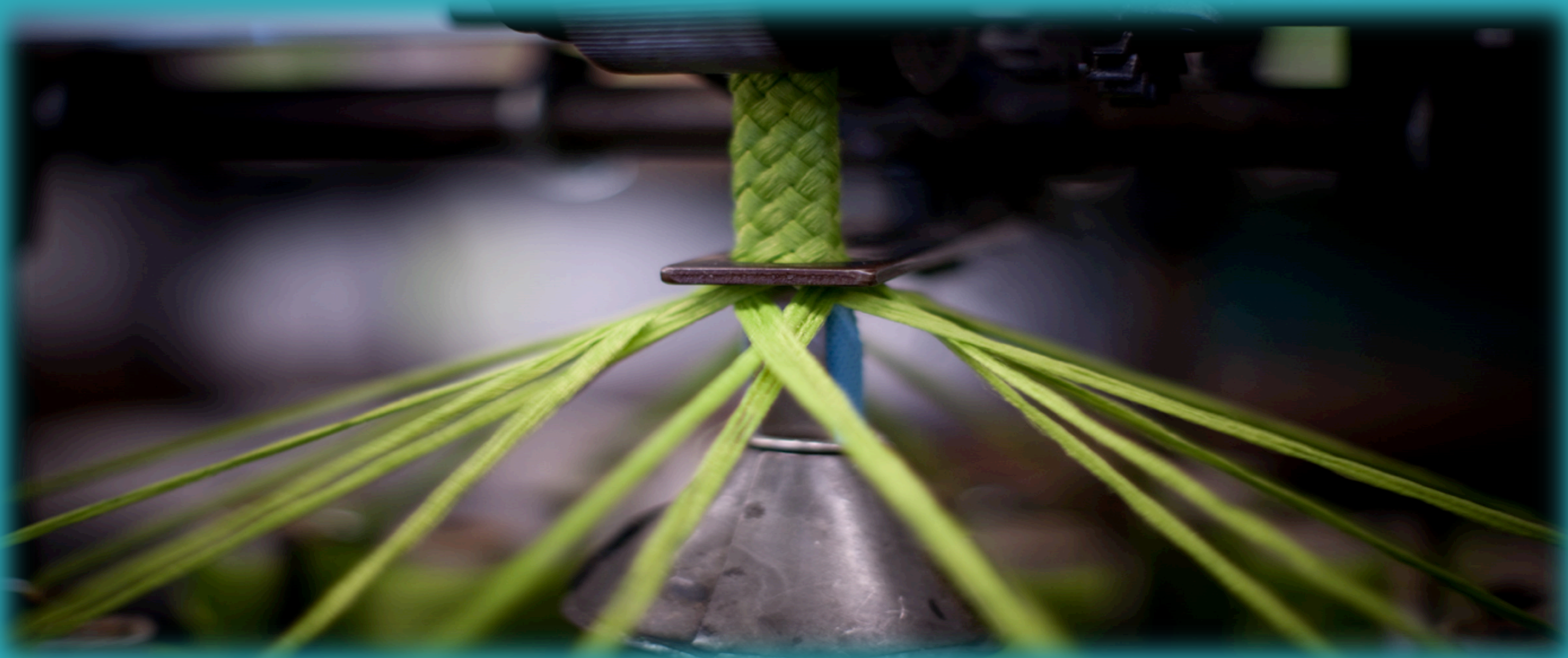
Sustainable Funding and Contracting with the Not for Profit Sector Initiative and Associated Procurement Reforms

2013 Evaluation



Curtin University

Department of **Treasury**

Professor David Gilchrist
Curtin Not-for-profit Initiative
Curtin University
GPO Box U1987
Perth WA 6845

David.Gilchrist@curtin.edu.au

Penny Knight
Curtin Not-for-profit Initiative
Curtin University
GPO Box U1987
Perth WA 6845

Penny.Knight@curtin.edu.au

16 February 2014

Curtin University

Contents

Executive Summary

This report presents the results of the second annual evaluation of the Sustainable Funding and Contracting with the Not for Profit Sector (SFCNFP) Initiative and the *Delivering Community Services in Partnership* (DCSP) Policy reforms. It includes findings from:

- An online survey of 486 Not for Profit (NFP) organisations contracting with the state government to provide community services.
- An online survey involving the 11 Western Australian Government agencies responsible for managing 95 percent of the funding allocated to purchase community services.

