agencies
- Use robust monitoring and evaluation methods commensurate with the investment to track progress and feed into continuous improvement

Recommendations

1. Reform commissioning approaches to enhance their efficiency and effectiveness, including through introducing co-commissioning practices with CSOs and people with living/lived experience
2. Make voice and choice mechanisms a standard part of collaborative commissioning, particularly for cross-cutting issues such as housing and homelessness
3. Ensure that Aboriginal and Torres Strait Islander communities receive services led by Aboriginal and Torres Strait Islander staff, regardless of whether they belong to an ACCO or a mainstream CSO

Implement formal relational contracting

No organisation, sector or government can singlehandedly close the gap.

Relational contracting is an alternative way of commissioning services that specifies mutual goals and establishes governance structures to keep each parties' expectations and interests aligned over the long term. It is a legally enforceable contract that is designed from the outset to cultivate trust and collaboration. It is especially useful in highly complex funding relationships where unforeseeable events may occur,[15] and in addressing complex and intersecting social challenges of the kinds exemplified by the Closing the Gap socioeconomic targets.

Relational contracting is used in a range of different public and private sector contexts and, when done well, appears to demonstrate significant advantages over transactional procurement and contracting processes including greater responsivity, flexibility and stability, and reduced costs through de-emphasising competition and limited short-term contract churn.[16] The Productivity Commission has recommended that governments establish stronger joint governance arrangements, enable more flexible funding and provide dedicated funding based on outcomes.[14] These commissioning practices are especially applicable to Priority Reforms 1 and 2 of the Closing the Gap Agreement, as they would:

- Treat governments and service providers as genuine partners in service delivery[3]
- Ensure commitment to a clear and common goal
- Embed strong accountability mechanisms between governments, service providers and communities[3]

- Embed appropriate monitoring mechanisms to track progress and increase transparency, particularly as these data feed into the measurement of the Priority Reform areas and socioeconomic targets
    - Relational contracts could also include monitoring measures that are not presently included as output or outcome indicators but are important components of the overarching systems change that is needed to realise Priority Reform outcomes (e.g. presence and effects of community consultation, number of local partnerships, presence and implementation of transition plans or governance structures)[17]
- Match resourcing to the scale, complexity and depth of need

It is our strong belief that formal relational contracting between governments and CSOs, including ACCOs, can engender the joint stewardship needed to effectively work through complex social challenges such as homelessness, long-term unemployment and family conflict and relationship breakdown. The box below outlines Mission Australia's experience with relational contracting through South Australia's Toward Home Alliance (THA; towardhome.org.au), highlighting the role of Wardli-ana, an Aboriginal-specific service, and how THA redistributes resources, authority and decision-making power within a fully integrated mainstream alliance structure.

Partnership in practice: Equity-based resourcing

THA is a collaborative homelessness service system established in South Australia in 2021. Operating under an alliancing model, THA brings together multiple service providers to deliver coordinated and flexible responses that prevent, divert and resolve homelessness.

Nine alliance partners, including Mission Australia, commit to working beyond organisational boundaries to collectively design, deliver and continuously improve homelessness responses. Partners work together via:

- Consensus-based decision-making guided by what will produce the best outcomes for service users and communities
- Active sharing of resources, capability and expertise
- A no-blame culture focused on collective learning
- Open-book accounting and transparency

Wardli-ana is THA's Aboriginal-specific service co-delivered by Aboriginal Family Support Services and Baptist Care SA. Designed as an Aboriginal-led, culturally grounded service, Wardli-ana embeds Aboriginal leadership and self-determination within a mainstream alliance. To ensuring funding parity, THA has aligned resources with need:

- Aboriginal people represent around 24% of THA's service users
- 26% of case management funding is allocated to Wardli-ana

- About 60% of Wardli-ana staff are Aboriginal
- Around 70% of Aboriginal service users accessing THA choose Wardli-ana for support

This approach moves beyond symbolic inclusion, actively redistributing resources, authority, and decision-making power through a shared governance model. THA demonstrates how mainstream systems can support more coordinated, culturally grounded and equity-focused responses to homelessness.

