

WACOSS Submission - DCSP Policy Review

WACOSS welcomes the opportunity to provide feedback on the DCSP policy update and to continue to contribute to the development, interpretation and implementation of the policy with our members.

In doing so we acknowledge the core driver for the policy and the partnership relationship between the public and community sectors it embodies is the delivery of better outcomes for the WA community, particularly its most vulnerable citizens. This needs to remain our touchstone throughout considerations and our ultimate test of the policy's success.

WACOSS acknowledges the contributions and support of our members and the WA Peaks Forum, who have shared their thoughts and concerns and contributed their analysis, in response to our consultations and calls for input. In particular we note substantial contributions from WAAMH, CoMHWA, AnglicareWA and CEWA, as well as informative comments from PlayGroups WA and GoodStart and others.

We note that there has been clear and consistent comments from stakeholders on a number of key topics, that both reflect and acknowledge the progress that has been made in developing the policy, but also point quite clearly to where there is need and aspiration for it to be clearer, stronger and more effective.

These include:

The commitment to **co-design**, along with the need for clearer principles and guidelines around its implementation, particularly when it comes to genuine and meaningful **service user** engagement. There is a strong sentiment that this should be an expected and regular part of service design supported by clear guidelines and standards, not simply an optional extra.

The critical role of effective and consistent policy **implementation** in delivering better processes, services and outcomes, particularly in relation to mechanisms for **compliance**, and independent complaints or appeals. The FACS unit has the capacity to play a stronger role, but the policy needs to be more explicit about compliance mechanisms.

Effective and meaningful **outcomes** frameworks, reporting and outcome based contracting is seen as a critical component of the policy – one that has the greatest capacity to drive much more effective services and services systems to deliver more meaningful and sustainable community outcomes, but has yet to be addressed and resourced in a systematic and effective manner. Community sector **capacity** and expertise in relation to outcomes measurement and reporting is a critical element.

The promise and commitment to **red-tape reduction** in contracting and reporting is felt to have been neglected, and there may be low hanging fruit in relation to providing better guidance and advice to Departments clarifying the difference between outputs and outcomes. In particular there has been a missed opportunity to **co-design contract outcomes** once grants or tenders have been awarded.

Implementation of the election commitment of WA Labor via the *Supporting Communities Policy* to develop, trial and implement more **collaborative procurement processes** in partnership with the community services sector in the DCSP policy.

Completing the loop between program and service system co-design and **co-evaluation**, noting that the feedback loop from the previous DCSP *Policy Flow Diagram* seems to be missing. There have been some efforts to build in **data and analysis** on service need and previous service evaluations into co-design processes, but this is by no means explicit in the policy or supported by principles, guidelines or advice.

The emphasis on the range of **different procurement options** is welcome and it is likely that some guidance and principles about the circumstances under which different options and approaches are relevant, and how they may add value is likely to be very helpful.

The section on **integrated services** is also welcome and highlights another area where there are significant opportunities for more efficient and effective services and service systems, together with more meaningful and sustained community outcomes. More guidance is likely to be needed in this area in the future, particularly in relation to mechanisms and processes for **cross-government procurement** involving multiple public sector agencies and programs.

WACOSS has also provided some specific editorial comments using the DCSP Feedback Form and table provided by the FACS unit.

Co-design

The policy would benefit from a clearer and more robust definition and understanding of co-design, as in places it appears to conflate co-design with consultation and engagement processes (eg Behaviours Section p6).

Co-design should be defined as a robust and genuine partnership between government, community service providers, and service users from the beginning of the planning and design process that emphasizes the importance of recognizing and sharing power and control in decision making.

Inclusion of co-production principles of equality, diversity and accessibility, reciprocity and mutuality is important. Co-production processes can deliver transformative outcomes for individuals, increase the capacity of services and deliver greater economic value for service users and the public purse where they are genuine and properly resourced.

The DCSP is inconsistent in its commitment to co-design - while the Policy Statement includes co-design as a requirement, and the Principles include a commitment to empower service users in planning, co-design and delivery, the Planning Section p9-11 suggests it should be undertaken with service users 'where practical'.

WACOSS believes that there should be clearer directions and guidelines about both what constitutes co-design and the threshold for which it should be a requirement. We acknowledge there may be circumstances under which we may not have the need or capacity to co-design every procurement process (such as the renewal of ongoing services where the service model has been evaluated and is considered robust and still appropriate, or in relation to one-off, short-term or small-scale projects and grants). However, if the policy is making a genuine commitment to co-design it needs to be clearer about its expectations or requirements to avoid confusion, disappointment, wasted effort and partners working at cross purposes.

The Stakeholder Engagement Section p10 is comparatively weak in this regard and provides no guidance nor reference to standards or guidelines. We note that there was a process underway through the

Partnership Forum (via the Co-design Working Group) to oversee and endorse a Co-design Toolkit. WACOSS was resourced via a Department of Finance Capacity Building Grant to facilitate input from the community services sector to develop these resources, however the change of Government and associated suspension of the forum meant that this process was never finalized and there has been no formal recognition or adoption of the toolkit.