The 2013 evaluation found continued strong support for the *DCSP* reforms from both the NFP sector and government agencies. However, it is clear that there is still concern about the amount of administrative work required. At this point, it is not evident if actual administrative work has increased or if there is a sustained perception that it has. This should become clearer in subsequent studies. NFP leaders also raised a number of other issues, particularly difficulty in specification of outcomes, inconsistent approaches from agencies, and the overall impact on services to end-users.

The 2013 responses from these stakeholders are typical of this phase sectoral change. It is usual for those impacted by change to develop some scepticism and even resistance during the middle stages, at which point the work processes are redesigned, but the results are not yet evident. Given the sector support for these reforms, 'holding the line' on the essential, system wide changes is very important. However, long run success and better outcomes for service users will be dependent on the devolvement of control to agency leaders and their commitment to achieving the intended outcomes of the *DCSP* Policy. Achieving the balance between control and devolvement over the next few years will be challenging, as each agency differs in its policy and service area, and its relationships with NFP partners. As such, future problems may be unique to individual agencies.

Not all negative responses from the NFP sector or agencies are symptomatic of the change process. In this anonymous study, NFP and agency leaders raised a number of key concerns that are summarised in this report. It is important that these comments are heard, and this can be supported by open dissemination of the findings of this study. Publication of this report will also support future engagement in the research and the collection of high quality data.

Finally, the aim of this evaluation is to monitor overall change and identify opportunities or threats that may affect policy outcomes. The NFP funded sector is not a homogenous group but a hugely diverse set of individual organisations, and this is a complex and important reform covering a very wide range of government services. Therefore, it is important not to take feedback from survey respondents on face value alone and be aware that perception will often lag substantive change. Future evaluations will provide the data necessary to identify trends.

Evaluation of the Sustainable Funding and Contracting with the NFP Sector Initiative and NFP sector capacity

The Not for Profit sector's response to the 2011-12 Component I price increase is overwhelmingly positive and is still being felt by NFPs, particularly in regard to improved staff retention and staff skills. A number of respondents commented that their organisations is now able to operate 'in the black' for the first time in many years.

The key findings are[1]:

- Most NFP organisations are small. Approximately 60 percent have an annual income of less than $2m. They are also very heavily reliant on the state government for funding and therefore changes to income or contracting arrangements have a significant impact on their sustainability and work load.
- Four out of ten CEOs from NFP organisations report they have more staff in 2013 than in 2012.
- There has been no change in staff vacancy rates since 2012. The perceived average time taken to fill a vacancy has increased marginally, but the underlying trend is not yet evident.
- Three quarters of CEOs report that their organisation is in a stronger position now than in 2012 and 80 percent expected to be stronger still in mid-2014. However, about 25 percent of respondents believed their organisation's capacity to invest in assets and in staff development is weak or very weak. The same percent believed that their overall staff levels are less than ideal.
- More than half of the NFP CEOs who responded plan to increase overall investment in building organisation capacity, particularly in the areas of new service development, staff, ICT and strategic planning. Less than one third will be increasing investment in land and buildings.
- Half the NFPs expect to increase staff numbers in 2013-14 and overall growth is expected to be in the region of five to ten percent.

[1] Interpreting the findings: There were a total of 238 full and partial responses from the 486 NFPs currently contracting with 13 state government agencies. The respondents from this year's study were similar to last year in regard to turnover, but differ in employment and sector of operation. As there is no data on the total population of the 486 NFPs, it is not possible to determine the extent to which the 2012 or 2013 studies fully represent the sector.

Evaluation of *DCSP* Policy implementation

Agency contracting activity

- There are approximately 211 FTE working in procurement across the 11 government agencies surveyed.[2]
- The procurement and contract management databases used by agencies vary in their ability to provide information.
- The total number of service agreements was reported as 1,392, but this was not consistent with other data provided. The use of Preferred Service Provider (PSP) status varied from zero to 100 percent. Based on the information provided, 65 percent of service agreements are on a PSP basis.
- Approximately 30 percent of current service agreements were procured using the *DCSP* Policy framework.

Impact of DCSP Policy on NFPs and agencies

- The knowledge and skill levels in the application of the *DCSP* Policy are very high among both NFPs and agencies.
- Most agency staff and an average of 43 percent of NFPs believe that administration time had increased under the *DCSP* Policy. There is significant variation in the time required for NFPs to prepare tenders and administer service agreements. On average, the time required to prepare tender materials for submission may have increased by approximately one day since 2012. This finding will need to be confirmed in subsequent studies.
- Just less than half of NFP respondents' comments on the implementation of the *DCSP* Policy are negative, 22 percent were mixed and 18 percent believe it is too early to tell. There is frustration with inconsistent approaches being used across agencies and increased administrative burden. Respondents also raised a large range of other, often unique, issues.
- One third of NFP respondents and nearly half the agency staff believe the *DCSP* Policy is having a positive impact on services to end users. However, a quarter believe there had been no change. Most agency staff and some NFP respondents were optimistic that services would improve under the *DCSP* Policy.