Recommendations

4. Implement formal relational contracting to provide long-term stability and sustainability for complex human services and the people they serve
5. Ensure formal relational contracts match resourcing to the scale, complexity and depth of need

Fund the full cost of service delivery

Government funding must meet the full and fair cost of delivery. Governments must adequately resource service providers if they are serious about meeting Closing the Gap targets.

Government funders rightly require service providers to meet core governance contractual requirements such as finance, auditing, essential HR functions, legal, IT security, WHS, risk management, procurement and property and compliance obligations. They are increasingly including a range of other important requirements in contracts, such as regulatory and accreditation activities, redundancies and service closure costs, employment of staff with lived/living experience and in remote areas, technology costs, monitoring and evaluation costs and costs associated with subcontracting arrangements. These requirements must be resourced as genuine components of delivering a quality service, however, funders' program budgets typically limit what can be included as a direct cost.

Service models become less concentrated when funding does not reflect actual costs: effective programs and partnerships (e.g. with specialist services) are cut due to limited resources to maintain them, staff cannot access professional development opportunities[18] and people cannot receive the help they seek and need. This is particularly problematic in remote communities, where services and staff are already scarce and budget constraints limit service provision to outreach or fly in, fly out delivery. In the long run, this can force the closure of smaller providers and reduce the diversity of available providers.

Many reports and reviews have identified this issue and noted both the problems associated with chronic underfunding (e.g. reduced efficiency, effectiveness, ability to meet contractual targets and job quality, and organisational and sector unsustainability) and the benefits of funding both the direct and indirect costs of service delivery (e.g. better service delivery and outcomes, improved workforce quality

and retention, and increased capacity to adapt and innovate).[3,9,19] The difficulties associated with uncertain and insufficient funding of community sector grants are also acknowledged by the Federal Government, which has committed the Australian Public Service to better support the needs of Australian communities through "consideration of indexation, longer-term grant agreements, cost of delivering quality services and provision of earlier notification for renewal/cessation of grants when designing grant activities, including when developing new policy proposals, to better support community need."[20]

To build the community-controlled sector, funding the full cost of service delivery should include adequate funding for meaningful voice and choice processes within communities, and for delivering both frontline and enabling functions services for organisations. For CSOs, and particularly for ACCOs, this should include dedicated resources that build organisational capacity and capability to:

- Sustain their services, e.g. through the development of strategic plans, leadership, governance mechanisms and funding structures that support their establishment and longevity[3,9]
- Build productive partnerships to connect them with broader ecosystems of services, communities and governments
- Participate in consultation, policy and advocacy activities related to the National Agreement and other activities that require sector-specific input[3]
- Effectively serve their communities, e.g. through co-design of priorities, outcomes and services, evaluation and iteration of service delivery models, and expansion of services where needed to meet demand

Efforts to close the gap can only be successful if they start with a genuine understanding of the true cost of delivering the service that governments wish to purchase, and align service expectations with funding arrangements. Funding must accommodate the costs associated with strengthening and sustaining services (e.g. infrastructure, workforce development),[3,21,22] robustly assessing the four Priority Reforms and progress towards the Closing the Gap socioeconomic targets, supporting existing partnerships and facilitating smooth transitions to new services (including both service closure and start-up costs)[17] where communities want this.

Recommendations

6. Fund the full cost of service delivery, including infrastructure, management and administration costs, and appropriate indexation
7. Actively involve CSOs in determining the full cost of service delivery to ensure arrangements are realistic, transparent and evidence-informed

Provide longer grant agreement terms

The current short-term funding environment is detrimental to service delivery. Shorter contract lengths and the sustainability issues they create have been identified by both the Productivity Commission[14] and

the Australian community services and community-controlled sector[17,23] as a key issue across jurisdictions. They are a major impediment to hiring and retaining qualified staff, disrupt continuity of care for participants and damage community trust in service providers. Many one- or two-year contracts have outcome requirements or expectations that are simply impossible to achieve, and they are generally a highly inefficient use of taxpayer funds, with funders incurring costs and administrative burden associated with continual tendering or extension processes.

