

Delivering Community Services in Partnership Policy

A policy to achieve better outcomes for Western Australians through the procurement of community services.



GOVERNMENT OF WESTERN AUSTRALIA

Procurement Act 2020

‘Delivering Community Services in Partnership Policy’

Purpose¹ :

Improving outcomes for Western Australians by building partnerships between stakeholders to plan and deliver sustainable community services.

General Procurement Direction: 2025 / 10

Scope of Operation and Timing:

This procurement direction is issued under section 21 of the *Procurement Act 2020 (WA)* to all State agencies and applies on and from 1 July 2025.

Revocation of General Procurement Direction 2023/03

General Procurement Direction 2023/03 ‘Delivering Community Services in Partnership Policy’ is revoked and replaced by this General Procurement Direction 2025/10 ‘Delivering Community Services in Partnership Policy’ on and from 1 July 2025.



Kate Ingham
in the capacity of
sub-delegate of the Minister for Finance

12 June 2025

Date

¹Purpose: the contextual information under this heading does not form part of the direction.

Foreword

We are proud to introduce an updated Delivering Community Services in Partnership Policy, which aims to improve outcomes for all Western Australians through partnerships between government agencies, Aboriginal Community Controlled Organisations, and the not-for-profit community services sector.

Aboriginal Community Controlled Organisations and the not-for-profit community services sector provide vital services to Western Australians in need and is the backbone of many communities. The benefit of contracting with community organisations extends beyond the successful delivery of services; it improves the lives of those who are vulnerable and empowers communities to have access to meaningful jobs, and opportunities to participate in community life.

The introduction of the updated Delivering Community Services in Partnership Policy 2023 is a timely opportunity to demonstrate the Government's ongoing commitment to ensuring Aboriginal people and communities will be at the heart of the design and delivery of services for Aboriginal people. This Policy reflects the importance of Aboriginal Community Controlled Organisations as a key driver of community wellbeing and support.

The Delivering Community Services in Partnership Policy 2023 aligns with the State Commissioning Strategy for Community Services, recognising that government agencies must engage in commissioning activities beyond the scope of simple procurement. Commissioning is a cyclical process of planning, purchasing, managing, monitoring, and evaluating community services to drive sustainable change to improve people's outcomes and lives. Commissioning is outcomes based and focuses on longer term benefits for individuals and the community.

Strategic commissioning reflects a different way of thinking and is about State agencies working together to create services that support better outcomes for Western Australians. This Policy reflects a strategic commissioning approach at the centre of our decision-making process and guides the important ongoing work with Aboriginal Community Controlled Organisations and the not-for-profit community services sector to improve the lives of some of our most vulnerable people.



Hon Sue Ellery MLC
Minister for Finance

Hon Sabine Winton MLA
Minister for Community Services



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Overview

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Policy Statement

To improve outcomes for all Western Australians through a genuine partnership between State agencies, Aboriginal Community Controlled Organisations, the not-for-profit community services sector, and service users in the planning, purchase, and delivery of sustainable Community Services in Western Australia.

The Delivering Community Services in Partnership Policy (2023) (the Policy) will facilitate this by:

- breaking down the barriers between State agencies, Aboriginal Community Controlled Organisations, and the not-for-profit community services sector, by promoting productive relationships based on Partnership Principles and Behaviours;
- providing direction in the approach to the procurement of Community Services. This includes the requirement for sound planning, genuine stakeholder engagement, co-design, and relationship-based service agreement management;
- promoting flexibility, innovation, and community responsiveness to better meet community, cultural and individual needs;
- clarifying when a targeted approach to procuring Community Services is appropriate and when an open tender is more appropriate;
- enabling direct negotiation with an Aboriginal Community Controlled Organisations for services supporting Aboriginal people;
- promoting appropriate and culturally safe engagement with Aboriginal and Culturally and Linguistically Diverse people in developing community services;
- streamlining procurement processes, reducing 'red tape', complexities and inconsistencies, and standardising terminology to clarify the dialogue between all parties; and
- ensuring that State agencies contract with Aboriginal Community Controlled Organisations and the not-for-profit community services sector in a manner that supports sustainable and effective service delivery and recognises the importance of ongoing organisational viability.

Scope of Application

The Policy applies to all State agencies that procure Community Services. The Policy applies to:

- all such State procured Community Services;
- all such State procured Community Services funded by the Commonwealth to the extent that the requirements of this Policy are not inconsistent with the requirements of that service; and
- head agreements for Community Services established by the Department of Treasury and Finance.

The Policy must be read in conjunction with the Western Australian Procurement Rules.

Arrangements that provide financial assistance to eligible parties such as low interest loans; direct to citizen payments; and subsidies are outside the scope of the Policy.

Implementation

The Policy replaces the Delivering Community Services in Partnership Policy (2023).

The Policy is effective from 1 July 2025.

The Department of Treasury and Finance will provide ongoing support and oversight for the Policy. All enquiries should be directed to the Community Services Procurement Policy Unit within the Department of Treasury and Finance.