[2] Excludes staff not attached to central procurement offices or working only occasionally in procurement as part of their other duties.

This page left blank intentionally.

1. Introduction

Background

In the 2011-12 state budget, the Western Australian Government allocated an additional $600 million funding over four years towards community services contracts with the Not for Profit (NFP) sector. Referred to as the Sustainable Funding and Contracting with the Not for Profit Sector (SFCNFP) Initiative, this funding is being distributed in two tranches: Component I and Component II.

Component I funding commenced during 2011-2012. It consisted of a 15 percent increase in payments for 994 eligible contracts which were held by 495 NFP organisations. Component II funding, equivalent to an average 10 percent increase for eligible contracts, will commence in 2013-14. Component II will be applied as contracts with NFP organisations are reviewed, and will be linked to the implementation of key contracting reforms, consistent with the *Delivering Community Services in Partnership* (*DCSP*) Policy.

The Western Australian Government established the Partnership Forum to oversee the introduction of these reforms. This group comprises senior representatives of both the NFP sector and relevant State Government agencies. In 2012 the Partnership Forum developed an evaluation framework to monitor and evaluate the outcomes of the SFCNFP Initiative for the first five years following implementation. This evaluation process commenced in 2012. The Partnership Forum's Implementation Working Group – Sub Group was tasked with determining the approach required to successfully implement the framework and monitor its effectiveness.

Curtin University's Not-for-profit Initiative was appointed to apply the evaluation framework and to undertake an annual assessment for five years from 2012. This report presents the findings of the second annual evaluation and compares the 2013 results with the baseline data presented in the 2012 report.

Table 1 The number of NFP organisations contracting with each agency

Agency	No. NFP contacts provided
Commerce	15
DAA	12
CPFS	92
DAO	37
DCS	29
DLGC	122
DSC	86
Education	21
Health	121
Housing	17
Legal Aid	14
MHC	58
DTWD	Not provided
WA Police	Not provided
Total	**624**

Approach

During 2012-13, fifteen state government agencies held service agreements with Not for Profit (NFP) organisations that had received Component I funding. The Department of Treasury (Treasury) emailed these agencies and 13 provided contact details for a total of 624 NFP organisations with which they contract. Duplicate references were removed, identifying a total population of 486 NFP organisations that had agreements with the WA government to provide community services.[3]

The evaluation comprised two main tasks:

1. A survey of the 486 NFP organisations with current service agreements to provide community services and that had received the Component I price increase. These organisations were emailed in October 2013 and asked to participate in an online survey. Curtin received 167 completed questionnaires and a further 71 organisations provided partial responses.
2. A survey of the key state government agencies that administer contracts for community services with the NFP sector. The survey was distributed to 13 agencies: 11 agencies completed the survey.

The research methodology is described in more detail in Appendix 1.

The 2013 Sample

There is no data on the total population of contracting NFP organisations regarding turnover, employment, sector of operation or location. As such, it is not possible to determine if the 2012 or 2013 surveys fully reflect the state government funded sector in its entirety. The organisations that responded to the survey in both years have similar profiles for turnover and location of service delivery, but differ in total employment and sector of operation. Sixty four organisations were identified that responded to both the 2012 and 2013 surveys. The differences in the survey samples have been taken into consideration in the analysis. To simplify reporting, the names of government agencies have been abbreviated. A list of all abbreviations can be found in the appendices.

[3] In the 2012 evaluation, Treasury data identified 495 NFP organisations having service agreements with the state government.

