



Guidelines for engagement with NSW human services non- government organisations

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1. Introduction

The NSW Government is committed to effective engagement with non-government organisations (NGOs) to achieve better human services outcomes. Strong working relationships are critical for productive and meaningful engagement; both parties must respect the diverse knowledge and expertise needed to deal with complex issues and change.

This document sets out the overarching values and principles for effective engagement between government and the NGO sector. It is designed so that agencies and NGOs have the flexibility needed to engage in the manner most appropriate to the circumstances.

Complex social challenges are best tackled through cross-government and cross-sector effort. To address these problems, agencies engage with NGOs in a number of areas: policy or program development; planning, design and delivery of services; commissioning or procuring services; educational purposes; and to communicate government priorities. Productive and meaningful engagement will drive the best outcomes regardless of the purpose for which it is being undertaken.

The values and principles in this document should be applied by agencies during the planning phase of all engagement activities (regardless of the form or purpose) and used periodically to test the effectiveness of engagement.

This document supports engagement with NGOs operating in the human services sector. Human services are defined in the Human Services Data Hub Taxonomy as ‘the programs, facilities or services provided to meet the health, welfare and social needs of individuals, families and communities. This may include, for example, health, education and community services provided across NSW’.

1.1 Why do we engage with NGOs?

Human services NGOs are an independent and vibrant source of expertise with vital links to the communities in which they operate. Effective engagement on shared objectives can help to ensure that government implements human services that are robust, innovative and able to achieve a sustained improvement.

Engagement is not a single process or set of activities. It is an ongoing process or conversation that builds trust and relationships.

FaHCSIA 2012, 'Engaging today, building tomorrow: the engagement spectrum'. Sourced in Australian Parliamentary Library 2011-12, 'Citizens' engagement in policymaking and the design of public services', viewed 11 March 2016.

1.2 Benefits of effective engagement with NGOs

Effective engagement between government and NGOs:

- builds a productive working relationship founded on mutual trust and respect
- promotes information sharing that influences the design and provision of human services
- supports greater clarity in the roles, responsibilities and expertise of government and NGOs in developing and delivering services
- fosters innovation by creating an environment where parties are open to exploring new ideas
- demonstrates government's commitment to transparency and accountability
- delivers the best outcomes when government and NGOs share ownership of decisions, are proactive in responding to emerging issues and adapt to change
- contributes to a cycle of continuous improvement for human services by establishing clear communication channels and feedback loops.

2. Values and principles

2.1 Engagements must embody our core values

The Ethical Framework for the public sector outlines how public sector employees must act when they carry out their responsibilities and duties. It identifies the minimum standards of behaviour expected of all public sector employees in day-to-day activities, including how to treat colleagues, clients, customers and stakeholders. These standards of behaviour include preserving the public interest and implementing the decisions of the government of the day, and performing in ways that are consistent with four core values – integrity, trust, service and accountability.

Agencies must engage with human services NGOs in a manner that is consistent with these core values.

2.2 Principles of effective engagement

The principles underpinning effective engagement practices build upon the NSW Government and NGO sector's shared vision for achieving better human services outcomes. They recognise the importance of improving social, cultural and economic outcomes; the importance of equity and accessibility to high quality service provision; and the involvement of members of the community in decisions that affect their lives.

They also recognise the significance of an independent, robust and diverse NGO sector that is transparent and inclusive of community participation in decision making practices.

There are six principles that should guide the way agencies and human services NGOs engage:

- *Build positive relationships based on mutual respect* - agencies and NGOs need to demonstrate mutual respect for each other's roles and acknowledge that at times differences of opinion around certain issues may arise.

- *Engage in an inclusive and accessible manner that recognises and supports diversity* – engaging with a wide range of NGOs will encourage innovation, address perceptions of potential bias, and provide a holistic response representative of the sector.
- *Build a shared understanding of outcomes* - engagements should be informed by a focus on genuine outcomes for people and communities, and a commitment to improve social, cultural and economic outcomes.
- *Communicate openly, clearly and consistently* – open communication and consultation is a priority where amendments to policies, programs or services are being considered or advocated.
- *Reduce administrative barriers and increase efficiency* – agencies should minimise (if not remove) administrative barriers to NGO participation in engagement activities. Agencies should make it easy for NGOs to participate.
- *Foster innovation in service design and delivery* – engagements should be conducted in a manner that encourages innovative thinking and collaborative problem solving. All parties need to be open to constructive criticism and use it to drive continuous improvement in service design and delivery.