We believe there is an opportunity for the Supporting Communities Forum (via one of its working groups) to review the Co-design Toolkit with a view to agreeing principles, guidelines and standards for co-design processes under the DCSP.

We also note the opportunity to drive better service outcomes and implementation by including a co-design and mutual agreement of service outcomes phase once tenders or have been awarded or providers otherwise selected. We recommend review of the model and processes used by the New Zealand Government for the co-design of outcome-based contracts.

Procurement Options

The reframing of the policy such that open tender is not the default or preferred option is welcomed by the community service sector, who welcome the opportunity to explore more collaborative and integrated approaches and improve longer-term certainty for the delivery of ongoing services where they are efficient and effective. Highlighting the discretion of funding agencies to choose different procurement options does raise the question of accountability and transparency for how they use their discretionary powers. It would be helpful both to provide some principles and guidelines relating to where different models are more appropriate and effective, and to have some accountability requirement for funding agencies to account for their process and reasoning behind such decisions. We believe this would ensure more transparent and consistent decision making, highlight best practice within government, and contribute to a culture of thoughtful and strategic procurement.

Compliance

There appears to be strong agreement across community sector stakeholders of the need for some form of whole-of-government procurement oversight, compliance and appeals mechanism. This applies equally to the initial procurement process and service agreement as well as to ongoing contract management processes. There is a recognition that the FACS unit has responded on occasions to approaches from the sector (often mediated by the peaks) to provide support and advice or to intercede where there have been significant problems and concerns identified with procurement processes and contracts. While this has been greatly appreciated, there remains a concern these processes remain *ad hoc* and there are many circumstances where service providers have had unsatisfactory engagement with contracting agencies with no recourse to appeal or seek independent intervention or advice.

The sector believes policy compliance questions need to have somewhere they can be independently tested and reviewed so that a constructive course of action can be determined and directed. It is preferable if this can be done in a simple and non-confrontational manner that facilitates a fair and speedy resolution.

Contracting Concerns

Below is a list of contract management concerns compiled from our sector consultations:

Extension of contracts

- We frequently do not know if contracts are going to be extended, despite regularly contacting the funders asking for clarification. We may be provided with a verbal comment, but this means we cannot confirm the contract will be extended until we receive actual written confirmation for staff. This means that there is uncertainty about continuity of employment which impacts staff well-being. Staff begin to look for employment elsewhere, resulting in gaps in service delivery (which cannot be filled with until the contract is officially extended. This impacts on the continuity of care for clients and the ability to deliver meaningful and sustained outcomes.
- Year-by-year contract extensions create a range of problems. This includes ongoing staff uncertainty; lack of longer term planning and commitment; lack of opportunity to evaluate, redesign or improve service models; lack of opportunity for more permanent roles, staff training and capacity building; lack of service sustainability (when there is no opportunity to renegotiate pricing and service levels to meet changing costs); loss of capacity, expertise and corporate knowledge.

Service agreements

- While there is a policy focus on the delivery of outcomes, many service agreement specifications are not able to make the distinction between outputs and outcomes.
- It would be good if the department could review how NZ is co-designing outcomes based service agreements with service providers. This ensures that each party agreed to the deliverables of the service agreements, with a focus on agreed outcomes.
- Once a grant has been awarded there should be a contract set up meeting that co designs the service agreement to ensure all parties are clear on the T & C and outcomes of the contract.
- Need to reduce the red tape in state-funded programs. By comparison, our federal contracts require significantly less reporting and the reports are streamlined. The state funded contracts are administratively heavy and the provision of six monthly progress reports means that staff are focused on compiling reports, rather than on delivering services to clients.
- New service agreements need to clearly specify the funding awarded, services and outcomes to be delivered when this differs in any way from the initial service proposal or tender response.
- When tenders are awarded and service agreements sent by a department, the agreement should have all have relevant documents attached to the email. All too often we are awarded a contract that makes reference to particular specifications and addendums that form part of the service agreement, that are not included in the email.

Data Collection and Standards

- Reduce the amount of data collected to avoid discrepancies in progress reports
- Have one data system across community services, not multiple systems that cannot talk to each other
- Provide a data dictionary that drives consistent and commensurate data collection. Service agreements often have activities with multiple definitions of what they mean (e.g a new client means different things in different programs).

- Develop a set of common standards for all contracts to avoid the complexity of having to ensure multiple programs meet multiple different sets of standards.
- There needs to be recognition that as the data systems and data collection become more complex frontline staff will need support and training. Data collection needs to add real value to service user outcomes to justify the additional time taken away from delivering frontline support.
- There needs to be funding allocated in service agreements for back end support and recognition of the upfront cost of IT systems to effectively report outcomes (or to engage and support service users online).
- The collection, storage, reporting and analysis of outcomes data requires a level of expertise that is may be beyond the practitioners involved in face to face work.
- We need to address client concerns about data collection and sharing and ensure they can provide informed consent and are empowered to make decisions to share their data to support and enable more effective service referrals and the provision of integrated services and support.