Government contracting practices constrain service providers' ability to deliver services as effectively as they could, which in turn has negative impacts for communities, service users and government, including:

- Lack of staff continuity
- Reduced quality of service planning by focusing on short-term outcomes rather than prevention or longer-term outcomes
- Inability to achieve long-term policy objectives
- Poorer quality community relationships
- Additional transitional costs and administrative burden for providers
- Significant workforce management challenges
- Limited ability to develop innovative practices

These issues can be felt most acutely in regional and remote areas, where services are already limited by factors such as geography (e.g. distance), infrastructure (e.g. internet access and mobile phone reception) and government funding decisions: research commissioned by the National Rural Health Alliance in 2023 found a $6.55 billion annual deficit in health funding for rural Australian communities, equating to almost $850 per person each year, compared to urban Australians.[24]

People using Mission Australia's services consistently report that trusting relationships with staff are vital to a positive service experience. Long-term, stable contracts are an essential component of good service delivery and provide greater certainty for services, communities and governments. They will also support Priority Reform Areas 1 and 2 of the Closing the Gap Agreement by building strong partnership elements such as formal partnership and governance capacities, and building strong community-controlled sector elements such as dedicated workforces, enduring leadership and reliable and consistent funding models.[25]

Recommendations

8. Implement contract durations of at least seven years for most programs and 10 years for place-based programs in communities with persistent and entrenched disadvantage or in remote Aboriginal and Torres Strait Islander communities

Invest in place-based work

Place-based work is "a collaborative, long-term approach to build thriving communities delivered in a defined geographic location. This approach is ideally characterised by partnering and shared design, shared stewardship, and shared accountability for outcomes and impacts."[26] Place approaches can be:[27]

- Place-focused initiatives that use geography to target or coordinate services or funds
- Place-based community-led ways of working, which are collaborative, long-term, and focused on building community strengths and capacities to solve persistent and complex disadvantage

Place-based work involves sharing decision-making between governments, services and community members and building communities' strengths so that people can turn to each other for support rather than to the formal service system. It privileges community voice, action and leadership in creating solutions, shifting power from institutions towards local communities in the process.

Although Australia spends around $104 billion per year on community services,[28] severe, complex and multilayered disadvantage persists in a small number of communities. For example, the 2021 Dropping off the Edge report[29] found that 9% of locations in QLD accounted for 41% of the disadvantage seen across the report's social, economic, health, educational and environmental indicators. Similarly, 10% of locations in WA accounted for 56% of disadvantage, while all of the top 10 most disadvantaged Victorian and South Australian locations in 2015 remained highly disadvantaged in 2021.

There is already significant investment in many communities experiencing disadvantage, but most often its delivery is fragmented, siloed and not in areas that the community wants. Better (flexible, more creative) design and delivery of existing funds is needed, which must happen in partnership with community organisations and community representatives, including Aboriginal and Torres Strait Islander peoples and organisations. Co-designed solutions are vital because communities are best placed to know their own needs, the solutions that would best suit them and how to secure local ownership, agency and continuity of successfully implemented models. In addition to co-design, place-based community work thrives when the characteristics in Figure 1 are present.[27]

Place-based community-led work can produce early signs of change, such as agency, hope and faster local responses to issues, and better health, social and justice outcomes.[30-33]

Separate to place-based community-led initiatives, many place-sensitive, community-informed but government-led programs support individuals and families within communities, e.g. Communities for Children funded by the Federal Department of Social Services. Its hub-and-spoke model works well in Mission Australia's experience, building constructive partnerships between organisations with different skills and resources to support and work alongside with the local community. The place and community focus of these kinds of programs is valuable and should be incorporated into the design of all programs.



Figure 1. Characteristics of effective place-based community-led work.

Recommendations

9. Fund community-led, place-based initiatives that empower communities to make their own decisions about service involvement and delivery
10. Facilitate successful service delivery by pairing place-based approaches with a shared governance model that encourages all levels of government to be part of co-designed solutions that meet the community's needs

Impactful service delivery can be facilitated in a range of ways that build a strong and sustainable community-controlled sector

To lay the foundations for self-determination and appropriate, effective service delivery, several useful tools and examples of strong practice have been produced by communities, mainstream CSOs, ACCOs and peak bodies. Many of these contain principles and activities that are applicable beyond the locality or sector for which they were originally developed.

