



Relational Contracting

Decision Matrix

Relational contracting introduces a more collaborative and adaptive approach to decision-making in grant agreements. In standard agreements, decisions are often based on set processes that can be slow and inflexible. This is particularly the case for service changes, variations, managing risks or adjusting outcomes and payment arrangements.

Under a relational agreement, these matters are considered jointly through structured governance forums. This allows decisions to be more flexible, timely and responsive to changing delivery conditions.

Structured mechanisms, such as the Partnership Governance Forum (PGF) and scheduled review points support this approach. They allow both parties to review outcomes, adjust service delivery, respond to emerging risks and agree operational changes as they arise. Decisions are supported by transparent information sharing. This leads to a more adaptive, evidence-informed approach that maintains accountability and assurance, while reducing administrative burden and supporting earlier identification and resolution of issues.

The relational contracting model operates within defined legal parameters set by the *Public Governance, Performance and Accountability Act 2013*, the Commonwealth Grants Rules and Principles, and the decision-making powers of the Minister or delegates. This document sets out how decision-making authority is applied within these frameworks and how matters are escalated when higher level approval is required. Where the Decision Matrix identifies the Department of Social Services or the Minister for Social Services as accountable, this reflects responsibilities that cannot be delegated under Commonwealth legislation. Decisions should be developed collaboratively wherever possible, but formal accountability remains with the relevant decision maker.

In this document, the term *Grant Recipient* and *Grantee* is used in line with the legal framework and Relational Grant Agreement. This term is equivalent to *Provider* as used in other relational contracting guidance.

Relational Contracting Roles

Minister for Social Services (Minister)

The Minister sets the overarching policy and program direction for improving outcomes for vulnerable Australians. The Minister retains all powers under the Commonwealth Grants Framework, including decisions on funding levels, grantee selection and the parameters for agreement negotiation. These powers may be delegated.

The Minister also sets the parameters for flexibility in agreements to ensure they remain consistent with government priorities and assurance requirements. The Minister is accountable for decisions that significantly change a grant agreement such as changes to service areas, reductions in scope, or termination for fault. These decisions are escalated to the Minister when they exceed the delegation.

Although the Minister remains accountable, decisions are informed by collaborative processes and joint recommendations developed through governance forums where possible.

The Department of Social Services (DSS)

DSS Policy (Policy) is responsible for program design and policy settings. It acts as a decision partner on matters that affect outcomes, priorities, risk and major changes. Policy prepares advice and seeks approval from the Minister on decisions that exceed delegation, including funding, grantee selection and outcome indicators. Policy sets the program parameters within which relational contracting operates, to ensure flexibility is applied within program parameters and remains aligned with government objectives and program intent. These settings are informed by collaborative governance processes.

The Community Grants Hub (Hub) is responsible for relational contracting policy and manages relational agreements across the grant lifecycle. This includes negotiating agreements within approved parameters, managing the application of flexibility, monitoring delivery and recording decisions and agreed changes. The Hub supports collaborative decision-making through governance processes while maintaining accountability, performance and risk requirements.

Grant Recipient (Grantee)

The Grantee delivers the agreed activities and works with the Department to achieve program outcomes. The Grantee contributes operational insight, local intelligence and performance information to support joint decision-making. This includes discussions on delivery changes, emerging risks, service improvements and innovation. The Grantee remains responsible for meeting agreement requirements while engaging openly and constructively in the partnership. Through the governance arrangements, the Grantee plays an active role in shaping decisions and recommendations.

Partnership Governance Forum (PGF)

The PGF is the main joint governance forum under the relational contracting model. It brings together the Department and the Grantee to review delivery, monitor progress towards outcomes, and consider decisions. The PGF provides a structured forum to share evidence, assess risks, and develop options for change. It supports decisions being made at the appropriate level, with clear documentation and transparency. The PGF supports consistent, collaborative and informed decision-making within the parameters set by policy and the agreement. The Relational Contracting Governance Framework provides further detail on governance structures, roles and responsibilities, including the PGF.