Partnership Principles and Behaviours

The Policy seeks to improve outcomes for all Western Australians by building a genuine partnership between the public, Aboriginal Community Controlled Organisations, and not-for-profit community services sectors in the policy, planning, purchasing and delivery of sustainable Community Services in Western Australia.

State agencies must engage with Aboriginal Community Controlled Organisations, the not-for-profit community services sector, and service users in a manner that is consistent with the following Partnership Principles and Behaviours:

- Partnership principles
- Behaviours
- Policy Flowchart



Partnership Principles

1. A joint commitment to improve health, well-being, social, cultural, and economic outcomes for the Western Australian community.
2. A recognition of the value and contribution of State agencies, Aboriginal Community Controlled Organisations, the not-for-profit community services sector, and service users in the planning, co-design, and delivery of Community Services.
3. A commitment to fostering a diverse sector of small, medium, and large not-for-profits that place the service user at the forefront in the planning, co-design, and delivery of sustainable Community Services.
4. A collaborative approach to decision-making based on mutual trust and respect that fosters openness and transparency in procurement of Community Services.
5. An enduring commitment to the sustainability of Community Services.
6. A commitment to reduce the administrative burden associated with the procurement of Community Services.
7. A commitment to prioritising Aboriginal wellbeing and increasing the number of services being delivered to Aboriginal people by Aboriginal Community Controlled Organisations.

Behaviours

1. Drive demonstrable improvements in outcomes for all Western Australians.
2. Engage service users in the ongoing planning, co-design, and delivery of sustainable Community Services through direct and indirect methods of consultation and representation in the development of service delivery.
3. Consult on all significant issues and adopt a collaborative approach to decision-making, including the development of policy, planning and service co-design.
4. Conduct all planning, co-design, and delivery of Community Services activities with transparency and open communication, including the sharing of appropriate data, information, and the basis for decisions.
5. Build processes that support State agencies and Organisations to work together to ensure that budget levels are sufficient for sustainable Community Services.
6. Acknowledge the value of place-based Organisations with local knowledge and connections to people and place in regional and rural areas.

Policy Flowchart

The Policy flowchart illustrates a structured approach in applying the Policy when undertaking procurement activities.

The Policy provides for:

1. Planning in Partnership

- a. adopting clear processes for planning in partnership, encouraging and valuing contributions from the public, Aboriginal Community Controlled Organisations, and the not-for-profit community services sector to achieve the desired community outcome;
- b. adopting transparent and consultative needs analysis, market research and information management processes;
- c. a commitment to engage stakeholders including service users in the planning, co-design, and delivery of Community Services; and
- d. a person-centred approach to enable each service user to achieve individual outcomes.