2. The Not for Profit sector in 2013

NFP Turnover

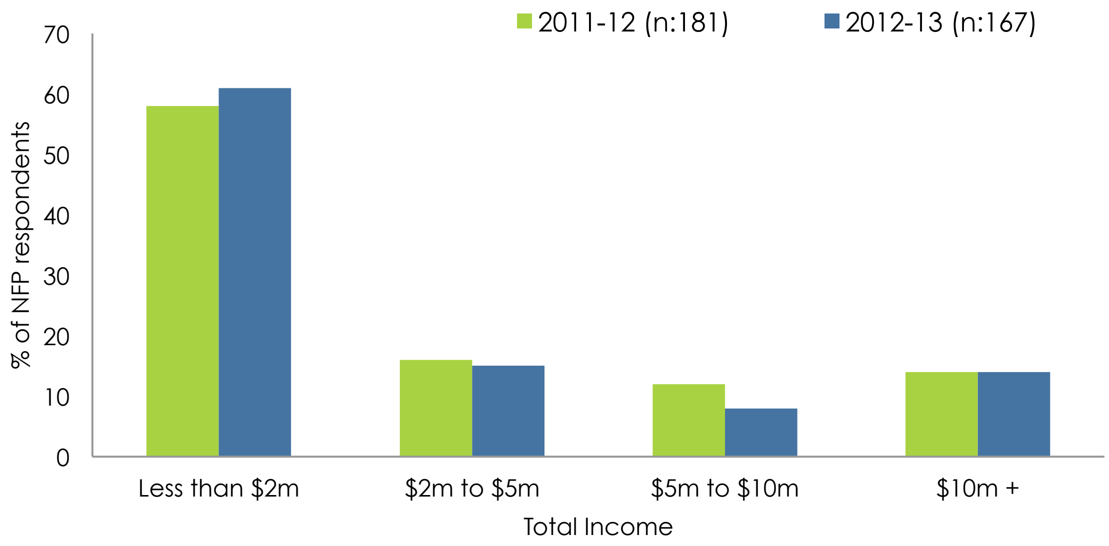
A quarter of the NFPs in the 2013 sample had an turnover in 2012-13 of less than $500,000 pa and a further quarter had a turnover between $500,000 and $2m pa.

In interpreting the findings and considering policy implications, it is important for readers to be aware that the majority of organisations affected by the reforms are small, and may have less capacity to respond to change, to absorb increases in administration or to prepare responses to requests for tender.

The turnover of NFP organisations that responded to both the 2012 and 2013 surveys are very similar.

The majority of NFP organisations providing community services are small. Approximately 60% have an annual turnover of less than $2m pa.

Figure 1 NFP turnover: 2012 and 2013



Employment

NFPs responding to the 2013 survey have higher average employment.

There is a significant difference in total employment between the 2012 and 2013 respondents.

Despite little change in the distribution of turnover of the organisations, there is a significant difference between the 2012 and 2013 samples in the reported number of employees. The average number of full-time-equivalent (FTE) employees in 2013 is 37, compared with 24 in 2012. The 2013 sample includes a smaller percentage of organisations employing up to four staff, but more employing between five and nine staff. The number of organisations with fewer than 20 staff was 49 percent in the 2012 evaluation but 61 percent in 2013. It is not possible to conclude as to whether this difference is the result of sampling or reflects an actual increase in staff numbers. Future evaluations should provide more information.

Based on the data provided, the total number of FTEs employed by respondents is estimated to be between 6,700 and 7,500 FTE. Additionally, for the first week in July 2013, 25 percent of organisations report having between 1 and 4 volunteers (based on head count), and 22 percent had between 10 and 19 volunteers. The total number of volunteers in July 2013 was approximately 850 to 950.