Decision Matrix

Decisions are developed collaboratively through governance processes wherever possible, including where accountability sits with the Department or Minister. The roles outlined below clarify contributions to decision-making. Accountability remains with the Department or Minister in line with legislative and delegation requirements.

Roles in Decision Making

Responsible (R): Leads the development and implementation of a task or decision, working collaboratively through governance processes.

Accountable (A): Has final decision-making authority and accountability, subject to legal and delegation requirements.

Consulted (C): Provides advice, evidence or operational insight, and actively contributes to shaping the decision.

Informed (I): Is informed after a decision or action, including relevant context where required.

Additional terms used in this Matrix

Joint responsibility: DSS and Grantee work together through governance processes to assess evidence, develop options and agree a recommended approach. This describes how decisions are developed and does not change formal accountability.

Decision type	How it is managed
Routine delivery adjustments (within scope)	Jointly agreed through the PGF
Non-material updates (for example, Delivery Plan changes)	Jointly agreed through the PGF
Material changes within delegation (scope, outcomes, funding use)	Jointly assessed, with a joint recommendation informing DSS determination
Changes exceeding delegation	Escalated to the Minister (or authorised delegate) for approval
Enforcement actions	DSS-led, following governance discussions where appropriate

Agreement Establishment

Decision Point	Minister	Department	Grantee	Decision Pathway
Assess and maintain relational contracting readiness	-	C	R	The Grantee completes a readiness self-assessment and provides information and evidence to DSS. Joint responsibility: DSS and the Grantee review results together to understand capability, strengths and gaps. They agree on capability priorities and actions and monitor progress, share what they learn and adjust actions where needed. Updates are recorded in governance records.
Establish governance approach (Part A)	-	A	C	DSS determines governance approach (Primary or Enhanced) based on service risk and delivery context in line with Governance Framework. Engagement with Grantee informs how governance will operate in practice, including forum frequency and level of oversight. The approach is documented in the Delivery Plan.
Agree shared ways of working (Part A)	-	A	R	Joint responsibility: DSS and Grantee agree how they will work together. Guiding principles and collaborative behaviours are discussed and agreed. For some agreements these may be standard; for others they may be adapted. Principles and behaviours are documented in Relational Agreement and Terms of Reference.
Agree service delivery requirements and outcomes (Part B)	-	A	R	Joint responsibility: DSS and Grantee collaborate on delivery approach, priorities and outcomes in line with program settings and forms part of the Relational Agreement and/or Delivery Plan. The plan must be finalised before activity start date.
Finalise and execute agreement	-	A	R	Agreement terms are developed based on onboarding discussions and shell template is populated. DSS finalises the agreement within delegation and both parties execute.

Governance

Decision Point	Minister	Department	Grantee	Decision Pathway
Establish and maintain governance arrangements - PGF Terms of Reference (ToR)	-	A	R	A draft PGF ToR is developed at establishment. Joint responsibility: DSS and Grantee work together to agree the ToR, including membership, cadence, scope and decision processes. DSS confirms the ToR within governance requirements. The ToR forms part of the governance arrangements. DSS and the Grantee review governance arrangements through the PGF and Relational Manager engagement to assess how well collaboration, decision-making, information sharing and responsiveness is working. DSS and the Grantee identify improvements and agree updates in response to delivery needs or emerging issues. DSS confirms changes within delegation and escalates where required. All updates are recorded in governance records.
Escalate governance or relationship issues	-	A	R	Joint responsibility: Issues affecting governance effectiveness or working relationships are first raised and addressed through PGF, with both parties working together to resolve them. If issues are unresolved or systemic, they are escalated through departmental and organisational leadership channels in line with dispute resolution and governance frameworks.

Activity Design & Outcomes

Decision Point	Minister	Department	Grantee	Decision Pathway
Confirm shared purpose & high-level outcomes	-	A	C	DSS sets program-level purpose and outcomes in line with policy and program design. Joint responsibility: During agreement establishment, DSS and Grantee discuss and confirm a shared understanding of intended outcomes and delivery context. Grantee contributes operational insight. Outcome settings are confirmed by DSS and formalised in the Agreement.