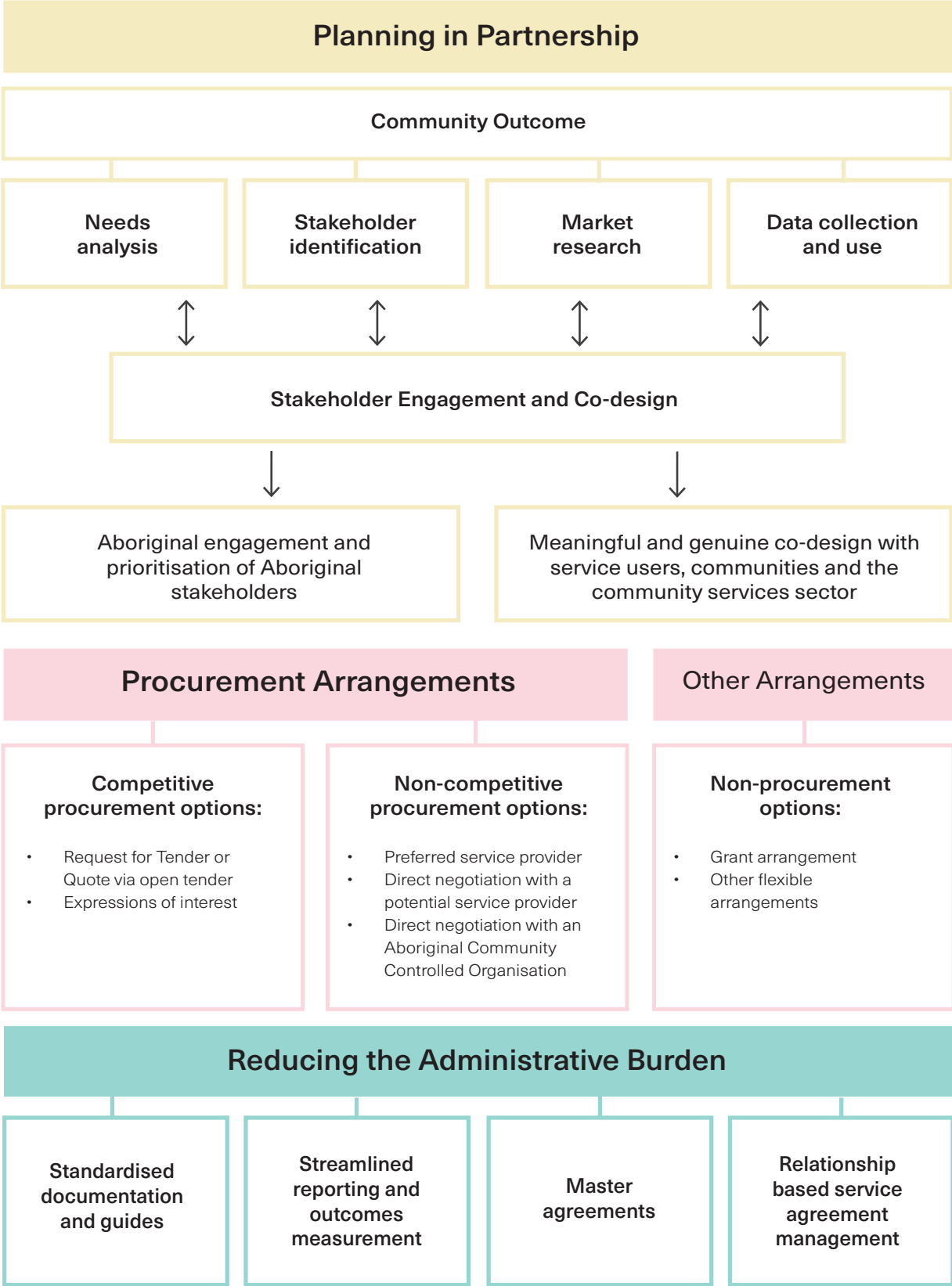
2. Procurement Arrangements

- a. procurement arrangements that maintain transparency and accountability;
- b. procurement arrangements set within the Policy framework to be applied by State agencies;
- c. outcomes-based procurement arrangements designed around measurable benefits for the community and service users;
- d. sustainable service delivery that recognises the importance of ongoing Organisation viability; and
- e. procurement arrangements review and evaluation process feedback to be used to inform future needs analysis, service planning and co-design processes.

3. Reducing the Administrative Burden

- a. standardised procurement documentation and guides for State agencies, Aboriginal Community Controlled Organisations, and the not-for-profit community services sector;
- b. streamlined reporting and outcomes measurement processes to be used by all State agencies;
- c. relationship-based service agreement management to reduce the administrative burden and to inform future needs analysis, service planning and co-design processes; and
- d. simplifying procurement documents and processes including Requests and expectations for Offers, in line with the level of risk and complexity of the service, to better enable smaller and or less experienced service providers to successfully participate.

Delivering Community Services in Partnership Policy Flowchart



Planning in Partnership

State agencies must adhere to the following planning in partnership requirements to capture Organisation, community and service user input in the planning, co- design, and delivery of Community Services.

- Planning
- Stakeholder engagement and co-design



Planning

Planning should be undertaken in partnership with Organisations and service users, encouraging and valuing contributions from both sectors to achieve the desired community outcome.

Planning in partnership will enhance collective commitment and ownership, increase the available knowledge and expertise in the co-design and implementation of procurement strategies, enable greater transparency in decision-making and evaluation processes, and ensure the service meets the needs of service users.

When planning a service, consider how it can be designed to better reflect place-based services, and how it can be integrated with other services delivered by the State agency and services delivered by other State agencies.

Community Outcome

Outcomes are the changes, benefits, learnings, or effects that occur for an individual or the community as a result of service delivery.

Prior to commencing any procurement activities, State agencies must have regard to their strategic objectives, the desired impact or change they are seeking to achieve within the community and must work towards collaboratively defining and articulating the community outcome.

State agencies will only procure Community Services under the Policy if the desired change, benefit, or impact is intended to improve health, well-being, social, cultural and/or economic outcomes for Western Australians. Commissioning requires State agencies to focus on the desired positive change for the individuals and communities receiving services.

Needs Analysis

State agencies must adopt transparent and consultative needs analysis processes, consistent with the Partnership Principles and Behaviours. Relevant stakeholders (including Organisations and service users) and relevant data should be accessed on the needs and social drivers for the relevant service within the community, as well as the nature and mix of possible service response strategies. Services should be designed to address the needs and concerns of the community, and potential services should ideally be prioritised based on the highest priority needs of the community.

Where Aboriginal Community Controlled Organisations and the not-for-profit community services sector is involved in the planning and co-design of services, consideration should be given to their valuable contribution, and any associated Intellectual Property must be managed appropriately.

Identify Stakeholders

Involving the right stakeholders (partners), including service users, in the planning, implementation, monitoring and evaluation of procurements will ensure public funds are spent in an optimal manner and spent where they are most needed.

Market Research

Mindful of the community outcome, and following a needs analysis and stakeholder identification process, State agencies must be able to demonstrate a thorough preliminary understanding of the market.

