Welcome!

Welcome to the August edition of the Funding and Contracting Services (FaCS) Bulletin!

This edition includes exciting updates on the work that FaCS is currently doing to implement the Supporting Communities Election Commitments. We also provide an overview of some of the work other organisations have been doing recently in the community services space. We provide clarity regarding the Equal Remuneration Order and the Indexation Policy, and share some tips for completing this year’s Annual Information Statement Process.

If you have any comments or would like to suggest future topics for the Bulletin, please contact fundingandcontracting@finance.wa.gov.au. All suggestions are welcome!

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Supporting Communities Election Commitments

One of the election pledges of the Western Australian Labor Government was to deliver better services to those in need through its Supporting Communities commitments.

The Supporting Communities commitments cover four key areas:

- Break Down Barriers: developing the relationship between state government and the community services sector;
- Improve Procurement Processes: undertaking a review of the Delivering Community Services in Partnership (DCSP) Policy and building on the 2011 funding and contracting reforms;
- Measure Outcomes: improving the use of outcomes and outcomes measurement for service agreements and researching the feasibility of a whole of government outcomes framework; and
- Our Communities Report: producing a biennial report on government funded community services in Western Australia.

The Funding and Contracting Services (FaCS) team will be responsible for a number of projects arising from the Supporting Communities commitments, including the review and update of the DCSP Policy. FaCS will be undertaking comprehensive stakeholder engagement with the government and not-for-profit sectors to discuss and seek feedback on all proposed amendments to the Policy. More information about the review will be provided soon.

FaCS will provide more information about progress on the Supporting Communities commitments in future issues of the Bulletin.
Updates to the Annual Information Statement Process

The Australian Charities and Not-for-profits Commission (ACNC) has recently launched the 2017 Annual Information Statement (AIS) process. This year several improvements have been made to the process, making it quicker and easier for charities and not-for-profits (NFPs) to complete their AIS.

All Australian charities and NFPs have an ongoing obligation to report annually to the ACNC, and filling out the AIS is a key component of this obligation. The AIS ensures that the ACNC has information on charities and not-for-profits, including activities undertaken, human resources and finances.

This year, the ACNC has focussed on refreshing the AIS process to make it simple and fast for organisations to complete. Some improvements are as follows:

- Introduction of an AIS hub as a one-stop-shop for guidance and support;
- Re-designed AIS Guide, structured into short sections that directly correspond to the AIS form;
- Improved AIS form, including expanded ‘help’ text with direct links to relevant sections of the AIS Guide, easier-to-understand questions, and a new ‘preview’ function for checking responses prior to submission; and
- Updated AIS checklist, providing a great reference points for charities and NFPs as they complete the AIS.

For an overview of the AIS process and information on complying with reporting obligations to the ACNC, read the About the Annual Information Statement section of the ACNC website.

WACOSS’ Co-Design Took-Kit

Peak body organisation Western Australian Council of Social Service (WACOSS) has recently launched a Co-Design Toolkit (the Toolkit) that aims to assist government agencies, service providers and service users to design community services in partnership. The Toolkit has been developed using a Capacity Building Grant from FaCS, and is an example of the outcomes that the FaCS Capacity Building Grant scheme can produce.

‘Co-Design’ is defined by WACOSS as ‘collaboratively designing services with service-users, service-deliverers and service-procurers’, with ‘service procurers’ usually being government agencies. In recognising that the best outcomes for service users are often achieved when these parties work closely together to design services, co-design promotes the founding principle of the DCSP Policy: improving outcomes for Western Australians through a genuine partnership between government agencies and the Not-for-profit sector in the funding and contracting of community services.

WACOSS’ Co-Design Toolkit acknowledges that there is no one-size-fits-all in the approach to co-design, and therefore the intention of the toolkit is to provide the community services sector with a shared understanding and expectations regarding what co-design is, how it can happen and who should be involved. The Toolkit comprises a range of ‘pull-out’ documents, each with a different focus. These are suitable tools to have on-hand throughout a co-design process, for tips and guidance. For example, the ‘Definitions and Principles Tool’ can be used at any time during a co-design process to ensure that all parties have a shared understanding of the definitions and principles guiding the co-design. The ‘Government Preparation Tool’ and separate ‘Community Sector Preparation Tool’ can be used by the respective parties to prepare for the engagement process. There is also a ‘Tips for Successful Co-Design workshops’; workshops are a commonly used method for bringing stakeholders together to co-design.

WACOSS’ Co-Design toolkit can be accessed on the WACOSS website. For further guidance on stakeholder engagement in the funding and contracting of community services, please also see FaCS’ Stakeholder Engagement Guidelines.
Equal Remuneration Order in Community Services Tenders

The Equal Remuneration Order (ERO) came into effect on 1 July 2012 for all Australian employees in the Social, Community and Disability Services Industry. The ERO applies to the Social and Community Services (SACS) Award and requires wage increases of between 23 and 45 per cent over an eight year period until December 2020, when the full award rates will apply.

The ERO covers:
- Employers throughout Australia in the Social, Community and Disability Services Industry and their employees in the classifications listed in Schedules B and C of the Award; and
- Any employer that supplies labour on an on-hire basis in the Social, Community and Disability Services Industry in respect of on-hire employees in classifications covered by Schedules B and C of the Award and those on-hire employees while engaged in the performance of work for a business in that industry.

Service providers responding to Requests need to include all legal obligations to any employees under the SACS Award, as per clauses 14.3 and 16.1 of the General Provisions for the Purchase of Community Services by Public Authorities, and ensure that these costs are factored into service delivery costing and tender pricing.