Decision Point	Minister	Department	Grantee	Decision Pathway
Develop and agree Delivery Plan	-	A	R	Grantee leads development of the Delivery Plan, including activities, short-medium outcomes and indicators. Joint responsibility: DSS and Grantee refine content through governance discussions (including PGF where established). DSS confirms the final plan within delegation. The Delivery Plan becomes part of the Agreement.
Adapt activities within approved scope	-	I	R	Grantee identifies and proposes adjustments within agreed scope. Joint responsibility: Changes are discussed, tested and agreed through PGF or Relational Manager engagement, informed by real-time data, client need and operational insight. Adjustments must remain within agreed outcomes and funding parameters and are documented through governance processes.
Adjust Delivery Plan (non-material updates)	-	A	R	Updates to Delivery Plan (e.g. refining activities, indicators or delivery approaches) are identified through governance discussions. Joint responsibility: DSS and Grantee review evidence together and agree changes through PGF. Changes are recorded through Delivery Plan version control and governance records. Formal variation is not required.
Set or refine outcome indicators	-	A	R	Outcome indicators are initially developed through Delivery Plan design. Joint responsibility: DSS and Grantee assess relevance and data quality through governance discussions. DSS confirms final indicators within program requirements. Changes are documented in the Delivery Plan.
Propose material changes to activities or outcomes	-	A	R	Where proposed changes affect outcomes, scope, or funding use, they are raised through governance. Joint responsibility: DSS and Grantee assess impacts, risks and evidence through PGF and develop a shared view. DSS determines whether the change can proceed within delegation or requires escalation.
Approve variation to activities or outcomes	-	A	C	Changes outside routine flexibility requires formal variation under the Agreement. Joint responsibility: DSS and the Grantee develop options and supporting evidence through governance processes. DSS assesses the proposed variation against alignment with program outcomes, delegation limits, risk, and system impact. DSS approves changes within its delegation. Where a decision exceeds delegation, DSS prepares advice and seeks approval from the Minister (or authorised delegate). Approved changes are formalised through variation and documented.

Performance, Reporting & Review Points

Decision Point	Minister	Department	Grantee	Decision Pathway
Share and review performance information	-	A	R	The Grantee collects and provides performance data. Joint responsibility: DSS and the Grantee review data and insights through the PGF and Relational Manager engagement, developing a shared understanding of performance, challenges and trends. Information is used to support learning and decision-making.
Monitor performance against outcomes	-	A	C	Performance is monitored against the Delivery Plan, outcomes and indicators. Joint responsibility: DSS and the Grantee assess performance together through the PGF, considering both quantitative and qualitative information. Discussions focus on understanding what is happening and why it is happening, and identifying opportunities for improvement.
Identify and respond to performance risks/issues	-	A	R	Performance issues or risks are raised early through governance processes. Joint responsibility: DSS and the Grantee jointly assess causes, impacts and risks through PGF and agree proportionate responses, including adjustments to delivery, monitoring or support. Early discussion is expected and does not lead to escalation unless needed.
Agree performance improvement actions	-	A	R	Where improvement is needed, actions are developed based on evidence and agreed through governance processes.

Decision Point	Minister	Department	Grantee	Decision Pathway
				Joint responsibility: DSS and Grantee develop improvement actions through PGF, considering feasibility, risk and impact. Actions are recorded and monitored through governance records.
Adjust reporting requirements / approaches	-	A	C	Adjustments to reporting frequency, format or focus may be proposed to better align with service delivery or reduce burden. Joint responsibility: DSS and Grantee discuss proposed changes through PGF, using evidence and proportionality. DSS confirms any changes to ensure alignment with reporting obligations and program requirements.
Request additional reporting or evidence	-	A	C	DSS may request additional reporting or evidence where required. Joint responsibility: Requests are informed by discussions with the Grantee through governance processes and are proportionate to the level of risk and impact.