Figure 2 NFP Employment: 2012 and 2013

Service sectors and location

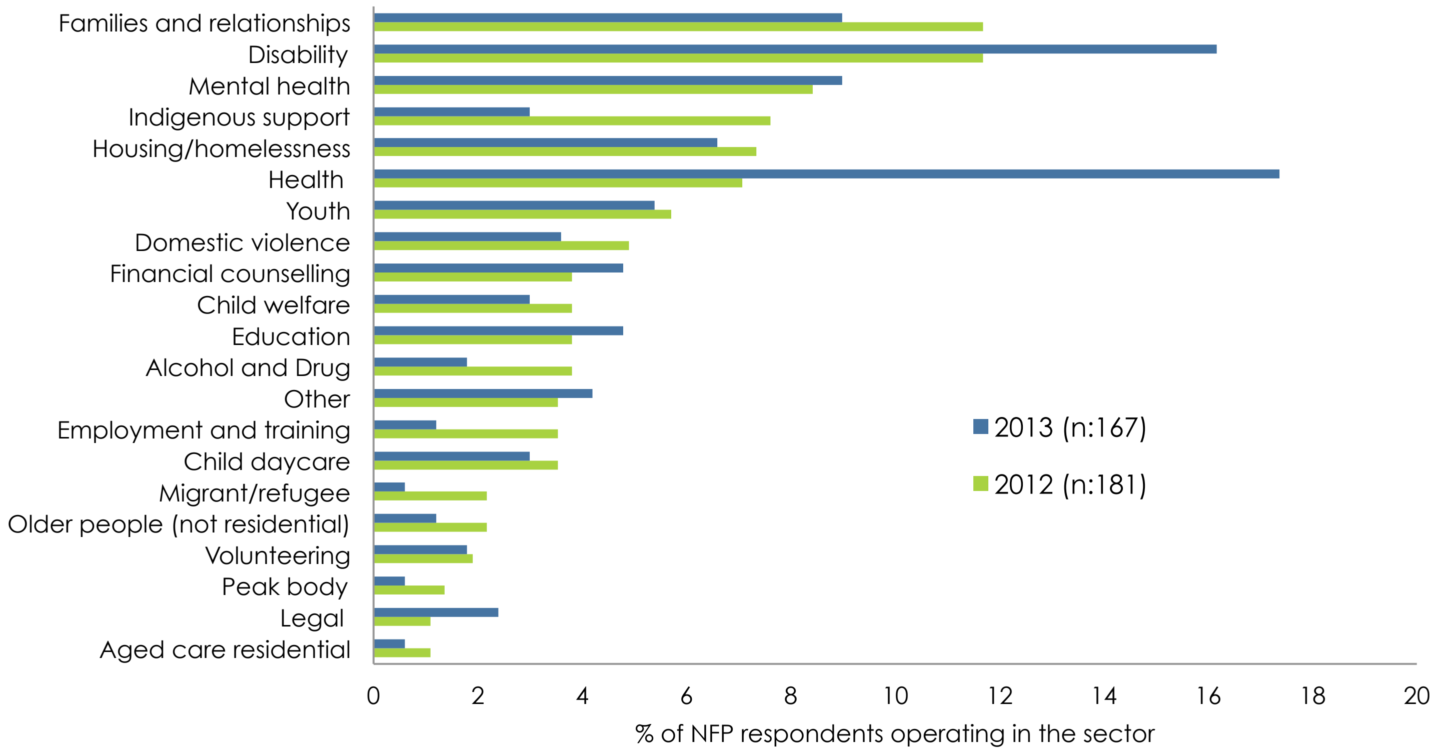
As in 2012, the 2013 survey sample included respondents from a broad range of sectors. The 2012 and 2013 respondents differ in that this year's sample includes a higher proportion of organisations from the health and disability sectors. In particular, 17 percent of this year's respondents are from the health services sector – more than double the number responding in 2012.

In 2013 the NFP respondents delivered approximately 60 percent of their services in the metropolitan area, compared to 50 percent in 2012. Just under 11 percent of services were delivered in the Pilbara and Kimberley.

The 2013 study includes a higher percentage of respondents from the health (17%) and disability (16%) sectors.

More than half the services of respondents are delivered within the Perth metropolitan area.

Figure 3 NFP respondents: Primary sector of operations



Contracting with state government

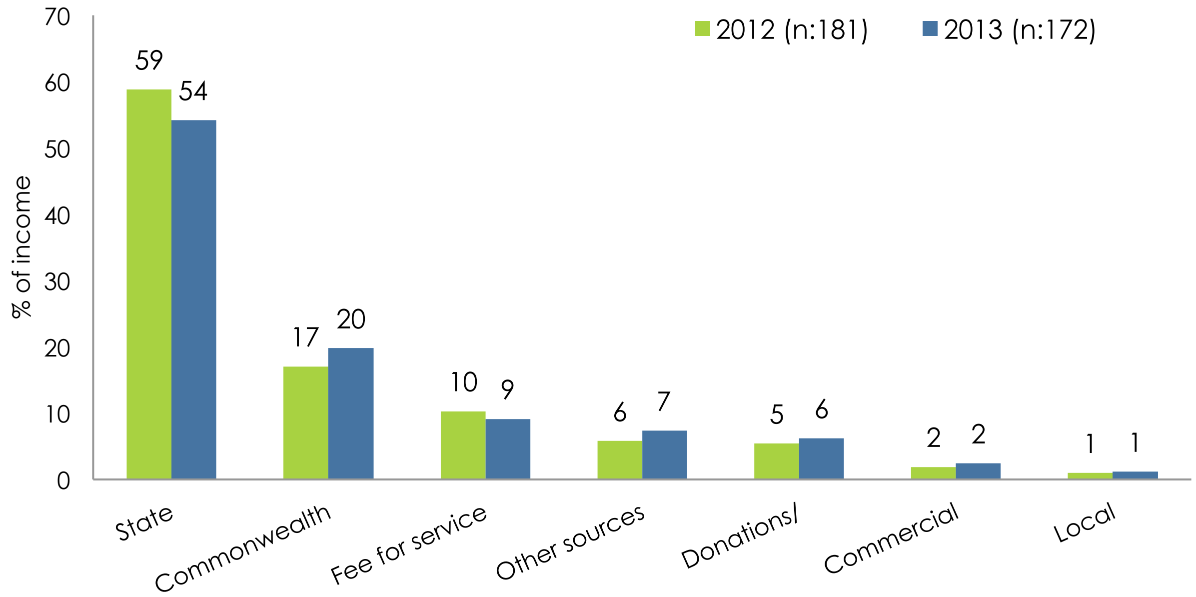
On average, the state government provides more than half the NFPs' income. The next largest source of income is the Commonwealth Government.

