

Social Services mega-category

Industry communiqué #1

Industry-Government Forum

The third Social Services Industry-Government Forum was held on 2 July 2014, with 22 industry and 20 government representatives in attendance.

The purpose of the forum was to enable government agencies which invest in Social Services to engage with Peak Bodies and Industry providers, to share progress to date across key social services reforms and to workshop opportunities for further engagement.

The forum was an opportunity to hear about two important reform agendas.

- [Social Service Reform Program](#)
- [Procurement Transformation Program](#)

This communiqué outlines forum processes and outcomes and provides links to key information. It concludes with an outline of next steps for the Social Services Procurement Transformation program of work and for the Industry-Government Forum (see page 9). Please feel free to circulate to your staff and members.

Forum opening

The forum was opened by the Honourable Lisa France MP, Assistant Minister for Finance, Administration and Regulatory Reform who delivered a call to action for the group.

- Continued provision of vital services and tangible results for vulnerable Queenslanders, and
- Better value for money for Queenslanders through strong decisions, disciplined approaches to expenditure and better management to ensure we will not have to lessen the delivery of services to Queenslanders.

What's the end game for the Social Services Reform Program?

Sustainable, customer-focused services for vulnerable Queenslanders

Social Services reform program

A key pillar of the Social Services Reform Program is the Social Services Investment Framework. The framework will transform the way government manages its investment in social services.

Other initiatives under the Social Services Reform Program include:

- An Investment Portal which will facilitate transparent reporting on current government social services investment along with a high-level static summary of available grant and funding programs.
- A Procurement Framework through which Queensland Government's social service procurement will be governed, operated and managed.

Through the delivery of the initiatives under this program providers will experience more consistency in approaches and processes across government agencies and less red tape.

For more information on the Social Services Reform Program please visit

www.treasury.qld.gov.au/social-services-reform

The Social Services Investment Framework eight principles - setting the agenda for the program

Customers First ✓ Value for money ✓ Partnership ✓
 Accountability ✓ Balanced investment ✓ Transparency ✓
 Proportionality ✓ Contestability ✓

Procurement Transformation Program

Mr Neil Castles, Director-General of Housing and Public Works outlined the vision of the whole-of-government Procurement Transformation Program:

For Queensland Government procurement to be simply **THE BEST** – *quicker, smarter, different* by:

- supporting economic growth throughout Queensland
- achieving better value for money from its estimated \$16.3 billion annual expenditure on goods and services
- reducing red tape and making it easier for suppliers to do business with government, and
- enabling the delivery of better services to Queenslanders.

What does Procurement Transformation mean for Industry?

Quicker and easier to do business with Government

Mr Castles explained that, to accomplish this, all government procurement is being brought under a modernised, commercial procurement framework. As investment in social services forms the largest part of government's expenditure and directly results in the delivery of services to the community, it has been incorporated into the Procurement Transformation Program.

Social Services is one of six 'mega-categories' of spend, the other five mega-categories being:

- General goods and services
- Road construction and maintenance
- Building construction and maintenance
- Medical
- Information, communication and operational technology.

Each mega-category will have a unique value proposition. Value for Social Services will include achieving better client and community outcomes with available funding.

For more information on the Procurement Transformation Program please visit the [HPW website](#).

Social Service reform – connections across reforms

At the Industry-Government Forum a panel representing Industry and government discussed the connections across the various social services reforms. Panel members highlighted that the reforms underway are:

- complementary and have common drivers or objectives such as the Commission of Audit and the Queensland Plan
- about the Queensland Government transforming the way it manages its investment in social services, and
- about working with Industry to improve frontline service delivery and deliver better outcomes for Queenslanders.

Panel members were asked to describe what successful implementation of reforms would mean for clients, communities and providers. Panel members highlighted benefits such as:

- more outcomes-focused, client-centred services, tailored to individual needs
- less red tape and less time and effort spent on administration and reporting
- more resources directed to where it matters most: frontline services for clients, and
- sustainable, empowered communities.

