

## Delivering of self-determined Aboriginal employment initiatives in Victoria

FEDERATION FUNDING AGREEMENT – AFFORDABLE HOUSING, COMMUNITY SERVICES AND OTHER

**Table 1: Formalities and operation of schedule**

Parties	Commonwealth of Australia (the Commonwealth) and the State of Victoria (Victoria).
Duration	<p>This Schedule will commence as soon as it is signed by the parties.</p> <p>This Schedule is expected to expire on 31 January 2030, or upon completion of the project, including final performance reporting and processing of final payments against milestones, unless terminated earlier.</p>
Purpose	<p>This Schedule will support the delivery of the Victorian project '<i>Delivering Self-determined Aboriginal Employment Initiatives</i>' (the Project) under the Commonwealth Outcomes Fund (the Fund).</p> <p>This project will develop the capacity of Aboriginal communities across Victoria to increase employment opportunities and outcomes. The project uses an Aboriginal-led and government-enabled model, based on the principle of self-determination. The Commonwealth's financial contribution will allow Victoria and Traditional Owner groups to co-design and deliver employment initiatives.</p> <p>The project aims to:</p> <ul style="list-style-type: none"> <li>• establish locally relevant and culturally safe Aboriginal employment initiatives in up to 8 locations around Victoria, linked with the Traditional Owner Economic Hubs.</li> <li>• establish a trained and experienced workforce to support the local employment initiatives.</li> <li>• achieve economic, cultural and social employment outcomes for Aboriginal Victorians.</li> </ul> <p>The Victorian Government's Traditional Owner Economic Hubs Program is an initiative that highlights and promotes the Aboriginal economy within the regions by supporting place-based tourism, cultural and capacity building programs. Aboriginal Economic Hubs are currently operating in four locations in Bendigo, Ballarat, Morwell and Geelong, and are planned in an additional eight locations across Victoria.</p>

The Commonwealth and Victoria agree that the Project will take an outcomes-based approach to contracting. The Commonwealth and Victoria agree that a proportion of all contracts with Traditional Owner Corporations or their selected providers associated with the Traditional Owner Economic Hubs will be for outcomes-based payments.

A core principle underpinning this project is self-determination for First Nations people in Victoria. The Project recognises that Aboriginal communities are best placed to understand their local issues and develop localised solutions, leading to more nuanced approaches that better respond to the diversity of needs and priorities within the community.

Data from the 2021 Census showed that Aboriginal Victorians disproportionately experience unemployment, with an unemployment rate of 9.6%, compared to the Victorian average of 5.0%. This project will achieve outcomes in overcoming barriers to employment and broadening opportunities to support First Nations people and communities facing concentrated unemployment through inclusive employment models.

Estimated financial contributions

The Commonwealth and Victoria will each provide a total financial contribution of up to \$7.84m in respect of this Schedule, bringing the joint contribution to up to \$15.68m. The parties recognise that Victoria has already contributed \$2.64 million prior to 2023-24.

Table 1 (\$ million)	Prior to 2023-24	2024- 25	2025- 26	2026- 27	2027- 28	2028- 29	Total
Commonwealth contribution	-	0.98	2.94	1.96	0.98	0.98	Up to 7.84
Victoria's contribution to Aboriginal Economic Hubs	2.64	3.25	1.95	-	-	-	Upto 7.84
Estimated total budget	2.64	4.23	4.89	1.96	0.98	0.98	Upto 15.68

Under this Schedule, the Commonwealth and Victoria will fund distinct aspects of the Project. The Commonwealth will make payments to Victoria for the co-design and delivery of the Project. Victoria's financial contribution will fund the establishment of the additional Aboriginal Economic Hubs. The parties recognise that given the nature of the Project, and the underlying principle of self-determination, specific outcomes are yet to be designed and agreed upon. Outcomes will support the inclusion and participation of First Nations Victorians in economic activities.