There has been no change in the average percentage of income received from each source since 2012.

On average, NFPs received 54 percent of their 2012-13 income from the state government and 20 percent from the Commonwealth Government. Fee-for-service, other receipts and donations represented less than a quarter of NFP income.

Figure 4 appears to suggest a decline in reliance on state government funding since 2012, however these changes are within error margins and not statistically significant.

Figure 4 NFP respondents: Sources of income



Extent of reliance on state government funding

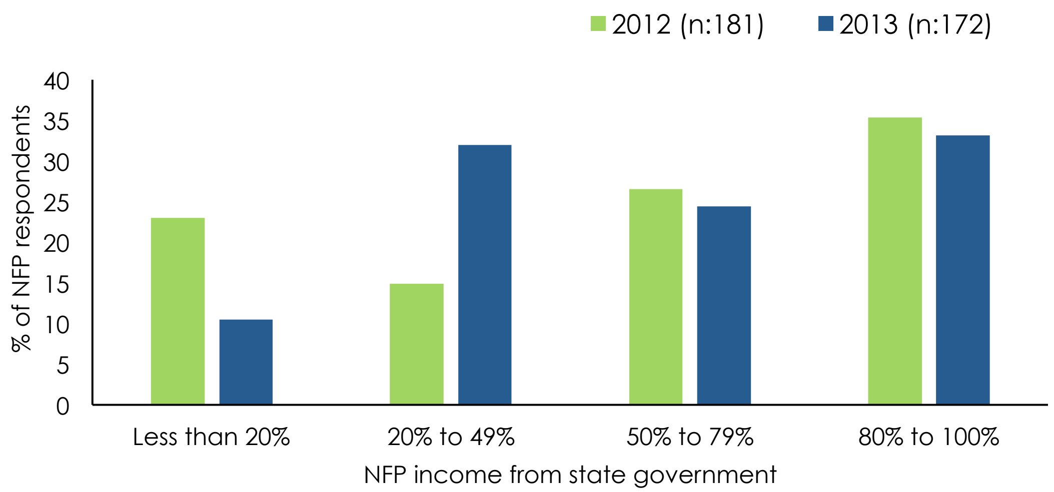
When the distribution of income from state government is examined, the findings show that one third of respondents receive more than 80 percent of their income, and a further 24 percent receive between 50 and 79 percent of their income, from the state. As such, any changes to funding amounts, policy or procurement have a significant impact on more than half the NFPs participating in the survey.

These results suggest that there has been a decline in the proportion of respondents receiving less than 20 percent of their funding from the state government, with a corresponding increase in respondents receiving 20 to 49 percent of their income from the state. It is possible, however, that this result may be due to differences in sampling.

One third of NFP respondents rely on the state for at least 80% of their income. A further 24% receive between 50% and 79% of their income from the state.

Changes in total funding or funding approach would have a significant impact on an estimated 57% of NFP organisations.

Figure 5 Reliance on state government funding



Number of service agreements with state government agencies

NFP CEOs report that more than half their service agreements were procured on a Preferred Service Provider (PSP) basis. However, it is possible they have low level of understanding or awareness of their contracting as a PSP.

The total number of service agreements held by participating NFP organisations with state agencies was reported as 639. However, as occurred during the 2012 evaluation, some respondents appear to have counted individual service agreements in the number of total contracts, despite instructions to exclude these[4].

