

Outcomes Fund Projects - South Australia

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 South Australia (South Australia)
Duration	<p>This Schedule will commence as soon as it is signed by the parties.</p> <p>This Schedule is expected to expire on 30 June 2032, or upon completion of both projects, including final performance reporting, project evaluation and processing of final payments against agreed milestones, unless terminated earlier.</p>
Purpose	<p>The purpose of this Schedule is to support the delivery of two South Australian projects under the Commonwealth Outcomes Fund; the Young Parent Program (YPP) and the Workplace program (Workplace).</p> <p>Young Parent Program (YPP)</p> <p>The YPP will be an in-person coaching program which aims to increase parenting capacity, improve children's development, improve family functioning and parental wellbeing while also creating employment pathways for participants. South Australia will enter a contract with the service provider to deliver YPP.</p> <p>Workplace</p> <p>Workplace will be the first dedicated post-release accommodation service in South Australia, addressing the key risk factors that can lead to reoffending such as homelessness and unemployment, by providing dedicated accommodation and wrap around support. South Australia will enter a contract with the service provider to deliver the Workplace.</p> <p>Both projects will be funded under the \$100 million Commonwealth Outcomes Fund, the Outcomes Fund is an initiative of the original \$199.8 million Targeting Entrenched Disadvantage Package announced in the 2023-24 Budget.</p> <p>Payments for the programs will be made based on the delivery of agreed, measurable outcomes through specific projects.</p>

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	<p>The Commonwealth and South Australia agree both projects will take an outcomes-based approach to contracting. The Commonwealth and South Australia agree that both service providers will be engaged via outcomes-based payments.</p>
Project governance	<p>Oversight of the YPP and Workplace programs will be through Joint Working Groups which includes representatives from South Australia (Department of Treasury and Finance and the relevant commissioning agency), the Commonwealth (Department of Social Services and if desired, also Department of the Treasury), and the respective service provider for each program (appointed via a contract executed by the relevant South Australian Government minister).</p> <p>A key governance document for each program will be an Operations Manual, which sets out the terms of reference for each Joint Working Group, membership, frequency of meetings, Annual Review Report, and further detail regarding the operation, measurement of outcomes, milestone reporting, calculation of Outcomes Payments and date of Return to Custody abatements (where applicable) for each program.</p> <p>The Operations Manuals will be reviewed at regular intervals by senior officials of the Commonwealth Department of Social Services and South Australian Department of Treasury and Finance and can be updated as required during the service delivery periods, following approval by the respective Joint Working Group.</p>

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Estimated financial contributions

The Commonwealth will contribute up to \$8.180 million to the projects in respect of this Schedule. South Australia will contribute up to \$8.729 million to the projects in respect of this Schedule. The maximum joint contribution will be \$16.909 million.

Both the Commonwealth and South Australian estimated financial contributions for the duration of the project are set out in Table 1 of this Schedule.

Table 1 (\$ million)	2024 -25	2025 -26	2026 -27	2027 -28	2028 -29	2029- 30	2030- 31	2031- 32	Total
Commonwealth contribution to YPP	-	0.050	0.178	0.496	0.635	0.036	0.036	-	Up to \$1.430
Commonwealth contribution to Workplace	0.750	1.482	1.116	1.350	1.350	0.234	0.234	0.233	Up to \$6.750
Total Commonwealth contribution	0.750	1.532	1.294	1.846	1.985	0.270	0.270	0.233	Up to \$8.180
South Australian contribution to YPP	0.310	0.420	0.350	0.176	0.103	0.036	0.036	-	Up to \$1.430
South Australian contribution to Workplace	1.592 ¹	0.86	1.226	1.460	1.460	0.235	0.235	0.235	Up to \$7.299
Total South Australian contribution	1.902	1.28	1.576	1.636	1.563	0.270	0.270	0.235	Up to \$8.729
Estimated total budget	2.652	2.812	2.87	3.482	3.548	0.540	0.540	0.470	Up to \$16.909

Payments to the service provider for both programs consist of fixed Standing Charge payments and variable Outcomes Payments (which are determined based on the level of outcomes achieved as measured by the South Australian Government).

For YPP, the value of Outcomes Payments represents up to 10% of the total contract value. Commonwealth payments to South Australia reflect 50% of the Standing Charge and 50% of the Outcomes Payments.