Funding & Payments

Decision Point	Minister	Department	Grantee	Decision Pathway
Approve initial grant amount (program decision)	A	R	I	Funding levels are determined as part of program design and selection processes. DSS considers evidence, program priorities and insights. Decisions are made by the Minister or delegate in line with government priorities and grants framework.
Make routine instalment payments	-	A	I	Payments are made by DSS in line with the agreed schedule and compliance requirements. Joint responsibility: DSS and the Grantee use governance processes to maintain a shared understanding of delivery expectations. The Grantee meets delivery obligations linked to payments, and any issues or risks are discussed early to support timely and appropriate responses.
Adjust payment schedule within agreed parameters	-	A	C	Adjustments to payment timing may be proposed to support delivery. Joint responsibility: DSS and Grantee consider cash flow needs, delivery impacts and risk through governance discussions. DSS confirms adjustments within delegation and agreement settings.
Rebalance expenditure within scope	-	I	R	Grantee may rebalance expenditure across approved activities or categories within agreed limits. Joint responsibility: proposed changes are discussed through governance processes, considering impacts on delivery, outcomes and system impact. Adjustments must remain within funding purpose and are documented through governance records.
Approve significant financial adjustments	-	A	R	Where financial changes are more substantial, they are raised through governance discussions. Joint responsibility: DSS and Grantee assess impacts, risks and alignment with outcomes. DSS approves adjustments within delegation.
Approve change to total funding	A	A (where delegated) R (where Minister Accountable)	I	Changes to total funding require formal variation and decision within delegation. Joint responsibility: DSS and Grantee develop options and assess impacts through governance processes (e.g. PGF). DSS approves within delegation or escalates to Minister where changes exceed delegation limits or involve program-level funding decisions.
Reduce or defer payments due to performance	A	A (where delegated)	C	Joint responsibility: Where performance concerns arise, issues are raised early through governance processes. DSS and the Grantee discuss performance concerns through the PGF, jointly assessing causes, risks and improvement options. The focus is on understanding issues and agreeing proportionate responses to support delivery and outcomes. Payment adjustments are considered where necessary in line with agreement terms. DSS confirms adjustments within delegation or escalates where thresholds are met.

Decision Point	Minister	Department	Grantee	Decision Pathway
		R (where Minister Accountable)		
Approve rollover of unspent or surplus funds	-	A	C	Requests to rollover surplus or uncommitted funds are considered by DSS in line with agreement terms. Joint responsibility: DSS and Grantee discuss reasons for underspend, future delivery needs and risks through governance processes. DSS confirms approval within delegation.
Request repayment of funds	-	A	C	DSS may require repayment of funds in accordance with agreement conditions. Joint responsibility: where possible, issues are discussed through governance processes prior to formal recovery, ensuring clarity of cause, proportionality and impact on service delivery.
Approve asset purchase above threshold	-	A	I	Asset purchases above defined thresholds require DSS approval. Joint responsibility: Grantee provides justification and evidence. DSS assesses alignment with program purpose, value for money and agreement conditions before approval.
Monitor financial performance	-	A	C	Financial performance, spend patterns and sustainability are monitored through reporting and governance discussions. Joint responsibility: DSS and Grantee review financial data alongside delivery and outcomes through PGF, identifying risks and agree appropriate responses.

Risk

Decision Point	Minister	Department	Grantee	Decision Pathway
Identify and raise risks	-	A	R	Risks related to delivery, performance, workforce, demand or external factors are identified early. Joint responsibility: DSS and Grantee openly share risks through governance processes, building a shared understanding. Early disclosure is expected and supported as part of shared risk management practice.
Assess risks and determine response	-	A	R	Identified risks are assessed collaboratively. Joint responsibility: DSS and Grantee analyse causes, likelihood, impact and system implications through PGF discussions. Responses are considered proportionately, focusing on adaptation, mitigation and maintaining service continuity.
Implement risk mitigation strategies	-	I	R	Agreed mitigation actions are implemented by the Grantee. Joint responsibility: mitigation approaches are shaped collaboratively through governance processes and reflect shared understanding of risks, evidence and impact. DSS maintains visibility through governance engagement.
Monitor risks and mitigation effectiveness	-	A	C	Ongoing monitoring of risks and mitigation strategies occurs through reporting and governance discussions. Joint responsibility: DSS and Grantee regularly review risk status, emerging issues and effectiveness of responses through PGF, and adjusting approaches where required.
Escalate risks where required	-	A	R	Risks are escalated where they exceed agreed tolerance or affect service continuity, outcomes or probity. Joint responsibility: DSS and the Grantee identify the need for escalation through governance discussions, including where escalation beyond PGF is required. Escalation is managed in line with governance and decision matrix pathways.

