Welcome!

Welcome to this Special Edition of the FaCS Bulletin!

In this issue we provide the indexation rate for the 2017-18 financial year. We also provide an in depth case study into the recent procurement process for Youth Justice Services where the Aboriginal Youth Services Investment Priorities and Principles (IPP) applied. As this was the first process where the IPP applied, the case study contains some great learnings.

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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Indexation for the 2017-18 Financial Year

Under the Non-Government Human Services Sector Indexation Policy, indexation is applied to eligible service agreements on 1 July each year. From 1 July 2017 an indexation rate of 0.83% applies to all eligible new and existing service agreements.

Government agencies with service agreements longer than one year will be required to review and potentially adjust the indexation payments to service providers based on the rate applicable at 1 July 2017.

The indexation rate is based on actual annual average growth in the Wage Price Index and the Consumer Price Index for the March quarter released by the Australian Bureau of Statistics. Indexation for service agreements will transition to 100% of the CPI by the 2018-19 financial year.

If you have any questions regarding the calculation of the indexation rate of 0.83% please contact Kylie Dalling or Michael Andrews at the Department of Treasury.

If you have any questions regarding the application of the Indexation Policy to service agreements please contact FaCS.
Youth Justice Services Case Study

In May 2016, the Department of Corrective Services advertised a Request for Youth Justice Services to provide services for young people in contact with the justice system. As there is an over representation of Aboriginal young people in the youth justice system, the Aboriginal Youth Services Investment Priorities and Principles (IPP) applied.

This Request for Youth Justice Services was the first significant procurement process to incorporate the IPP. Three key learnings were identified from the process:

- Allow more time at the beginning: Where partnerships or consortia may be formed it is important to provide ample time for service providers to collaborate and build relationships.
- Recognise there will be complexities: The development of business relationships between service providers is complex and takes time, so ensure sufficient time is provided in the timeline.
- Allow more time for transition in: As there are new consortia and partnerships that have formed as part of this process, transition in will be more complex than in a process where only one service provider is transitioning in. Government should be open to providing support at this stage to ensure a positive start.

To assist any further processes to which the IPP apply, a case study has been developed to outline the process and to identify the successes and challenges that came from the process. The case study is attached to this Bulletin.

If you have any questions regarding the attached case study or the IPP please contact FaCS.

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For more information please visit the Department of Finance website.
For general enquiries, phone (08) 6551 1515 or email FaCS.

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Introduction

The Department of Corrective Services’ Youth Justice Services (YJS) Division is responsible for the safety, security and rehabilitation of young people in custody and those engaged in services in the community. The core objective is to reduce re-offending among young people through:

- services to divert young people away from the criminal justice system;
- programs and services for young people on orders in the community; and
- programs and services for young people in custody.

In May 2016, the Department of Corrective Services (the Department) advertised a Request for Youth Justice Services to provide services for young people in contact with the justice system, many of whom have experienced multiple and complex factors such as drug and alcohol use, violence, family and community violence, mental health issues, disengagement from education, alienation, disadvantage and poverty. As there is an over representation of Aboriginal young people in the youth justice system, the Aboriginal Youth Services Investment Priorities and Principles (IPP) applied. The IPP outline how State Government agencies and Not-for-profit (NFP) service providers delivering services and programs to targeted Aboriginal youth (where at least 50% of clients are Aboriginal people with a cohort between 8 and 24 years) should prioritise investment in programs and services that demonstrate principles that include partnerships, collaboration and sustainability that support a diversified range of service providers to improve outcomes.

The Department’s Request for Youth Justice Services was the first significant procurement process to incorporate the IPP. As such this case study provides guidance on the application of the IPP and achievement of a diverse mix of service providers in each region delivering a full range of services to young people many of whom have multiple and complex needs.

The Program

The Department worked with WACOSS and YACWA and consulted with the community services sector to develop the Youth Justice Services Program Delivery Guidelines. The Guidelines provided an outline of the services required across Western Australia in the following five program areas specifically tailored to target the individual needs of young people in the justice system to achieve a reduction in re-offending rates:

1. Rehabilitation (criminogenic);
2. Emotional wellbeing (social, family and community);
3. Education, training and employment;
4. Life skills, health and development; and
5. Bail services.
The client group was young people aged 10 – 18 years who are in contact with the youth justice system.

An important element of the program was providing throughcare as young people move from custody into the community to ensure continuity of care. Throughcare also includes transitioning young people from one service provider to another which requires the full cooperation of all parties and the exchange of information to ensure a seamless transition with minimal disruption to the young person and their family.

The Department worked closely with FaCS and following extensive workshops with the community services sector, including issue of a Draft Request for Comment, the Department advertised a Request focussing on the procurement of outcomes to encourage innovation and creative solutions to address the needs of young people. Feedback from the community services sector had identified that cultural competence and collaboration between service providers is essential to achieve outcomes for Aboriginal young people. In line with the IPP, the Request encouraged a diverse mix of service providers, fostering partnerships, collaborative approaches, consortium and lead organisation with sub-contracting arrangements. Respondents were also required to demonstrate the cultural competence of their proposed services relevant to Aboriginal and Culturally and Linguistically Diverse young people.