	<p>The Commonwealth's funding contribution will not be reduced where the State secures funding from other activity partners. Any philanthropic contributions will go directly to Victoria or the Traditional Owner Corporations depending on the arrangement; however notification will be given to the Commonwealth in writing.</p>
Definition of Key Terms	<p>Throughout this Schedule, capitalised terms are defined to have the following meaning.</p> <p><b>"The Commonwealth Outcomes Fund"</b>  The Australian Government committed \$100 million to establish the Commonwealth Outcomes Fund (the Fund), which will operate for up to 10 years. The Fund aims to reduce disadvantage in Australia through innovation. It will improve the evidence base for social policy interventions and will grow social impact investing in Australia. The Fund provides an opportunity for innovation in both program funding and the way services are delivered.</p> <p>Projects under the Fund will adopt an outcomes-based contracting approach, where payment will be tied to clearly identified outcomes for clearly identified cohorts.</p> <p><b>"Financial Arrangements"</b>  Means the Financial Arrangements for payment on outcomes and fixed costs which will inform the milestones of Table 2 in this Schedule and will be made publicly available via <a href="http://www.federalfinancialrelations.gov.au">www.federalfinancialrelations.gov.au</a>. The Financial Arrangements will be agreed via an exchange of letters by the Commonwealth and Victoria before being made public.</p> <p><b>"The Project"</b>  Means the Self-determined Aboriginal Employment Initiatives program as described by the proposal submitted to the Commonwealth under the First Expression of Interest for the Fund.</p> <p><b>"Project Implementation Plan"</b>  Means the overarching guide to the governance and operation of <i>Delivering Self-determined Employment Initiative</i>. the Project Implementation Plan will be a living document. It can be amended, through mutual agreement by senior departmental officials of the Commonwealth and Victoria.</p>
Additional terms	<p><i>Delivery of the Project</i></p> <p>The outcomes which will be paid for are to be agreed to through the co-design process. They will then be incorporated into the Project</p>

#### Implementation Plan.

The Project Implementation Plan will be jointly designed and agreed to between the Commonwealth and Victoria. The Commonwealth will maintain an active role throughout the codesign and delivery of the Project. The Project Implementation Plan will include, among other topics, the Project governance, codesign approach, timeline and risks, and include contracted outcomes between Victoria and the participating Traditional Owner Corporations.

Commonwealth payments will be subject to milestones as set out in Table 2 of this Schedule, the Financial Arrangements and contracted outcomes in the Project Implementation Plan.

#### *Alignment with the National Agreement on Closing the Gap*

This Schedule will be delivered in accordance with the National Agreement on Closing the Gap, including:

*Priority Reform One - Formal partnerships and shared decision-making.*

#### *Evaluation*

The project will contribute to the evaluation of the Fund.

**Table 2: Performance requirements, reporting and payment summary**

Output (delete if the schedule has one output only)	Performance milestones	Due date	Payment
Project Implementation Plan	Submission of initial Project Implementation Plan, as agreed by Victoria and the Commonwealth.	01 April 2025	\$0.98m
Outcomes Framework	<p>Submission of outcomes framework as agreed between Victoria and the Commonwealth, including outcome measures, indicators and self-determination enablers.</p> <p>Submission of a reporting template, as agreed by Victoria and the Commonwealth, for future reports on deliverables, Financial Arrangements, the Project Implementation Plan and contracted outcomes between Victoria and Traditional Owner Corporations, or their selected provider.</p> <p>Both items listed need to be achieved before a payment will be made.</p>	1 September 2025	\$2.94m
Outcome based payments for achieved results and annual operational expenses.	Submission of evidence of total outcomes achieved and annual operational expenses by participating Traditional Owner Corporations or their selected provider for the period of 1 July 2025 – 30 June 2026. Outcomes will be informed by self-determined codesign process and paid according to the Financial Arrangements.	1 September 2026	Up to \$1.96m
Outcome based payments for achieved results and annual operational expenses.	Submission of evidence of total outcomes achieved and annual operational expenses by participating Traditional Owner Corporations or their selected provider for the period of 1 July 2026 – 30 June 2027. Outcomes will be informed by self-determined codesign process and paid according to the Financial Arrangements.	1 August 2027	Up to \$0.98m
Outcome based payments for achieved results and annual operational expenses.	Submission of evidence of total outcomes achieved and annual operational expenses by participating Traditional Owner Corporations or their selected provider for the period of 1 July 2027 – 30 June 2028. Outcomes will be informed by self-determined codesign process and paid according to the Financial Arrangements.	1 August 2028	Up to \$0.98m



The Parties have confirmed their commitment to this schedule as follows:

**Signed for and on behalf of the  
Commonwealth of Australia by**



**The Honourable Amanda Rishworth  
MP**

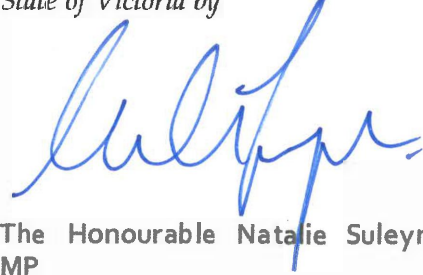
Minister for Social Services

Minister for the National Disability Insurance  
Scheme

~~[Day] [Month] [Year]~~

6/3/2025

**Signed for and on behalf of the  
State of Victoria by**



**The Honourable Natalie Suleyman  
MP**

Minister for Veterans

Minister for Small Business and Employment

Minister for Youth

05 / 05/ 2025