Panel members also recognised that enabling successful implementation of reforms will require government to work differently. Government agencies will need to break down silos, work in more coordinated and collaborative ways with each other and with Industry providers.

Meet the panel

- Mr Walter Ivessa, Assistant Under Treasurer, Queensland Treasury and Trade
- Mr Neil Castles, Director-General, Department of Housing and Public Works
- Ms Barbara Shaw, Executive Director, Community Services, Department of Communities, Child Safety and Disability Services
- Mr Mark Henley, Chief Executive Officer, Queensland Council of Social Services (QCOSS)

The panel invited questions and comments from Industry providers. Questions and comments from the floor suggested participants were supportive of the overall intent of government reforms.

Industry participants also called on government to:

- take into account the diversity across sectors and providers, for example in terms of size, capability and 'reform readiness'
- work more collaboratively with non-government providers and peaks on key reforms, including the transition to outcomes-focused planning and contracting
- continue to focus on building capability across government agencies and enabling cultural change so that the practices and values of officers who interface with non-government providers are consistent with strategic reforms
- recognise the independence of Industry providers, and
- recognise the vital contribution that the Industry makes not only to individual clients, but also to the State's economy and to progressing other key government objectives, including regionalisation and reducing unemployment rates.

Future directions in collaboration (co-design)

Ms Christine Castley, Senior Executive Director from Social Policy, Department of the Premier and Cabinet, outlined a number of innovative ideas that the Queensland Government is exploring to increase service delivery quality and sustainability to improve outcomes for Queenslanders.

One key mechanism is Payment by Outcomes (PbO). PbO is a mechanism that:

- pays service providers for the outcomes they produce rather than focussing on outputs (i.e. services delivered)
- uses public and private resources to design and implement innovative responses to intractable problems.

PbO trials overseas and in other jurisdictions, such as New South Wales, highlight that financial benefits for government and investors must be secured against a robust evaluation framework. Of course one of the key challenges is defining outcomes and developing mechanisms for measuring outcomes.

The Queensland Government recognises it needs to find new ways of solving problems, including through co-design and collaboration. A staged approach is being adopted, which firstly focuses on developing a set of guidelines and a robust decision-making framework, and then undertakes a targeted feasibility assessment of specific proposed initiatives.

The Queensland Government will be establishing a PbO Taskforce, to work further with the Community Services Industry and the financial sector, to explore options in this area.

Social Services mega-category

Mr Peter Lacey, Executive Director, Procurement Transformation Division highlighted that the formation of the Social Services Mega Category was recognition of the importance of social services investment and of the Social Services Industry.

The development of the Social Services mega-category is part of the Social Services Reform Program and also forms part of the Procurement Transformation Program. This means that the Queensland Government's social services investment will be guided by both the Social Services Investment Framework and the Queensland Procurement Policy.

Key initiatives progressed during 2014

Social Service mega-category operating model	<p>Will facilitate a contemporary, consistent approach to the procurement of social services across all Queensland Government agencies and support better integration and coordination of investment across agencies. An action plan that outlines the key initiatives to achieve better value for money, and strengthen the social services market is under development and will bring the mega-category Plan to life.</p>
Standard suite of contracts	<p>Provides standard terms for the contracting of all social services, thereby simplifying monitoring effort, reducing red tape and making it easier for service providers to do business with government (see more detailed update below).</p>
Market Stewardship Framework and Industry Renewal Strategy	<p>Aims to support industry to transition to new contracting and procurement arrangements and to contribute to a stronger, more sustainable and robust social service sector. The "Managing Change in the Market" workshop held as part of this Industry-Government Forum will inform the development of these initiatives (see below).</p>
Social Services Rolling Schedule of Renewal - Requests for Offer (RFOs)	<p>Promotes transparency and visibility of service procurement needs across government departments and enables suppliers to identify opportunities to provide goods and services to government. The RFO schedule is published on the Queensland Government's QTenders website and is updated monthly.</p> <p>The rolling schedule for Requests for Offer is located on the QTenders site under the 'forward procurement schedules' here. Once you have registered (or logged in for existing users), simply download a copy of the schedule and you will be automatically notified each time the schedule is updated.</p>

Social Services mega-category objectives

- Deliver performance excellence in social services investment.
- Enable a contemporary, consistent *One Government* approach to procuring and contracting social services.
- Develop standardised procurement policies, practices, tools and documentation across Government with the aim of ensuring consistency and reducing red tape.
- Establish consistent practices for measuring, monitoring and reporting outcomes and managing value, performance and risk.