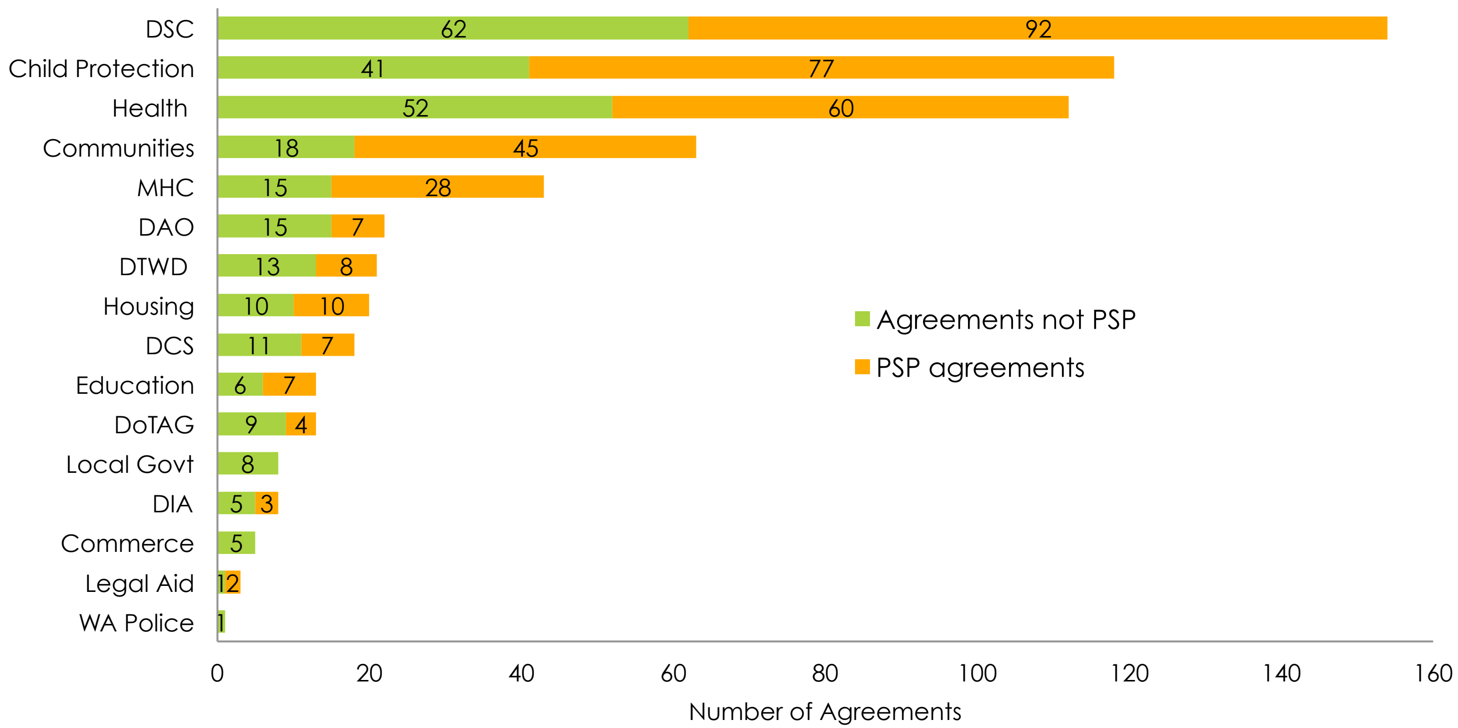
Contracting as a Preferred Service Provider

Respondents report that more than 60 percent of service agreements with the Disability Services Commission (DSC), the Department for Child Protection and Family Support (CPFS), and the Mental Health Commission (MHC) were contracted on a Preferred Service Provider (PSP) basis. In contrast, only 30 percent of service agreements held with the Drug and Alcohol Office (DAO) are as a PSP.

According to state government agency data (Chapter 3), all DSC and DLGC service agreements were contracted on a PSP basis, whereas none of those with CPFS were on a PSP basis. Results from the survey of NFP organisations therefore contradict the agency data. It may be possible that NFP CEOs do not understand, or are unaware of, the extent to which they are appointed as a PSP.

[4] The department names in use in 2012 were used in the 2013 survey as these were most familiar to respondents and facilitated comparison between datasets. A current list of relevant state government agencies has been included in the appendices.

Figure 6 Reported number of service agreements and agreements as preferred provider (n:180)