Depending on the nature of the desired change, benefit or impact and the characteristics of the community, State agencies must consider the market profile and its capacity, as well as the maturity of potential service providers within the market to determine the most appropriate procurement response strategy. This strategy may include choosing to integrate services with other State agency service agreements identified through market research, rather than developing a new service agreement.

Registration of Interest

State agencies may publicly invite potential service providers to register interest. Registrations of interest must be taken on the standardised registration form to be used by all State agencies and information required of respondents and/or criteria specific to the service (for which registrations of interest are invited) must be appended to the standard template.

A registration of interest can form part of a State agency's market research activities. A registration of interest in and of itself does not enable a restricted process or direct negotiation with a potential service provider.

Data Collection and Use

A systematic approach to appropriate data collection and sharing with Organisations is encouraged throughout the procurement process and should be undertaken in an open and effective manner.

When establishing a service agreement, previous service agreement data may be used to inform the decision-making process provided the data is documented, relevant and fit-for-purpose. Service agreements for new services may benefit from the collection and analysis of new data.

Planning should also consider the data required to demonstrate the achievement of outcomes in the most efficient manner.

Stakeholder Engagement and Co-Design

State agencies will engage with stakeholders, including service users, in a manner that is consistent with the Partnership Principles and Behaviours.

Involving and effectively engaging stakeholders in the planning, co-design and delivery of Community Services will allow State agencies to collaboratively use stakeholders' experience, expertise, and knowledge. Accountable Authorities must ensure that Intellectual Property considerations are understood and communicated prior to undertaking co-design processes to ensure a mutually agreed Intellectual Property management process is implemented during consultation.

The quality of relationships between stakeholders will determine how well services are planned and delivered for better outcomes for all Western Australians.

Aboriginal engagement

State agencies must ensure meaningful and culturally appropriate engagement with Aboriginal people in service planning, design, delivery, and evaluation. Aboriginal people are key stakeholders of services that will be delivered to Aboriginal people and communities and should have meaningful influence over those services.

Stakeholder Engagement Approach

Consideration of the best approaches for stakeholder engagement is important. Enablers for effective stakeholder engagement include (but are not limited to):

- Commencement of stakeholder engagement during the planning stage and prior to any decisions being made that could affect the achievement of the desired community outcome.
- Commitment by State agencies of engaging with stakeholders; ensuring that facilitators are appropriately skilled; that stakeholders understand their role; and that the process is well planned and meaningful.
- Commitment by State agencies to engaging meaningfully with stakeholders from diverse backgrounds, including Aboriginal and Culturally and Linguistically Diverse people, in a respectful and culturally appropriate manner.
- Genuinely collaborative and transparent engagement processes underpinned by values of trust; respect; openness; and transparency.
- Commitment by State agencies to two-way open communication with stakeholders and clearly articulating how stakeholders' contributions will be used.

Co-design of Services

Collaboration between key stakeholders is required to enable a holistic approach to co-designing Community Services that meet individual, cultural and community needs.

State agencies should be flexible around co-design considerations and must adopt a genuine and transparent partnering approach when co-designing services with other State agencies, Organisations, the community, and service users. Successful co-design of services at a program and individual service level relies on a structured approach tailored to the services.

Engaging relevant stakeholders in the co-design of Community Services is a requirement of the Policy and supports the achievement of community outcomes (including service level and individual outcomes) for all Western Australians.

When services are being developed for Aboriginal people and communities, the priority must be given to enabling meaningful influence by Aboriginal stakeholders.

Integrated Services

Integrated services require the collaboration of multiple parties, such as State agencies and service providers, to provide services to individual service users in a coordinated, efficient, and accessible manner to achieve better outcomes.

State agencies need to consider joint commissioning to achieve integrated services before they begin their individual commissioning processes. Increased sharing of information across agencies will ensure that services meet the needs of the community and addressing the appropriate need.

In many cases, individuals are required to access multiple services to address long term or complex needs. Integrated services address the overlap in service user cohorts that exist between Community Services programs, remove organisational barriers, and encourage holistic and accessible service provision.

The appropriate level of integration, if any, is determined by the needs of the individual service users. A commitment to collaboration and information sharing is required for the effective development, integration, and management of the integrated service. Providing sufficient time for planning the integrated service, forming collaborative arrangements, and transitioning in and out of the service agreement, is required for the effective implementation of the integrated service.

For more information on practical implementation, refer to the procurement guides and resources available at WA.gov.au.

Procurement Arrangements

Having established the desired impact or change to be achieved within the community, State agencies must give consideration to the optimal procurement arrangements that will best suit the individual and community needs.

- Contracting Arrangements
- Other Flexible Arrangement



Contracting Arrangements

Service Agreement

A service agreement is a form of contracting for services through a procurement process. Service agreements are generally established where a State agency:

- enters into a fee for service arrangement to purchase a service from an Organisation for the State agency's own benefit; or
- is contracting with an Organisation to provide a service to a third party.

State agencies that intend to establish service agreements with Organisations must comply with the requirements of the Policy.

Procurement Approaches

Common procurement approaches to formally invite interest or offers from potential service providers are briefly described in this section of the Policy.