The total value of the procurement was $32 million.

After a comprehensive evaluation process and negotiations, service agreements were awarded to eight consortia (collaborative arrangements), three covering the five programs in the metropolitan area and one each in the East Kimberley, West Kimberley, Pilbara, Midwest/Gascoyne and Goldfields regions. The eight consortia comprised 19 service providers including nine Aboriginal organisations. This is a significant increase in Aboriginal organisation engagement and represents greater choice, flexibility and improved outcomes for service users. Services commenced on 1 January 2017.

**Successes and Challenges**

Successes included:

- Development of the Youth Justice Services Program Delivery Guidelines which provide a clear framework for the procurement of services to work with young people in contact with the justice system.

- Extensive consultation and stakeholder engagement with the community services sector including three consultation and engagement workshops and a Draft Request for Comment issued to the sector for feedback prior to advertising which informed the final Request.

- Working closely with FaCS from development of the Request to evaluation of the Offers.

- Well-developed Offers clearly articulated the collaborative arrangement, how individual service providers would operate and how service providers would collaborate to deliver services.
Incorporating the State Government-endorsed minimum three months’ notice period to incumbent service providers once the government agency makes its decision regarding funding provided additional time for DCS to finalise negotiations. This notice period provides NFP service providers sufficient time to wind up operations, manage any human resources issues and work with service users.

The number and range of service providers combining to form collaborative arrangements offers service users with multiple and complex needs better targeted services with improved scope for tailored approaches and improved outcomes.

Increased engagement with Aboriginal organisations.

Challenges

The challenges encountered included:

Where service providers enter into a collaborative arrangement for the purpose of submitting an Offer to a Request, considering whether the proposed service model is an integrated and interdependent service model, that is, the service model comprises all programs and associated service provider(s) in that service model with a combined price, or whether the service model can be separated into programs with each program's associated service provider(s) and price. While a Request may prompt consideration of both options, discussing these (and any other) options during development of an Offer will assist in improving collaboration and understanding amongst service providers.

Recognition that consortia responses add to the workload, cost and time required by Not-for-profits to submit a suitable offer.

While tendering all five programs together was the most efficient approach, evaluating five complex programs across six regions was a challenging task involving a large number of resources.

Negotiations with preferred respondents were required to finalise award of service agreements in four regions.

Post award consideration that consortia arrangements may require additional support from the government agencies to ensure a smooth transition in stage.

A Consortium Perspective

Centrecare Incorporated (Centrecare) led a consortium that was successful in winning the rehabilitation and emotional wellbeing for the metropolitan area including being based at Banksia Hill Detention Centre. Collaborating with the Aboriginal Alcohol and Drug Service (AADS) and Unitingcare West was a first time and very positive for Centrecare. Five months into delivering the services the consortium is a fully integrated model with each organisation contributing to build the capacity of the consortium.

Key success factors for the consortium include:

Strong partnership with each agency involving two hubs one at AADS in East Perth and one at Centrecare Gosnells;

Team Leader employed by Centrecare supported and overseeing all staff at both hubs regardless of who their employer is;
Adaptability of the organisations and their willingness to collaborate;

Unique name to demonstrate consortium Beyond YJS and adoption of the joint letterhead including email addresses;

Strong working relationship with the DCS YJS team;

Establishing a governance group with senior members from each organisation;

Developing common client recording systems and processes;

Sharing resources such as office space, training and intellectual property;

Determining and communicating boundaries;

Establishing meeting schedules across organisational levels; and

Properly documenting the arrangements and relationships between the organisations.

The Wirrpanda Foundation Limited (Wirrpanda) is part of two consortia who were successful in being awarded service agreements for YJS. Wirrpanda is the lead organisation in a consortium with Outcare delivering education, training and employment services in the metropolitan area and Life Without Barriers delivering all five programs in the West Kimberley. Wirrpanda is the only Aboriginal lead organisation delivering YJS programs. The collaborative arrangements are governed by Memoranda of Understanding.

For Wirrpanda, collaborating to establish the two consortia resulted in substantial knowledge sharing and capacity building. Knowledge and networks built during the YJS process will ease future collaborations. From a small provider perspective participating in consortium arrangements involves:

- Being flexible and responsive;
- Taking advantage of the opportunities to learn, share and build capacity;
- Trusting your partners and
- Sharing your organisation’s expertise with other small providers; and
- Being prepared to quickly adapt service models and budgets.

**Conclusion**

Application of the IPPs to YJS resulted in eight consortia comprising 19 service providers being awarded service agreements. Almost half of these service providers are Aboriginal organisations. This is a significant increase in Aboriginal service provider engagement and represents greater cultural competence in service delivery and greater choice, flexibility and improved outcomes for service users.

Overall, the experience was positive for the service providers who participated in the case study. Enabling collaborative arrangements requires sufficient time for service providers to establish relationships, develop business plans, budgets and service models and respond to tenders. Agencies can assist providers by providing for longer timeframes to allow collaborative arrangements to be developed during the engagement process and after the tender has been advertised, and clearly articulating evaluation processes relative to consortium offers.