For Workplace, the value of Outcomes Payments represents up to 16.7% of the total contract value. Commonwealth Payments to South Australia reflect 47.7% of the Standing Charge and 50% of the Outcomes Payments. The Commonwealth's funding contribution will not be reduced where South Australia secures funding from other activity partners.

¹ Figures for South Australian financial contribution in Table 1 are as supplied by South Australia.

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	<p>Any philanthropic contributions will go directly to South Australia or relevant service provider and notification will be given to the Commonwealth in writing.</p>
<p>Program termination</p>	<p>In the event that either the YPP or the Workplace Deed or Service Contract are being terminated, the parties agree to renegotiate a variation of this Schedule, incorporating revised calculations for all Milestone Payments that due on the termination date. The Commonwealth notes that South Australia will retain discrete termination provisions in YPP and Workplace Deeds.</p> <p>In the event that South Australia and either service provider enters into negotiations that may lead to the termination or amendment of either Deed, South Australia will inform the Commonwealth in writing about the progress of those negotiations.</p> <p>The Commonwealth will not make any subsequent payments including termination break costs. The Commonwealth will not seek to recover any fixed payments made before the termination date.</p> <p>This Schedule may be terminated by agreement in writing by both parties. This Schedule may only be amended in writing, signed by both parties.</p>

<p>Definition of Key Terms</p>	<p>Throughout this Schedule, capitalised terms are defined to have the following meaning:</p> <p>“Annual Review Report”</p> <p>The Annual Review will include a report of outcomes (or progress towards outcomes), details of the Outcomes Measurement process, a review of the Operations Manual, and other matters that relate to the operation of this Schedule. Details of the Annual Review for Workplace and YPP, including reporting requirements and the template of the report will be outlined in the Operations Manual.</p> <p>“Outcomes”</p> <p>The agreed outcomes for each program are set out below, and will be measured at a date prescribed in the Operations Manual:</p> <p>“Workplace Program”</p> <ul style="list-style-type: none"> • <i>Reducing Recidivism</i> Refers to Service Consumers of Workplace that remain out of custody on the date 12 months after commencement on Workplace. • <i>Closing the Gap</i> Refers to Aboriginal Service Consumers of Workplace that remain out of custody on the date that is 12 months after commencement on Workplace. • <i>Improving Reintegration Outcomes</i> Refers to Service Consumers of Workplace that sustain a non-government housing tenancy throughout the period after exiting the residential component of Workplace for at least 6 months. • <i>Employment</i> Refers to Service Consumers of Workplace that obtained and sustained employment for at least 12 weeks in the 12-month period after exiting the residential component of Workplace. • <i>Transition to Community</i> Refers to Service Consumers of Workplace that exit the residential component of the program less than 8 weeks after commencement on the program, where that exit is to long term community-based accommodation with tenancy sustained throughout a continuous period of 6 months after exiting the residential component. • <i>Return to Custody</i>
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This is an abatement with a value of \$1500 for each Workplace Service Consumer that returns to custody between days 15 and 60 of commencement on the Workplace Program. The \$1500 is a per capita reduction in Outcome Payments paid to the service provider. The Commonwealth share of that reduction is \$750 per capita.

“Young Parent Program”

- ***Increase in parental wellbeing***

Refers to Service Consumers of YPP that experience an increase in Personal Wellbeing Index subjective wellbeing, measured in accordance with the Operations Manual.

- ***Reduction in Key Risk Factors***

Refers to a reduction in Key Risk Factors for young parents during the duration of participation in the program, measured in accordance with the Operations Manual.

- ***Reduction in Repeat Child Protection Notifications***

Refers to a reduction in the proportion of children of YPP Service Consumers that experience repeat child protection notifications, as determined in accordance with the Operations Manual.

- ***Reduction in Mother ED Presentations***

Refers to the reduction in the proportion of YPP Service Consumers that experience presentation/s to a hospital emergency department, as defined in the Operations Manual.

“Outcomes Measurement”

Outcomes Measurement means the annual measurement of outcomes for either the Workplace or YPP and will be managed by South Australia.

Note that the Commonwealth and South Australia agree that service providers retain service delivery autonomy to achieve Outcomes of the Workplace and YPP. Autonomy means the right to adjust service inputs to achieve the Outcomes described in this Schedule.

“Outcomes Payment”

Outcomes Payments are variable value payments made by the Commonwealth to South Australia in respect of Outcomes achieved in the Workplace and/or YPP. The Commonwealth and South Australia agree to contribute equal funding to Outcomes Payments under both projects.