At its best ... engagement results in the joint determination of outcomes and confers legitimacy upon them.

Australian Parliamentary Library
2011-12, 'Citizens' engagement in policymaking and the design of public services', viewed 11 March 2016

Principles-based engagement allows for maximum flexibility for program, project and service specific requirements and legislative and regulatory obligations. It is recognised that there will be limited instances where the principles may not be applicable.

The engagement process should be proportional to the size and risk of the project or service. Good engagement is ongoing, targeted and measurable.

3. Engagement considerations

Planning is essential for meaningful and productive engagement. Set out below are the key considerations for agencies to contemplate prior to any engagement activity. These considerations will assist in achieving the immediate objectives, as well as maintaining the agency's (and the government's) reputation as an effective engagement partner.

Be well informed

An agency needs to have a solid and contemporary understanding of the relevant human services sector to ensure it targets the engagement activities accordingly. This includes knowledge of the key players, latest and forecasted developments, NGO and government capabilities, trends, and research, amongst other things.

Have clear objectives and processes

The agency must articulate and communicate the purpose, accepted method(s) and rules to all participants. Clear definable objectives provide a focus point and structure for engagement activities. Establishing the method and rules will create an even playing field and reaffirm the agency's commitment to transparent and accountable behaviour.

The information should be incorporated into a well-developed and structured plan for the engagement.

Give NGOs the best opportunity to meaningfully participate

The timing, method and length of engagement is critical to ensuring that NGOs are able to make a meaningful contribution and also that the objectives of the engagement are met. Agencies should be mindful of peak periods within the relevant sector, plan and communicate engagements early to allow NGOs to plan their involvement, avoid clashing

Capacity to engage on a process can be affected by particular points in time ... December-January ... for many organisations is a time of much-needed shutdown, but for others can be the busiest and most demanding time of year (e.g. ER, family relationship and crisis services).

Australian Council of Social Services 2013. Submission: Code of Best Practice for Engagement with the not-for-profit sector. Viewed 11 March 2016

with other important events or consultation periods occurring in the sector, and allow sufficient time for considered feedback that is reflective of the organisation or sector.

Look for opportunities for cross-agency collaboration

Agencies should proactively seek opportunities to engage the NGO sector together. Agencies can use the government human services data (e.g. the Human Services Data Hub) to identify opportunities for collaboration across government to achieve the same, or similar objectives. When two or more agencies undertake engagement together, there is greater opportunity for holistic, multidimensional approaches to complex issues. It will also reduce the administrative and resource burden placed on NGOs.

Be open and transparent about the process

The primary objective of better engagement is achieving better outcomes. This is enhanced by an open and transparent dialogue with the sector as a whole. Agencies need to be clear from the outset about how the engagement will be conducted.

Have the highest level of probity and behaviour

Agencies must maintain the highest standards of probity and behaviour throughout the NGO engagement process.

Manage intellectual property properly

Appropriate management of intellectual property is an essential part of all engagement activities. Agencies can recognise and acknowledge the contribution that NGOs are making to the engagement process by requesting NGOs to explicitly identify any information that they regard as being confidential or intellectual property, and for that to be recorded. Section 5 contains information on managing intellectual property during procurement engagements.

Keep good records

Good record keeping benefits the agency and NGOs as it promotes confidence in the engagement process. At a minimum, records should capture the purpose of the engagement, details of participants, summary of discussions, key outcomes and actions.

4. Interaction with other initiatives

Effective engagement is targeted and informed. There are a number of tools and information sources available to agencies to assist in planning and conducting their engagement activities.

This section highlights some of the whole-of-government tools available. Agencies will have their own initiatives to support engagement.

Use government data to inform engagement activities

The Human Services Data Hub (HSDH) and the Data Analytics Centre (DAC) can assist agencies to be better informed and to better understand existing engagements. This also benefits future engagement activities because agencies can segment the NGO supplier base and identify those NGOs (or the types of NGOs) that are best placed to assist in achieving the engagement objectives. Agencies can also identify opportunities for cross-agency collaboration and coordination by identifying NGOs who work across multiple agencies, understanding the types of services currently contracted, and aligning funding cycles.

