



Relational Contracting

Glossary of frequently used terms

This glossary explains the key terms used in relational contracting. It supports a shared understanding through clear and consistent definitions, improving communication, decision-making, and strengthens how services are managed and delivered.

Relational Contracting Glossary

Terms are listed alphabetically

Decision Rights

Decision rights are clear rules about how decisions are made under governance arrangements. They show who can approve changes, who needs to be involved in discussions, and when a decision needs to be raised to a higher level for consideration. For example, some decisions can be agreed through governance processes, such as Partnership Governance Forums (PGF) or regular check-ins, while more significant changes, may need to be escalated. Clear decision rights help make sure changes are managed properly, are easy to follow, and match the level of risk.

Delivery Context

Delivery context refers to the conditions in which a service is delivered, including scale, complexity, system importance and provider capability. It is considered alongside service type risk to understand the overall level of risk and the level of oversight needed. In the governance framework, delivery context helps guide the governance approach.

Delivery Plan

A Delivery Plan is a document that explains how a service will be delivered under a relational agreement. It replaces the Activity Work Plans (AWP) and defines agreed outcomes, priorities, and key activities. Once agreed it forms part of the Relational Agreement. The Delivery Plan is a living document that is updated over time. Progress, evidence and changes are discussed and agreed through governance meetings, such as the Partnership Governance Forum (PGF). Reporting against the Delivery Plan forms part of these governance arrangements and supports planning, monitoring and decision making.

Enhanced Partnership

An Enhanced Partnership is a governance approach used for funded activities that require a higher level of oversight and engagement based on service type risk and delivery context. It follows the

same core governance model as other partnerships, but with more frequent forums and closer oversight.

Flexibility

Flexibility is a core element of relational contracting. It allows changes to how services are delivered and how resources are used within agreed rules and limits, without needing to formally vary the agreement. Flexibility follows clear decision-making processes and governance arrangements. Changes are based on evidence, proportionate to risk and must meet agreed requirements.

Grant Manager

A Grant Manager is a departmental officer responsible for managing a grant under a relational contracting approach. They are a key contact for providers and support agreement management and governance, including coordinating governance forums, supporting Delivery Plan updates, and managing issues, evidence, and agreed changes over time.

Onboarding Discussion

Onboarding discussions are structured discussions between the Department and a provider following a grant offer. They establish how the parties will work together under a relational agreement, including governance arrangements and ways of working. They also support readiness for relational contracting and commence development of the Delivery Plan.

Partnership Governance Forum (PGF)

A Partnership Governance Forum (PGF) is a formal governance forum where the Department and provider review delivery and make decisions under a relational agreement. It is used to monitor progress, review performance data and risks, and agree actions or changes as needed. Records of PGF meetings are kept as a formal record of decisions, actions, and agreed changes.

Primary Partnership

A Primary Partnership is a governance approach for well-established, lower service type risk activities. It uses the same governance model as other partnerships, with engagement delivered through proportionate forum frequency and oversight.

Readiness

Readiness for relational contracting describes a provider's capability to work under a relational agreement across purpose, people, processes and systems. Readiness develops over time. Providers are not expected to be fully ready at the start of an agreement and will continue to build capability as delivery progresses. The Department's readiness for relational contracting will also be assessed and evolve over time. Readiness for relational contracting is supported by a readiness checklist, which helps providers identify strengths and areas for improvement and supports ongoing discussion and capability development. It is not used for compliance or funding decisions.

Relational Agreement

A legally binding grant agreement used under a relational contracting model. It sets out grant details, standard terms and conditions, and how the Department and provider will work together. The agreement functions not just as a legal instrument, but as a platform for ongoing engagement, continuous learning and shared accountability. It incorporates agreed ways of working, including collaboration, shared outcomes and governance, into the agreement itself. It supports a flexible,

adaptive approach to delivery, enabling progress tracking and course correction as conditions change, with implementation supported by Delivery Plans, governance arrangements and decision pathways.

Relational Contracting

Relational contracting is an approach to managing Commonwealth grant funding that prioritises long-term partnerships and shared outcomes over short-term compliance. It provides a flexible, adaptive framework that supports collaboration, responds to emerging evidence and reflects local contexts.