Further description of outcome payments for both Workplace and YPP will be outlined in the Operations Manuals.

	<p>“Standing Charge”</p> <p>The Standing Charge is a fixed value payment made by the Commonwealth to South Australia in respect of Workplace and YPP.</p> <p>Further description of Standing Charges for both Workplace and YPP will be outlined in relevant Deed or service contract.</p>
<p>Application of Australian Privacy Principles</p>	<p>South Australia will ensure that all personal information collected from service consumers in the course of the Young Parent and the Workplace Programs adheres to Australian Privacy Principles (APPs) established under The Privacy Act 1988.</p> <p>In the event that a specifically South Australian privacy governance arrangement in place, or an exemption to the APP has been granted, South Australia will provide the Commonwealth with all relevant information.</p>
<p>Evaluation</p>	<p>Both governments agree that information about the process, impact, and outcomes of the YPP and Workplace Program will contribute to the evaluation of the Outcomes Fund.</p>

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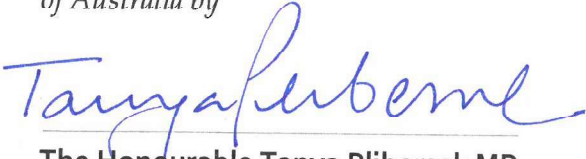
Table 2: Performance requirements, reporting and payment summary - Young Parent Program			
Output	Performance milestones	Report due	Payment
Standing charge payment for operation of service and support for clients in the Workplace Program*	Service Delivery Report, Invoice and Operations Manual	15/04/2026	\$50,000
	Service Delivery Report and Invoice	15/04/2027	\$178,000
	Service Delivery Report and Invoice	15/04/2028	\$460,000
	Service Delivery Report and Invoice	15/04/2029	\$599,000
Annual Review Report to include evidence for outcome payment broken down by Outcome	Increase in parental wellbeing and parental efficacy	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031	Up to \$8,938, Up to \$8,938, Up to \$8,938, Up to \$8,938
	Reduction in Key Risk Factors	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031	Up to \$8,938, Up to \$8,938, Up to \$8,938, Up to \$8,938
	Reduction in Repeat Child Protection Notifications	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031	Up to \$8,938, Up to \$8,938, Up to \$8,938, Up to \$8,938
	Reduction in Parental ED Presentations	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031	Up to \$8,938, Up to \$8,938, Up to \$8,938, Up to \$8,938

TABLE 3: Performance requirements, reporting and payment summary - Workplace			
Output	Performance milestones	Report due	Payment
Standing charge payment for operation of service and support for clients in the Workplace Program	Submission of agreed Operations Manual	15/04/2025	\$750,000
	Submission of Annual Review Report and Invoice	15/04/2026	\$1,481,729
		15/04/2027, 15/04/2028, 15/04/2029	\$1,115,865
Annual Review Report to include evidence for outcome payment broken down by Outcome	Reducing Recidivism	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031, 15/4/2032	Up to \$93,654, Up to \$93,654, Up to \$93,626, Up to \$93,626, Up to \$93,426
	Closing the Gap	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031, 15/4/2032	Up to \$46,828, Up to \$46,828, Up to \$46,800, Up to \$46,800, Up to \$46,600
	Improving Reintegration Outcomes	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031, 15/4/2032	Up to \$46,828, Up to \$46,828, Up to \$46,800, Up to \$46,800, Up to \$46,600
	Employment	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031, 15/4/2032	Up to \$23,414, Up to \$23,414, Up to \$23,386, Up to \$23,386, Up to \$23,186
	Transition to Community	15/04/2028, 15/04/2029, 15/04/2030, 15/04/2031, 15/4/2032	Up to \$23,414, Up to \$23,414, Up to \$23,386, Up to \$23,386, Up to \$23,186

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

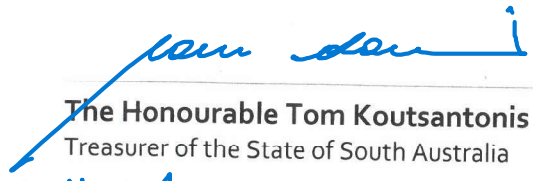
Signed for and on behalf of the Commonwealth
of Australia by



The Honourable Tanya Plibersek MP
The Minister for Social Services

28 / 5 / 2026

Signed for and on behalf of the
State of South Australia by



The Honourable Tom Koutsantonis MP
Treasurer of the State of South Australia

11 / 6 / 2026