- Build the capability of the Qld Public services as well as the capability and sustainability of the social services sector to ensure relevant, timely and outcomes-focused services are delivered to the community.

Standard suite of contracts for Social Services

A whole-of-government standard suite of contracts for Social Services is now in place.

The Social Services Cabinet Committee has mandated use of the standard suite across all Queensland Government agencies. The suite will be used to contract for the delivery of social, economic and cultural services, for the provision of grants to community organisations, and for sponsorship arrangements.

The standard suite has been developed through a phased approach. Phase 1 has addressed the contracts that have the greatest coverage, and therefore represent the greatest opportunity to deliver a consistent approach to contracting across agencies. The parts of the suite available now include service agreements (long and short form) and sponsorships (long and short form).

Each government department is working through their current contracts to determine which of these will transition to the standard suite and when this will happen. The target is to have 80% of all current agreements transitioned to the standard suite by 1 July 2016. A number of departments such as Housing and Public Works and Communities, Child Safety and Disability Services have already commenced transitioning their agreements.

Phase 2 will address contracts that are less utilised but are nonetheless strategically significant and provide an opportunity to develop consistencies.

You can view the standard suite [here](#).

Managing change in the market

Ms Chantelle Brittain, Director of Social Services Procurement Policy, Procurement Transformation Division facilitated a workshop focused on managing change in the market.

The purpose of the workshop was to gather early input to guide the development of a Social Services Market Stewardship Framework. The framework will identify opportunities to build the sustainability and capability of service providers to ensure the ongoing delivery of relevant, timely and outcomes-focused services across the state.

Key Queensland Government Social Service reforms recognise the vital contribution of non-government Community Services providers

- Social Services Reform Program: *'Support a stronger, more sustainable and robust social service sector'*
- Procurement Transformation Program: *'Developing long term strategic relationships with industry to enable the delivery of better services'*
- Queensland Procurement Policy: *'Better understand market and suppliers'*

In the workshop government and Industry forum participants worked together to:

- agree the capabilities social service providers will need into the future to more effectively respond to client and community need and reform agendas
- describe the current state of the Social Services Industry, including existing strengths and limitations/weaknesses
- identify what is already being done to build provider capability to transition to the future state, and
- identify any gaps in current activities and what else needs to be done by government, by Industry and/or jointly by both Government and Industry to enable the future state.

Examples of participant input gathered through the workshop are provided over page.

Next steps for the Social Services Market Stewardship Framework

Procurement Transformation Division will continue to engage with Industry representatives and work collaboratively across government agencies to further develop the framework.

To discuss or provide input to Social Services Market Stewardship please contact Chantelle Brittain. Email: chantelle.brittain@hpw.qld.gov.au. Phone: (07) 3006 4626.