Compliance

Decision Point	Minister	Department	Grantee	Decision Pathway
Manage compliance obligations and address emerging issues	-	A	R	The Grantee complies with agreement requirements, legislation and reporting obligations, and addresses emerging compliance issues early. Joint responsibility: DSS and the Grantee clarify requirements through governance processes, identify the causes of issues and agree proportionate corrective actions. The focus is resolving issues and learning before escalation is considered.
Apply additional assurance, monitoring or support arrangements	I	A	C	DSS may apply additional monitoring, reporting or support arrangements where compliance concerns, delivery complexity or assurance needs increase. This may include approving subcontracting or appointing a Grant Administrator or Management Adviser where required. Joint responsibility: DSS and the Grantee work together through governance processes to understand the issues, assess risks and delivery impacts, and explore appropriate support options. The focus is on maintaining delivery and resolving issues early. DSS then confirms the most appropriate arrangement in line with agreement requirements.
Agree remedial actions	-	A	R	Where issues are identified, remedial actions are developed. Joint responsibility: DSS and Grantee agree proportionate actions through governance processes to resolve issues in service delivery while maintaining service continuity.
Approve reduction or suspension of services	A	A (where delegated) R (where Minister Accountable)	C	Where issues persist or risks increase, DSS may consider and approve the reduction or suspension of services to manage risk or address performance issues. Joint responsibility: DSS and the Grantee consider evidence, impacts, risks and options through governance processes and attempt to resolve issues before a reduction or suspension is implemented. DSS determines whether action can be taken within delegation or whether escalation is required. Where the decision exceeds delegation thresholds or has significant system, funding or policy implications, DSS escalates the decision to the Minister. The Minister makes the final decision in line with delegation and policy settings.
Termination of agreement for fault	A	A (where delegated) R (where Minister Accountable)	I	DSS may terminate the agreement for serious breach or failure to meet obligations. Joint responsibility: DSS and Grantee consider evidence, risks and options through governance processes and attempt to resolve issues before termination is considered. Where termination exceeds delegation thresholds, DSS escalates the decision to the Minister. The Minister makes the final decision in line with delegation and policy settings.
Manage transition and continuity of services	-	A	R	Where services are reduced, suspended or terminated, transition arrangements are required. Joint responsibility: DSS and Grantee work together to ensure continuity of support, minimise disruption to clients and manage handover or closure appropriately.
Appoint Grant Administrator or Management Adviser	I	A	I	DSS may appoint a Grant Administrator or Management Adviser where required. Joint responsibility: DSS and the Grantee consider performance, risks and options through governance processes before a decision is made. DSS makes the appointment in line with agreement provisions.

Disputes

Decision Point	Minister	Department	Grantee	Decision Pathway
Raise and resolve disputes through governance	-	A	R	Issues, disputes or disagreements are raised as early as possible and first addressed through governance processes. Joint responsibility: DSS and Grantee identify concerns, share evidence, consider options and attempt to agree a resolution or action plan through governance discussions, with a focus on collaborative problem-solving and maintaining service continuity.
Escalate unresolved disputes or initiate formal dispute resolution	-	A	R	Where disputes cannot be resolved through governance processes, they are escalated through organisational and departmental leadership channels. Joint responsibility: DSS and Grantee identify when escalation is required and ensure it is structured, evidence-based and proportionate. Formal dispute resolution is initiated only after collaborative resolution attempts have been exhausted, with DSS managing the formal process in line with agreement provisions.

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