The HSDH and DAC only include information about NGOs that have contracted with government. Whilst they are a valuable tool for planning engagement activities, agencies should look beyond these data sets to draw on the insights and contributions of the broader NGO sector.

The NGO Benchmarking Model can identify capability gaps

Agencies will be able to better understand the capability of the NGO sector through aggregated data drawn from the Model. Having a better understanding of the sector's strengths and weaknesses will help agencies identify gaps, and work with the sector to implement strategies to improve capability where needed.

The Human Services Outcomes Framework is a mechanism for collaboration on shared priority outcomes

The Framework promotes cross sector collaboration through recognition of the interrelationship between the different population outcome domains. Agencies should consider how they can collaborate with other agencies to undertake a coordinated approach to engagement. A coordinated approach will drive a more holistic response and reduce the burden on NGOs who might otherwise have to participate in two or more separate engagement processes to have their voice heard.

A streamlined and consistent contract for human services NGOs

Currently, human services contracts differ within and between agencies. The NSW Human Services Agreement will make it easier for NGOs to do business with government by introducing a streamlined and consistent contract. The Agreement will be in plain English so it is easy for both NGOs and agencies to understand and use. Agencies will use the Agreement when procuring human services from NGOs. The Agreement is under development and once finalised, it will be publicly available on [ProcurePoint](#) with a NSW Procurement Board Direction establishing when and how agencies will use the Agreement.

5. Engaging for service delivery

Engagement is a key part of contracting with NGOs to deliver effective human services. This section explores engagement in the context of strategic commissioning and procurement.

This section is included to demonstrate how engagement can support better outcomes in specific contexts. This section is not exhaustive – engagement is undertaken for a variety of reasons outside of strategic commissioning and procurement (i.e. policy development, program reform, service co-design).

5.1 Strategic commissioning

Agencies should consider whether strategic commissioning is applicable in their context. Strategic commissioning refers to the process for deciding how to achieve better outcomes in the most efficient, effective, equitable and sustainable way, and getting the best use from available resources. Commissioning looks at what is needed, how those needs are best met, and the most appropriate mode of delivery. Effective commissioning is about much more than procurement and contracting, though these are key elements of the commissioning cycle.

Commissioning is about harnessing the significant contribution that all sectors can make to service design and delivery (e.g. not-for-profit, private and public). Before entering a commissioning process, it is important to identify key stakeholders and develop an engagement plan to consider and optimise the opportunities for collaboration. It is crucial to engage early:

- within government agencies/entities across different teams, including policy, program, finance, procurement and legal teams
- across government agencies/entities to co-ordinate commissioned services, especially where service outcomes depend on the performance of other services or could be co-commissioned

- with not-for-profit and private providers, for instance, through market sounding, through establishing clear roles and accountabilities, and through an ongoing feedback loop.

Government agencies can consider their role as being the steward of a service system with many players throughout service delivery chains. Strong collaborative processes with these stakeholders should underpin the key stages of commissioning, which include:

- *Assessing needs and identifying outcomes* (define your objectives; understand the provider market; assess needs and specify outcomes; collect and analyse data to determine service and capability gaps)
- *Designing services* (evaluate alternative delivery models; engage providers; explore risks and mitigation strategies; and design system model)
- *Selecting the appropriate delivery mechanism* (decide and implement the appropriate procurement and contracting methods)
- *Reviewing services against outcomes* (manage performance; review client outcomes; and evaluate services to inform future services and systems).

There are a range of commissioning models, including but not limited to:

- *Payment by results*, where providers are paid on the basis of outcomes (e.g. transactions under the NSW Social Impact Investment Policy, which involve collaboration between NSW central and line agencies, service providers and private investors)
- *Choice-based services*, where individuals have control over what public services they wish to use (e.g. the National Disability Insurance Scheme).

5.2 Procurement

Early planning is an essential step in the procurement process. Listed below are factors that agencies should consider prior to and during engagement with NGOs.

- Does a market exist for the subject matter?
- What are the fundamental economics, business characteristics and competitive framework of this market segment?

- What are the general trends in relation to supply and demand within the market?
- Whether examples exist of alternative supply models being pursued by similar organisations?
- What are the strengths and weaknesses of the government's position in relation to the market?
- Where is NGO input needed, and from how many?
- What resources are available to conduct the engagement activity?
- What risks exist for the agency from engagement, including risks to other concurrent procurement activities?