Current state	Stewardship Activities	Future state vision
<p>Where the Qld Community Services Industry is currently</p>	<p>Stewardship Activities</p>	<p>Where the Qld Community Services Industry needs to and wants to be</p>
<p>Strengths</p> <ul style="list-style-type: none"> Local expertise about client needs and what works Current providers deliver cost-effective services by leveraging corporate, community and philanthropic investment and volunteer labour Diversity of providers – facilitates customer/buyer choice Diversity in size and structure – indicators of a strong/deep market <p>Weaknesses</p> <ul style="list-style-type: none"> Some sophisticated players, but many providers do not have the capacity and capability to respond to reforms Pockets of readiness and innovation – some organisations and some sectors more ready to operate in a contestable market Current providers are experienced in frontline services, but not in competition. Stretched for resources – e.g. do not have resources to invest in bidding, restructure organisations, forge strategic partnerships, develop collaborative service delivery models Some difficulties accurately costing and pricing services 	<p>What are we already doing?</p> <p>Government</p> <ul style="list-style-type: none"> Investment in peak bodies and workforce development strategies. e.g Business Development Package Commenced using standard contracts with an outcomes focus <p>Industry</p> <ul style="list-style-type: none"> Exploring new service models Initiating collaborative practices to achieve better results and/or reduce costs Measuring outcomes not new – already exploring ways to define and measure outcomes <p>Joint government and industry activities</p> <ul style="list-style-type: none"> Some good examples of partnerships and co-design (e.g. NDIS, Carmody Reforms and Mental Health Renewal) Common vision: outcomes-based and client-focused services <p>Gaps? What else do we need to be doing to enable the future state?</p> <p>Government</p> <ul style="list-style-type: none"> More work to enact principles of the Social Services Investment Framework Being clearer about expectations and intentions Working more openly, transparently and collaboratively with non-government providers and peak bodies <p>Industry</p> <ul style="list-style-type: none"> Showcase outcomes, good practice and success stories Share resources Articulate value - educate government and community about ‘our business’, client needs and results achieved <p>Joint government and industry activities</p> <ul style="list-style-type: none"> Working towards a shared vision across Industry and Government Shared governance structure to oversee and drive reforms Joint work to determine need and build evidence about need and what really works Build on and expand good examples of partnerships and co-design (see above) Joint work around localtion-based/place-based initiatives – joint planning leading to procurement specifications 	<p>Continued strengths</p> <ul style="list-style-type: none"> Build on the existing strengths of the industry (see current state) Ensure existing strengths are not unintentionally diluted or lost through reforms <p>New strengths</p> <ul style="list-style-type: none"> Sustainable, high-quality services across the state Better value for money: Effective and efficient services achieving better outcomes for clients Diversity of providers with capability to bid and perform well in a contestable, outcomes-based environment (including small, medium and large) Increased capacity and capability to respond to reforms, market forces, cost pressures, changing client needs and community expectations Effective collaboration and partnering to deliver better results (e.g. through innovation or integration) and/or achieve increased efficiencies

Table 1: Examples of participant input which will inform the development of the Social Services Market Stewardship Framework.

Next steps for Social Services Procurement Transformation and for the Industry-Government Forum

The forum closed with an opportunity for participants to identify priorities for moving forward.

Industry participants called for government to:

- develop further mechanisms to communicate regularly and openly with non-government providers about reforms
- build on successful examples of collaboration and co-design, such as Carmody Reforms and NDIS, and work together with non-government providers and peak bodies on other key reforms, including the transition to outcomes-focused planning and contracting
- establish small and targeted working groups to progress key reform initiatives, with representation from industry
- work with non-government providers to better define and operationalise what is meant by 'value for money' for social services delivery
- consider opportunities for vesting decision making in local communities and taking more location-based approaches to planning and investment, and
- explore options for better engagement and coordination with local government and the Australian Government on key social service reforms.

Queensland Government agencies will consider this advice from participants and will explore opportunities for joint work into the future.

Participants agreed that it would be worthwhile to hold six-monthly forums, with other opportunities between times to input to key reforms, such as small working groups and targeted engagement on specific initiatives. On the advice of participants, membership of the forum will be expanded to include representation from for-profit organisations.

The next Industry-Government will be held in November 2014.

Updates and Communication

The Social Services mega-category Team, led by Peter Lacey, will work with the Queensland Council of Social Services (QCOSS) to identify opportunities to communicate about reforms and engagement opportunities. Mechanisms will include the [Community Door website](#) and QCOSS e-news.

Other peak bodies and industry groups interested in sharing information through their networks are invited to email the [Social Services mega-category team](#).

For updates on the Social Services Reform Program please visit www.treasury.qld.gov.au/social-services-reform

Stay up-to-date with Procurement Transformation Program news by subscribing to [Simply Procurement](#) (staff) or [PTP e-News](#) (suppliers, contractors and industry).