For example, SNAICC – National Voice for our Children, a peak body for Aboriginal and Torres Strait Islander children, young people and families, has published frameworks, guidance and reports that support governments, communities, providers, philanthropists and other stakeholders in any sector to implement the Priority Reforms. Their *Sector Transformation Principles Framework*[34] and *Creating Structural Change Through Shared Decision-Making Guidance*[35] documents detail how to respectfully and effectively uphold principles of self-determination, cultural authority, cultural safety, genuine partnership, shared decision-making and capacity-building. Reports such as *Lessons from the transition of HIPPY to local First Nations organisations*[17] describe the steps and activities involved in enacting the wishes of different communities regarding a service provider that was right for them. Community consultation was an essential part of the process, with the results indicating no one-size-fits-all approach: 17 communities elected to transition services over to ACCOs and seven adopted a partnership model between ACCOs and mainstream CSOs.

Resources such as these are useful for guiding stakeholders through the steps needed to build a strong and sustainable community-controlled sector and deliver high-quality services to Aboriginal and Torres Strait Islander communities. They should be promoted and implemented widely by all governments and CSOs alongside the system-level changes outlined above. This can be done through a centralised, easily accessible resource hub[13] which could also incorporate a matching function that links communities with local ACCOs, mainstream services, peak bodies and councils that can assist in embedding self-determination principles, and applicable State, Territory and Federal resources such as funding opportunities. These can be supplemented with additional resources such as national roadmaps to clarify timelines and structure processes. Communities of practice and reference groups focused on enhancing collaboration across teams, organisations, agencies and jurisdictions (local, State/Territory and Federal),[13] and dedicated navigator roles that support capacity-building, transition plans or partnership arrangements could be developed to distribute these resources.[17]

The boxes below describe how Mission Australia works in partnership with ACCOs in the housing and homelessness sector to create safe, supported and culturally grounded services for children, young people and families. The success of each partnership is underpinned by robust practices that commit them to a shared purpose, including:

- Cultural leadership and culturally appropriate practice, e.g. prioritising Aboriginal recruitment and cultural integrity in governance and service
- Shared governance and clear communication mechanisms, e.g. regular stakeholder meetings and common reporting frameworks
- A commitment to continuous improvement through data-informed decision-making, collaborative and person-centred service design, and ongoing opportunities to share and learn
- Complementary service expertise that blends cultural authority, community connection and experience supporting Aboriginal and Torres Strait Islander peoples with a national reputation, case management and outreach experience, integrated service capacity and strong evaluation frameworks
- Local relationships that support trust, engagement and responsiveness

Partnerships in practice: Building on what works well

Mission Australia and Nyoongar Outreach Services are continuing to build on a strong and enduring partnership to support young people, families, individuals and communities in Perth, WA. In their outreach to young people through YouthBeat as part of the Youth at Risk Strategy, and in their integrated service delivery to Kaalak (Common Ground East Perth), the organisations bring together deep experience in early intervention, culturally safe practice, trauma-informed care and community-led support.

Mission Australia YouthBeat has partnered with Nyoongar Outreach Services to deliver the Youth at Risk Strategy since 2013. Both organisations have a strong history of working alongside Aboriginal young people and families, with a shared approach focused on creating safety, trust and choice through the provision of, or connection with, culturally appropriate services. YouthBeat engages with young people aged under 18 in the Perth inner city areas through assertive outreach interactions, supporting them to connect with a range of services and supports as needed. YouthBeat also offers a supportive place for young people to wait while arranging their return to safe accommodation on Friday and Saturday nights. All young people engaged through the service are offered case management support for up to 12 months. YouthBeat is a one stop service centre that is visible and easily accessible, and has the added advantages of meeting young people 'where they are' in non-formal settings and offering support tailored to the young person's level of need, from early intervention for those at risk to comprehensive support and connection to specialist services for those with more complex needs.