For more information on practical implementation refer to the procurement guidelines available at WA.gov.au.

Competitive Request for Tender/Request for Quote

A competitive (open) Request for Tender/Request for Quote is used when a specific or range of possible service solutions are invited and there is a service agreement or agreements to be awarded. This may provide greater potential for creative and innovative solutions to community issues consistent with the Partnership Principles and Behaviours underpinning the Policy.

State agencies may purchase services to which the Policy applies through a competitive tender process. However, all decisions to purchase, including via a competitive tender process, must be first approved by the Accountable Authority, which shall have regard to the Government's policies in relation to contracting with Aboriginal Community Controlled Organisations and the not-for-profit community services sector.

Competitively tendering a service may be considered appropriate when:

- a general initiative or service is capable of being delivered by a number of Organisations; or
- service requirements are particularly complex or unique, or proposals offered by Organisations through a restricted process do not represent value for money; or
- the use of a competitive tender process in a particular instance can potentially demonstrate better outcomes for service users and the community.

4. Procurement Arrangements

Expression of Interest

State agencies may call for an expression of interest for a particular service to which the Policy applies. An expression of interest can be useful in establishing preliminary interest and capacity and can enable the transparent selection of parties who will contribute to the development of service specifications. The expression of interest can also be used to shortlist and pre-qualify potential service providers for future negotiations or form a panel of pre-qualified providers for a given area of activity.

An expression of interest can be the first stage in a two-stage procurement process which results in a service agreement.

Preferred Service Provider

State agencies may, at their discretion, exercise the option of retaining an existing service provider through a restricted process. State agencies must recognise and give weight to the history of a service provider's performance and the context in which negotiations arise. A significant aspect of this context is the need, in many instances, to ensure service continuity for service users. This may require setting aside the universal application of 'market testing'. If this approach is taken, the existing service provider will then be known as a Preferred Service Provider.

In view of the risks associated with setting aside market testing, all decisions to award Preferred Service Provider status must be approved by the Accountable Authority, who shall take into account the Government's policies in relation to procuring services from Organisations.

To assess an existing provider's suitability for Preferred Service Provider status, State agencies must conduct a service review to determine whether the service provider is:

- continuing to meet the identified need;
- meeting the agreed service specifications, outcomes, quality standards and contractual requirements;
- operating efficiently and effectively; and
- actively engaged in continuously improving services, being responsive to service user and State agency needs and offering innovative solutions to provide the best possible service to the community.

To ensure appropriate probity and accountability for decisions of this nature, State agencies must ensure the review of Preferred Service Providers is transparent and the service provider proposed for Preferred Service Provider status is involved.

Furthermore, in the interests of ensuring that other potential providers are not inadvertently excluded from consideration, there must be a clear process through which the decision to award Preferred Service Provider status may be questioned by other Organisations. In the first instance, this should provide for an avenue for referral of questions and issues to a person within the State agency who was not included in the relevant decision. Further avenues of referral would consist of external agencies such as the Department of Treasury and Finance and the Ombudsman Western Australia.

At the end of a service agreement, and where the State agency has granted Preferred Service Provider status, the Organisation can be retained for an additional term. The State agency may issue a new Request document for a formal response. Alternatively, a State agency can vary the Organisation's existing service agreement by extending the service agreement term, rather than entering into a new service agreement.

For both options above, a collaborative process to review and update current service specifications should be undertaken.

Where a service provider has been awarded Preferred Service Provider status, a State agency must ensure that consideration is given to ensure contracting arrangements are structured in a manner that support sustainable service delivery and recognise the importance of ongoing organisational viability. At a minimum, this should include an avenue for long-term Preferred Service Providers to discuss funding levels and sustainability, service pricing, volume of services and service design (as required) – however, any subsequent contract variations must represent value-for-money and have regard for the potential for new service providers to deliver the services.

If there is to be any change to contracting arrangements, for example, from Preferred Service Provider to open tendering, the State agency must ensure the relevant parties from Aboriginal Community Controlled Organisations and the not-for-profit community services sector are fully consulted and early notice is given of the possibility of new arrangements. The responsible State agency must be able to demonstrate that these decisions are in the best interests of service users and the community.

Direct Negotiation with a Potential Service Provider

Direct negotiation involves negotiating with one potential service provider only, or in the case of Aboriginal Community Controlled Organisations, potentially negotiating with or seeking offers from more than one potential service provider in order to determine which will provide the best outcome for Aboriginal people and communities. This may occur after extensive market testing and research.

Direct negotiation may be considered appropriate where:

- services will primarily be provided to, or affect, Aboriginal people and one or more Aboriginal Community Controlled Organisation exists that can provide culturally appropriate services; or
- alternative service providers do not exist with the necessary skills and there is a need to develop such; or
- only one service provider exists with the skills and experience necessary; or
- a recent open call for submissions has been conducted and the potential service provider offered the best value-for-money; or
- there are strategic considerations, such as the viability of other procured services or services for regional and remote Western Australia that make direct negotiation desirable.