Answering these questions requires a level of engagement within the agency and with the broader NGO sector. This engagement will:

- provide insight into the history, context and user needs surrounding the government/agency sector or objective identified
- identify challenges and encourage discussion about how agency objectives are being met by the services, products or solutions currently provided
- help the buying agency understand the limitations of any existing services and any difficulties in NGO management
- identify the desired improvements and needs, and the desired outcomes
- allow the NGO sector to better prepare for the procurement activity (e.g. build capability, establish partnerships etc).

Further information on engagement during the procurement process is included in the [Industry Engagement Guide](#). The Guide provides a high level view of strategies and approaches for agencies to use when engaging with industry.

Agencies need to consider how they manage intellectual property during procurement engagements. Existing ownership of intellectual property should be undisturbed so that whichever party owns existing intellectual property at the start of the contract will continue to own it.

The default position is that intellectual property in new contract material is to be owned by the supplier and the agency is to be given a perpetual, transferable, royalty free license to use it. This default position may be disturbed, where the nature of the goods or services warrant it. Agencies should consult NSW Procurement or their specialist procurement teams for advice on procurement engagements.

6. Case studies

Case study 1:

NSW Health's Partnerships for Health

NSW Health has formally recognised the importance of NGOs in delivering health services to our communities as stated in Partnerships for Health (2013):

NGOs are a critical partner in the delivery of a full range of health services required to maintain and improve the health of the communities in which they work. Further, NGOs provide invaluable support across the spectrum of health care, and can provide unique skills and expertise to the health system.

The Partnerships for Health is NSW Health's response to several reviews of its relationship with the not-for-profit and NGO sector in recent years, most notably, the Grants Management Improvement Project Taskforce Report of 2012.

Key components of NSW Health's enhanced approach to engaging with NGOs include: clearly articulated priorities and joint planning; a consistent approach to contract management; and selection of appropriate funding models to suit the particular service or program. Partnerships for Health will promote new opportunities in community-based health services, and will ensure funded services align with strategic health priorities, complement Local Health District services, and are purchased under transparent arrangements that are consistent with procurement principles.

NGO Advisory Committee

To seek advice from NGOs on the implementation of the Partnerships for Health, NSW Health reconfigured its NGO Advisory Committee to support stronger engagement with the NGO sector. The membership includes NGOs from organisations of varying sizes and locations, as well as NGO peak bodies. The Committee has met bi-monthly over the reform period and provides key strategic input on the implementation of the new funding arrangements, identification of sector capacity issues, appropriate communication channels, and training and development requirements for NGOs moving to the new purchasing environment. It has become a useful forum for two-way exchange of information between NSW Health and the NGO sector on health issues and innovations.

Case study 2:

Ability Links NSW

Ability Links NSW (ALNSW) supports the ongoing disability service system reforms in NSW and the transition to the National Disability Insurance Scheme (NDIS). ALNSW enables people with disability, families and their carers to have their support needs met within their local communities.

Commissioning process

FACS applied an innovative outcomes-based procurement process that moved away from traditional, process driven procurement. It involved an extensive pre-market engagement strategy; state-wide briefings and consultations were used to engage the potential service market in the design and development of the requirements for the ALNSW model. The feedback received during this process informed the future design of the commissioning approach.

The extensive pre-market engagement and 'seeding' of the market resulted in the formation of new entities. It also demonstrated FACS's commitment to shared governance with funded non-government community organisations.

Partnership approach

ALNSW launched in the Hunter Region on 1 July 2013 and expanded across NSW from 1 July 2014. FACS remains committed to the co-design philosophy during implementation, which is evident by the:

- branding, communication strategies, and data and reporting being developed in partnership with the service providers. This has ensured the model is flexible and responsive to individuals and the local communities
- removal of standard output reporting and contracting requirements.

These features recognise that NGO providers are best placed to understand and adapt the service design principles for their local communities.

Relationship management

Relationship managers have been introduced to foster positive working relationships and collaboration. This is achieved by supporting individual NGOs with their service delivery, capacity building and networking, as well as reaffirming the need for all providers to work together as one state-wide team. This approach has led to a noticeable increase in ALNSW providers working collaboratively to develop and implement initiatives that further promote and improve the delivery of ALNSW within local communities.

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