A formalised relational contract typically includes the following elements:

- **Shared purpose and outcomes** – a clear statement of intent that articulates the 'why' and guides decision-making.
- **Behavioural expectations** – agreed values and behaviours such as honesty, respect, accountability, cultural safety and recognition of workforce contributions. These support organisational empowerment, build trust and transparency and guide day-to-day collaboration.
- **Governance** – structures for oversight, issue resolution, and escalation, with mechanisms for community voice and meaningful collaboration between parties.
- **Transparency and information sharing** – regular exchange of performance, financial, and contextual data to support joint problem-solving and evidence-informed decisions.
- **Shared risk** – joint responsibility for managing uncertainty, with risks shared to the extent agreed and supported by models that reward collaboration and innovation.
- **Flexibility** – mechanisms such as review points, change clauses and feedback loops that allow for adjustments as circumstances evolve.
- **Outcomes-based performance** – focusing on shared outcomes, such as improved wellbeing or functioning; and supporting learning and continuous improvement rather than narrow compliance.

The agreement functions not just as a legal instrument, but as a dynamic platform for ongoing engagement, continuous learning, and shared accountability. It enables progress tracking and course correction as new evidence emerges or conditions change.

Relational contracting also supports place-based and co-designed approaches, ensuring services are tailored to local needs and developed in partnership with communities. It fosters a culture of transparency, evidence use, and continuous improvement.

Relational Contracting Quality Measures Framework

The Quality Measures Framework is a clear and repeatable way to define, measure and use information about the quality and impact of programs and services funded under relational agreements. It provides a consistent structure to identify what to measure, how to measure it, and how to use data to understand how well services are working. In relational contracting, the framework supports the right level of oversight, shared learning, and ongoing improvement. It also allows measures to change over time as services and programs evolve, data and evidence improve, and delivery contexts change.

Relational Contracting Governance Framework

A governance framework that sets out how delivery is managed under a relational agreement, including governance approaches, forums, and decision-making processes. It ensures oversight and engagement are proportionate to service type risk and delivery context, and guides how performance, risks and actions are discussed and agreed over time.

Report Once, Use Often

Report once, use often is a principle where data is collected once and reused across reporting, governance and evaluation processes, rather than being repeatedly requested or recreated. This includes using relevant data already collected by providers for other purposes, or available through other administrative data sets, where appropriate. It reduces duplication, supports consistent use of information and enables more efficient, evidence-informed decisions.

Review Point

A formal point in the governance process, typically within a Partnership Governance Forum (PGF), where the Department and provider review delivery, consider performance and risks, and discuss or agree actions or changes. Changes must remain within agreed scope and decision-making authority and may require formal approval.

Service Area

The defined geographic area a funded service is intended to support. Service areas may be reviewed and adjusted over time through governance processes, based on evidence of need and within approved scope, program outcomes and decision-making authority, without negatively impacting the broader service system.

Service Delivery

Service delivery refers to the implementation of funded activities for clients, families or communities in accordance with the grant agreement and agreed delivery approach. In relational contracting, service delivery must meet agreed outcomes and requirements and may be reviewed and adapted over time through governance processes, based on evidence and within approved scope and decision-making authority. Delivery is supported by data and quality information to monitor performance, identify risks and inform improvement over time.

Service List

A structured set of specific services delivered by providers and funded under the relational agreement. The service list may be categorised by service type grouping. Service list items are the unit used to assign quality indicators and support performance monitoring, governance discussions and flexible service delivery.

Service Type

A broad categorisation of service activity used to organise funded services delivered by providers under the relational agreement. Service list items are categorised by service type to support consistent reporting, comparison and governance, while recognising that providers may deliver services across varying service types.

Service Type Risk

The level of risk associated with a service type, including its impact on clients and the system and the

consequences if it does not perform as intended. It is considered alongside delivery context to determine the level of oversight and engagement required under the governance framework.

Shared Purpose and Outcomes

A core element of relational contracting that provides a clear and agreed articulation of the intended outcomes of a funded activity. It defines the purpose of the agreement and the shared 'why', guiding decision-making, prioritisation and performance discussions between the parties.

Shared Risk

A core element of relational contracting where responsibility for identifying, managing and responding to uncertainty is shared between the parties. It supports collaboration, transparency, innovation and improved outcomes.

Transparency and information sharing

A core element of relational contracting involving the timely, open and regular exchange of relevant performance, financial and contextual information between parties. It supports joint problem-solving, evidence-informed decision-making and continuous improvement.

Variation

A formal change to a grant agreement is required when adjustments exceed agreed flexibility or affect core elements such as the agreement purpose, program outcomes, total funding, contract term or other material conditions. In a relational contracting context, variation remains an important formal mechanism for managing significant change, even where many lower-risk and in-scope adjustments may be managed through governance processes instead.