4. Procurement Arrangements

When negotiating directly with an Aboriginal Community Controlled Organisation, State agencies may need to consider transitional arrangements including service continuity, service users' needs and timeframes.

State agencies must exercise care before choosing to negotiate with a sole service provider, so as not to exclude other service providers that may be in a position to offer a competitive solution, if given the opportunity. State agencies must be able to demonstrate, if called upon (for example, by the Auditor General), that the decision is in the best interests of the service users and the community.

Compliance Requirements for Service Agreements

In establishing and managing service agreements, State agencies must comply with the following requirements:

- The process for establishing a service agreement must comply with the requirements of the Policy, particularly in relation to service co-design and the involvement of Aboriginal Community Controlled Organisations and the not-for-profit community services sector when planning in partnership.
- Transparent processes must be used to establish all service agreements.
- State agencies must use the standardised service agreement documentation. The documentation will specify, among other things, desired community outcome and service-level outcomes, clear performance and outcome measures relating to the effectiveness and efficiency of service delivery, and price review mechanisms (including ensuring the capacity of Organisations to meet their legal obligations).
- A specification must be issued, a formal offer received, and a formal contract document executed. This document may be in the form of an acceptance letter.
- State agencies should avoid prescribing the resources used to deliver a service, such as staffing levels and salaries.
- State agencies must ensure that Organisations are aware they may be subject to an audit by the Office of the Auditor General or its representative, in certain circumstances, in accordance with the *Financial Management Act 2006* or the *Auditor General Act 2006*.
- State agencies must not seek acquittals or other regular financial reporting that demonstrates how payments for services are spent.
- Where there are surplus funds at the end of the contract term, and services have been delivered to the quality and quantity specified in the contract, repayment of this surplus by an Organisation must not be sought or accepted by State agencies.

In addition, service agreements should be structured with minimum five-year initial terms (that is, exclusive of extension options) so they are of sufficient duration to encourage continuity, efficiency, and sustainable service delivery.

Accountability and Governance Standards

State agencies have a role in building Aboriginal Community Controlled Organisations and the not-for-profit community services sector's capacity to meet government's accountability and governance standards. State agencies are expected to adopt consistent accountability requirements that flow from the standardised documentation and structure the content to meet these aims.

State agencies must demonstrate a commitment to fostering sound governance among their service providers and ensuring the quality of governance is included in the evaluation of existing and potential service providers.

State agencies and service providers acknowledge a mutual interest in maintaining appropriate standards of accountability, governance, and mutual responsibility to exercise appropriate management of public funds in a manner that is transparent, effective, and efficient.

Relationship-based Service Agreement Management

Service agreement management is the process that ensures State agencies and service providers meet their obligations under the service agreement, and that deliverables are provided to the required standards within the agreed timeframe. To effectively manage a service agreement a collaborative relationship between the State agency and service provider, which aligns with the Partnership Principles and Behaviours, is essential.

Service agreement management should continue throughout the life of the service agreement and is a means to ensure the desired community, service level and individual outcomes are being achieved. Active service agreement management will enable early identification of any service model improvements that could be modified and negotiated, maximising the effectiveness of the agreement, and ensuring sustainable procurement practice.

Service Agreement Review and Evaluation

Consistent with the Partnership Principles and Behaviours and the requirements of the Policy, State agencies must have a review and evaluation system in place that will meet accountability requirements, measure the achievement of outcomes, and identify areas for improvement. The outcomes of each agreement must be reviewed against the original service objectives, the outcomes of which should feed into the next round of needs assessment.

State agencies must ensure their system for review and evaluation of arrangements incorporates the principles of Aboriginal Community Controlled Organisations and not-for-profit community services sector collaboration, notably, the principle that the parties recognise the value of sharing knowledge and expertise in planning, developing, and evaluating services.

Service reviews must be undertaken at appropriate intervals including at the reasonable request of an Organisation to assess service design and delivery, volume of services, sustainable pricing, performance, and the achievement of outcomes.

4. Procurement Arrangements

Three-Month Notice Period

A minimum of three months' notice must be provided to an Organisation where a service agreement will cease, not be renewed, or will be substantially reduced.

Receiving formal advice three months prior to the cessation, non-renewal or substantial reduction of a service agreement enables Organisations to work with State agencies in transitioning service users to new arrangements, where applicable, and provides a reasonable timeframe for Organisations to make and implement business decisions.

The three-month notice period commences at the point at which certainty is provided by a State agency to an Organisation.

Sustainable Service Delivery

Sustainable funding is a key factor of sustainable service delivery and enhances the capacity of Organisations to make long-term strategic decisions, attract and retain human capital, manage operational risk, achieve desired outcomes, and deliver better value-for-money.

Sustainable service delivery refers to the ability of the Organisation to continue to provide services over a long period. State agencies must purchase Community Services at a sustainable price.

Indexation

Contracting arrangements are to be indexed in accordance with government policy. The agreement will be indexed at the rate of indexation formulated and published by the Department of Treasury and Finance.