"[The most important changes in the last three months] Mental health support, relationship with mum and dad, trying to spend more time at home not out with friends, contraception, help with Juvenile Justice Teams. [This change is important because] I like having someone to talk to, so my mum is nicer to me, my mum understands why I am sad, going to appointments with my case manager if mum won't take me." Female, 13 years old

In 2026, Mission Australia and Nyoongar Outreach Services extended their partnership to co-deliver individualised on-site support services at Kaalak (Common Ground East Perth). Kaalak provides permanent, supportive housing for adults experiencing ongoing homelessness, rough sleeping and/or are earning a low income. On-site services provide responsive, respectful and compassionate assistance to help tenants improve their wellbeing and sustain their tenancy.

"Finished homelessness. I have support to meet my needs. [This change is important because of] my age factor." Female, 50 years old

By combining cultural knowledge, local relationships, service expertise and strong governance, Mission Australia and Nyoongar Outreach Services are continuing to support better outcomes for individuals, young people and their families.

Partnerships in practice: Better housing solutions for people experiencing family and domestic violence

The Far West region of NSW has a rate of family and domestic violence 3.4 times higher than the average for the state of NSW[36] and local government areas in this region report rates of family and domestic violence among Aboriginal and Torres Strait Islander women and children up to 5.5 times higher than the average rate of victimisation in NSW.[37] Mission Australia has provided Specialist Homelessness Services within the Upper Western and Far West region for the past 12 years. This includes Women's Safe Houses in Walgett, Lightning Ridge and Brewarrina, as well as Core and Cluster facilities in Brewarrina and Walgett. Core and Cluster is a crisis accommodation design used primarily for women and children escaping family and domestic violence. They replace traditional shared-living refuges with private, self-contained living spaces linked to central support services.

In 2022, the NSW Department of Communities and Justice commenced a procurement process to establish and operate new Core and Cluster refuges to support women and children escaping domestic and family violence. Mission Australia identified the need for a new Core and Cluster facility in Lightning Ridge and approached Murdi Paaki Regional Housing Corporation (MPRHC) about partnering in the procurement and tendering process. MPHRC is an Aboriginal Community Housing Provider operating across the Murdi Paaki region, which includes communities such as Broken Hill, Wilcannia, Menindee, Ivanhoe, Wentworth, Dareton, Balranald, Cobar, Bourke, Enngonia, Brewarrina, Weilmoringle, Goodooga, Walgett, Lightning Ridge, Collarenebri, Coonamble and Gulargambone. Given their complementary strengths, the organisations decided to apply for Tranche 3 of the funding in 2024.

The tendering process worked well, with reasons for this including:

- Clearly defined roles and responsibilities that supported planning, tendering and service delivery
- Ongoing, regular communication that supported a coordinated procurement response
- Each organisation focused on its core area of expertise: MPHRC brought strong regional knowledge and expertise as a housing provider, while Mission Australia brough expertise as a specialist women's support service and in person-centred design

The tender was successful and both organisations have continued to work collaboratively on the new build. MPRHC has involved Mission Australia in each stage to ensure that the site's design is trauma-aware, safe, secure and private. The facility includes self-contained units, shared community spaces and child-friendly areas, and is due for completion in 2026. Mission Australia will continue to work with MPRHC for the duration of the government contract, supporting a coordinated response that brings together housing expertise, specialist homelessness service delivery and a shared commitment to supporting women and children to recover and rebuild their lives.

The examples in this section highlight the range of ways in which ACCOs and mainstream CSOs can collaborate to ensure that communities, including Aboriginal and Torres Strait Islander communities, can successfully receive high quality, culturally safe and effective services. These kinds of jointly enacted practices are needed at all levels to make meaningful progress against the complex and intersecting social challenges that underlie the Closing the Gap socioeconomic targets and Priority Reforms.

Recommendations

11. Create an easily accessible resource hub to centralise useful documents, tools and examples of strong practice
    a. Identify knowledge gaps in the resource hub and work to address these, particularly at the national level
    b. Ensure that the resource hub includes a function that links communities, ACCOs, mainstream services, peak bodies and councils with each other and the resources needed to enact voice and choice in service delivery decisions
    c. Promote, distribute and implement the resource hub widely across governments and CSOs to ensure their uptake alongside systems-level changes, e.g. through communities of practice
12. Appropriately resource the implementation of appropriate, effective, sustainable and culturally safe service delivery both locally and within sectors

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