The Community Services Request template includes a reminder to Respondents in the Price Schedule section of the template to factor in compliance with all laws and awards, which includes the ERO. Agencies should also consider the ERO when conducting due diligence on tenders received for community services requests.

Report—Outcomes Measurement in the Community Sector

Recently the FaCS team attended a presentation on Outcomes Measurement in the Community Sector, presented by the Bankwest Foundation in collaboration with the University of Western Australia - Centre for Social Impact (CSI). This presentation was part of the Social Impact Festival.

The presentation discussed the findings of a report into outcomes measurement in the community sector, with the report’s findings based on the Outcomes Measurement in the Western Australian Community Sector Survey carried out earlier this year. The 2017 survey is the second of its kind to be carried out by the CSI, meaning comparisons were able to be drawn between this year’s findings and the 2016 survey findings. This has enabled the CSI to track progress on outcomes measurement over time.

This year’s survey was issued to all not-for-profit (NFP) organisations in Western Australia, ensuring that every NFP was able to have their say if they wished. Responses were received from a wide range of organisations, resulting in a sample that included organisations of varying sizes, sectors and regions of operation.

The report established that in the past year the NFP sector has experienced:
- increased effort towards outcomes measurement;
- increased use of tools for outcomes measurement; and
- decreased perceived barriers to outcomes measurement.

Improving the measurement of outcomes continues to be a hot topic and FaCS anticipates an increased focus on this topic over the following year.

If you would like to review the report yourself, please head to the Centre for Social Impact website.
Indexation Policy

The Western Australian Government Indexation Policy for the Non-Government Human Services Sector (Indexation Policy) states that indexation will be applied to service agreement prices (or unit prices in a pricing framework or other mechanism to facilitate individualised funding arrangements) annually on 1 July each year.

Indexation is applied to service agreement prices after the first year of the service agreement term. This means that for service agreements commencing on 1 July, indexation is not applicable to the service agreement price until 1 July of the following year. Service agreements that commence on 1 October have indexation applied from 1 October the following year. Similarly, prices for service agreements that commence on 1 January or 1 April are indexed from 1 January and 1 April respectively.

The indexation rate applicable to each scenario is the most recent rate at 1 July. This is illustrated in the table below.

<table>
<thead>
<tr>
<th>Commencement Date</th>
<th>Date indexation applicable</th>
<th>Indexation rate applicable</th>
<th>Period indexation applicable</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 July 2017</td>
<td>1 July 2018</td>
<td>1 July 2018</td>
<td>12 months</td>
</tr>
<tr>
<td>1 October 2017</td>
<td>1 October 2018</td>
<td>1 July 2018</td>
<td>9 months</td>
</tr>
<tr>
<td>1 January 2018</td>
<td>1 January 2019</td>
<td>1 July 2018</td>
<td>6 months</td>
</tr>
<tr>
<td>1 April 2018</td>
<td>1 April 2019</td>
<td>1 July 2018</td>
<td>3 months</td>
</tr>
</tbody>
</table>

Payment of the indexed service agreement price can be made according to the Service Payment Schedule in the service agreement. The Service Payment Schedule may state that the agency will pay indexation on the date that indexation becomes applicable, as outlined in the table above, or alternatively the agency may apply their own methodology and pay indexation at an earlier date. In the latter case, it is important to ensure that the agency uses the correct indexation rate as per the Indexation Policy and the Service Payment Variation clause in the service agreement.

The Indexation Policy, a Fact Sheet and FAQs can be found at Policies. For enquiries about the Indexation Policy contact FaCS.

Education and Training Update

Below are the upcoming FaCS workshops for 2017. Places fill up quickly, so make sure you register now to secure your spot!

What is a Community Services Request? ......................Wednesday 13 September 2017
Introduction to Service Agreement Management ...............Thursday 2 November 2017
Costing and Pricing...........................................................Tuesday 21 November 2017

While all workshops are open to both Government and the NFP sector, please check the website for more specific information.

To book a place at one of our workshops, click on the workshop name or visit our Workshops and Events website.

If you have any questions about FaCS Education and Training, email proceducation@finance.wa.gov.au or phone (08) 6551 1363.
The past few months have seen the FaCS team busy progressing several projects that have stemmed from the Supporting Communities election commitments. Consultation regarding some of these projects has commenced, so you may be hearing from members of the FaCS team soon.

The FaCS team has recently had a few staff changes, with Steven Hill heading over to Government Procurement’s Agency Procurement Services team for six weeks, to help out while some of their leadership team are away and to gain an insight into the commercial side of procurement. The FaCS team has also welcomed back Jennifer Dass from maternity leave. Jen has quickly got to grips with some exciting Supporting Communities projects to work on!

And lastly a bit of an update on the horse front. As some of you are aware three months ago I had the worst fall I have ever had off a horse, which resulted in a short stay in the state trauma unit at RPH. I have never broken a bone before so it was a massive set-back as it turns out you can't keep riding when you are broken, no matter how much you want to. In fact you can't do much at all.

A couple of weeks ago I overcame that little hurdle by not only getting back ‘on the horse’, but also getting ‘back on the course’. Yep, I went back to the exact scene and tackled the cross-country track at the Wooroloo International Three Day event. It’s fair to say that I played it safe and clocked up a heap of time as the mare was slip-sliding on the wet hills and I wanted to ensure we both came home happy and safe. But that’s what we did; my fall is now a distant memory and we are back in the game.

I have some amazing people around me that support me to chase my dreams and I couldn’t have got through the last three months without them.

Life doesn’t always go to plan; it’s not about the hard times, it’s about what you do next.

This was my next....