Other Flexible Arrangement

Self-management of individualised funding is a flexible arrangement available to State agencies to provide financial assistance directly to eligible individuals to purchase services and support.

Individualised funding arrangements are intended to provide greater opportunities for individuals, families, and communities to exercise choice and control over how services are designed and delivered and optimise an individual's opportunity to live successfully in the community of their choice.

Reducing the Administrative Burden

In recognition that 'red tape' diverts precious organisational resources away from the delivery of services to those who need them, State agencies, Aboriginal Community Controlled Organisations, and the not-for-profit community services sector should work collaboratively to reduce the administrative burden associated with the contracting of Community Services.

- Standardised Documentation and Guides
- Streamlined Reporting and Outcomes Measurement



Standardised Documentation and Guides

State agencies must use the standardised documentation developed and maintained by the Department of Treasury and Finance, as specified in any direction or associated practice guide.

All standardised procurement documentation is available at WA.gov.au.

Streamlined Reporting and Outcomes Measurement

State agencies are accountable for public funds and must gather relevant data from service providers in order to satisfy accountability requirements. However, State agencies must consider the administrative burden associated with reporting and therefore ensure all data requested from service providers is necessary to satisfy accountability requirements.

State agencies should work collaboratively with service providers to identify appropriate data collection methods which:

- measure the achievement of community, service-level and individual outcomes;
- are not burdensome to service providers or to State agencies;
- are based on a clear evaluation framework and methodology;
- align with the Outcomes Measurement Framework for community services; and
- reflect what matters most to service users and the community.

In accordance with the Partnership Principles and Behaviours, open communication and transparency between State agencies and service providers will ensure reporting requirements do not place an unnecessary administrative burden on service providers. State agencies should make clear why data is sought and the purpose for which it will be used. Reporting requirements should be commensurate with the scale and risk of the procurement.

State agencies and service providers are encouraged to share data collected during the term of the service agreement to improve service delivery and outcomes for service users.

Master Agreement

Where an Organisation has been awarded multiple service agreements with a State agency, the State agency must seek to reduce the administrative burden imposed on that Organisation, particularly for reporting purposes.

State agencies must consider the burden placed on Organisations required to meet multiple and inconsistent reporting requirements and should, where possible, combine individual service agreements between the Organisation and the State agency into a single contract (that is, a master agreement between the parties).

The master agreement should meet a range of requirements and where possible, contain a single set of contract conditions but comprise multiple service schedules – one specific to each service agreement. Reporting should be standardised unless there are specific and justifiable reporting requirements that are specific to each service to be delivered under the agreement.

The processes for establishing a master agreement and the associated compliance requirements are the same as for service agreements.

Definitions

For the purposes of the Policy, the following definitions apply.

Aboriginal Community Controlled Organisation means an organisation that is:

- Incorporated under State or Federal legislation and not for profit.
- Controlled and operated by a majority of Aboriginal and/or Torres Strait Islander people.
- Involved or connected to the community, or communities, in which it delivers the services.
- Governed by a majority Aboriginal and/or Torres Strait Islander governing body.

Accountable Authority means the officer determined under sections 54, 55, or 56 of the *Financial Management Act 2006*.

Co-design means to collaboratively design services with service users, Organisations and service providers, and State agencies.

Collaboration means two or more parties working together to create or achieve the same outcome.

Commissioning means the cyclical process of planning, purchasing, managing, monitoring, and evaluating services.

Community Services means services that provide support to sustain and nurture the functioning of individuals and groups, to address physical, social, and economic disadvantage, maximise their potential, and to enhance community well-being.

Types of Community Services include (but are not limited to):

- services that contribute to the building of capacity within the community to respond positively to an identified need;
- services required to address disadvantage for which a collaborative approach is required with the community;
- services that encourage the involvement of volunteers, increased business or community support, or the personal empowerment of recipients of the service; or
- services that contribute to the ability of people to live and participate in the community.

Integrated Services means the arrangement where multiple stakeholders, such as government agencies and Organisations, collaborate to provide services to individual service users in a coordinated, efficient, and accessible manner to achieve better outcomes.

Organisation means a body having corporate status that provides Community Services funded or purchased by State agencies. Some examples include not-for-profit community services organisations, Aboriginal Community Controlled Organisations, and local government authorities.

6. Definitions

Outcome

Individual outcome means the desired changes, benefits, learnings, or effects that occur for the individual as a result of a community service.

Service level outcome means the desired changes, benefits, learnings, or effects that occur for the target group receiving a service as a result of a community service.

Community outcome means the desired impact or change sought to be achieved in the community.

Procurement is defined in Part 1 section 4 of the *Procurement Act 2020* to include:

(a) obtaining goods, services or works by purchase, lease, licence, public private partnerships, or other means; and

(b) disposing of goods or works.

State agency as defined in the *Procurement Act 2020*.

Stakeholder Engagement means to undertake a planned process of working with identified stakeholders to achieve a defined purpose.

Sustainability means the ability of an Organisation to continue to provide services over a long-term period and depends on the ability of that Organisation to secure funds to meet the full cost of service delivery, attract and retain human capital, and manage operational risk.

Appendix A

Grants for Community Services

This appendix aims to:

- Distinguish the difference between a service agreement and a grant for Community Services
- Specify the appropriate arrangements in which grants for Community Services are applicable
- Specify best practice guidance around the use of grants for Community Services

Policies applicable to grants for Community Services are currently formulated by individual State agencies (grants are not subject to the *Procurement Act 2020* and the Western Australian Procurement Rules).

All policies for grants for Community Services should align with this best practice guidance material and the Delivering Community Services in Partnership Policy.

Indexation does not apply to grants.

What is a grant for Community Services?

A grant is a financial assistance arrangement made for a specific purpose. Grants are generally paid by State agencies to Organisations to assist them to carry out their established purpose (or a specific program) and may contain conditions relating to the Organisation's conduct or activities. A grant agreement (including conditions) is used to formalise a financial assistance arrangement.

Whether a State agency wishes to provide a grant to an Organisation is a matter to be determined by that State agency. State agencies intending to provide grants to Organisations should follow this guidance where possible.

When can I use a grant for Community Services?

Grant Agreements may be an appropriate arrangement where:

- the grant is linked to a specified purpose and outcome;
- an Organisation requires one-off subsidies, top-ups, seed funding, or funding for a discrete project, innovative trial, pilot program, research of a non-commercial nature, capacity building project or to introduce a new service;
- the grant is for a discrete period and
- the grant does not constitute the entire financial base of an Organisation.

While grants are provided for a discrete purpose and period, their timeframe may extend beyond a fiscal period. For example, where a State agency wishes to provide financial support for a community capacity building project, a grant may be provided for a longer period to enable adequate project planning, implementation, and evaluation.

Best practice guidance for the provision of grants for Community Services

In providing grants, State agencies should take into consideration the following:

- There should be a documented application and approval process for each grant.
- State agencies should use the standardised grant agreement documentation to reduce the impost of Organisations having to meet multiple and inconsistent requirements. The documentation should specify, among other things, clear reporting measures relating to the use of grants.
- State agencies should ensure that grants are tied to a clearly defined purpose.
- Organisations should be required to provide certification and supporting evidence to State agencies that the grant was used for that specific purpose.
- State agencies should publicly disclose details of all grants to which the Policy applies, subject to any directives in the *Financial Management Act 2006* and Treasurer's Instructions.
- State agencies should ensure the Organisation agrees to provide a properly documented acquittal of the grant funds. This may include a formal annual audit of related activities of the Organisation, undertaken in accordance with standards set by the granting State agency and consistent with incorporation legislation.
- State agencies should ensure that Organisations are aware they may be subject to an audit by the Office of the Auditor General or its representative in certain circumstances, in accordance with the *Financial Management Act 2006* or the *Auditor General Act 2006*.

Should I use a grant or a service agreement for a Community Service?

Service Agreements vs Grants for Community Services	
<p>Service Agreement Definition:</p> <p>A service agreement is a contractual arrangement between a State agency and a service provider to deliver services for which there is an ongoing community need.</p>	<p>Grant Definition:</p> <p>A grant is a financial assistance arrangement made for a specific purpose or project.</p>
<p>Defining Characteristics:</p> <ul style="list-style-type: none"> • More oversight by State agencies and more reporting and documentation than grants • Service agreements are a payment in exchange for the delivery of a specified service • Service agreements are not required to be acquitted • Service agreements are appropriate when the service needs are ongoing • Service agreements are subject to the WA Procurement Rules 	<p>Defining Characteristics:</p> <ul style="list-style-type: none"> • Less oversight by State agencies, and less reporting and documentation than service agreements • Grants are appropriate for funding a discrete project, innovative trial, pilot program, research of a non-commercial nature or capacity building project • Grants are required to be acquitted • Grants are a one-off payment for a discrete period and are not ongoing. • Grants are not subject to the WA Procurement Rules

Document Control

Current version

Version	Date	Author	Amendments	Sections
v4	1 July 2025	Department of Treasury and Finance	Key updates: <ul style="list-style-type: none">Removal of references to Department of Finance and updated to Department of Treasury and Finance	All

Previous versions (superseded)

Version	Date	Author	Amendments	Sections
v3	1 November 2023	Department of Finance	Key updates: <ul style="list-style-type: none">Addition of ACCO definition and ability to directly engage an ACCOIncreased emphasis on engaging with and empowering Aboriginal people and communitiesUpdated Policy FlowchartAdditional guidance on integrated services	All

Version	Date	Author	Amendments	Sections
v2	1 October 2018	Department of Finance	Key updates: <ul style="list-style-type: none">Formalised minimum three month notice periodStrong direction for minimum terms of five years for service agreementsNew section 'Planning in Partnership' which takes a much stronger position on planning, stakeholder engagement and data useCo-design is now a requirement for all procurements	All

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