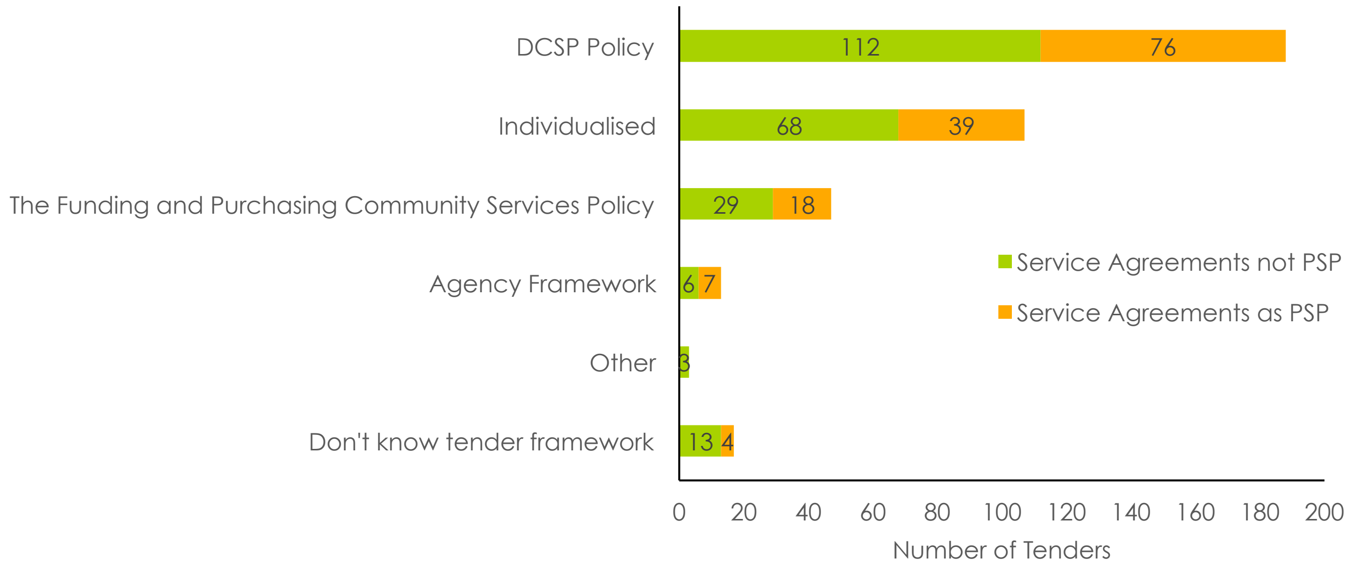
Use of the *DCSP*

On average, NFP respondents believe that half of all their service agreements were submitted under the *DCSP* Policy framework.

Policy framework

During 2012-13, 103 of the NFP respondents stated they submitted tenders to provide community services. These respondents report that half of all service agreements were agreed under the *DCSP* Policy framework and of these, two thirds were submitted as a PSP. 'Individualised' tenders accounted for about 30 percent of submissions and just over half of these were on a PSP basis. The number of tenders under the previous Funding and Purchasing Community Services Policy is less than 15 percent. It should be noted that these results do not reflect the agency data in Chapter 3 and as mentioned previously, respondents may not be fully aware of the framework under which they are tendering.

Figure 7 Framework for tender applications (n: 102)



Curtin University

The impact of the 2011-12 price increase and sector employment

Impact of the price increase

During 2011-12, 495 NFP organisations received a 15 percent increase in the price of their contracts for the provision of community services (Component I). The initial impact of this increase was measured in the 2012 evaluation and it was found that 73 percent of this funding was directed to employee remuneration.

In 2013, 80 percent of the 182 respondents who answered this question stated their organisation received the Component I price increase and a further 13 percent didn't know. Of the respondents that acknowledged receiving the price increase, 106 made comments in this year's survey about its impact. These comments were overwhelmingly supportive. Ninety six respondents made positive comments, mostly about the impact on staff retention due to salary increases and funding for staff development and benefits. There were also comments that the funding increase enabled organisations to break even and relieved the on-going financial pressure on management. The following are typical of the responses received.

> *"We have been able to increase our staff wages, which has created more stability and certainty for our employees."*

> *"[A] significant proportion was used to increase salaries … Funds were also used for back office systems and infrastructure, which is an essential investment for the organisation to operate in the future."*

> *"It made us more sustainable and enabled us to balance the budget."*

> *"After 3 years of losses, the organisation was able to return to balanced budgets."*

NFPs are still very positive about the impact of the 15% price increase.

> *"The increase enabled us to retain staff and provide extra staff training."*

Some respondents gave negative or neutral comments. These respondents commented most on the need to deal with disparity between the salaries that could be paid under state and commonwealth funded services.

> *"It had an impact for the service which received it but caused problems on an organisational level arising from inequities of pay scales. The Board found a solution by reducing working hours of staff who did not receive increases but maintaining their salary levels so that the hourly rates would be more in line to those who received the increases. This was possible because all [programs] exceed their contractual outcomes."*

NFP sector employment and human resource issues

2013 Staff vacancies

The percentage of NFP organisations reporting unfilled employee positions remained the same since November[5] 2012.

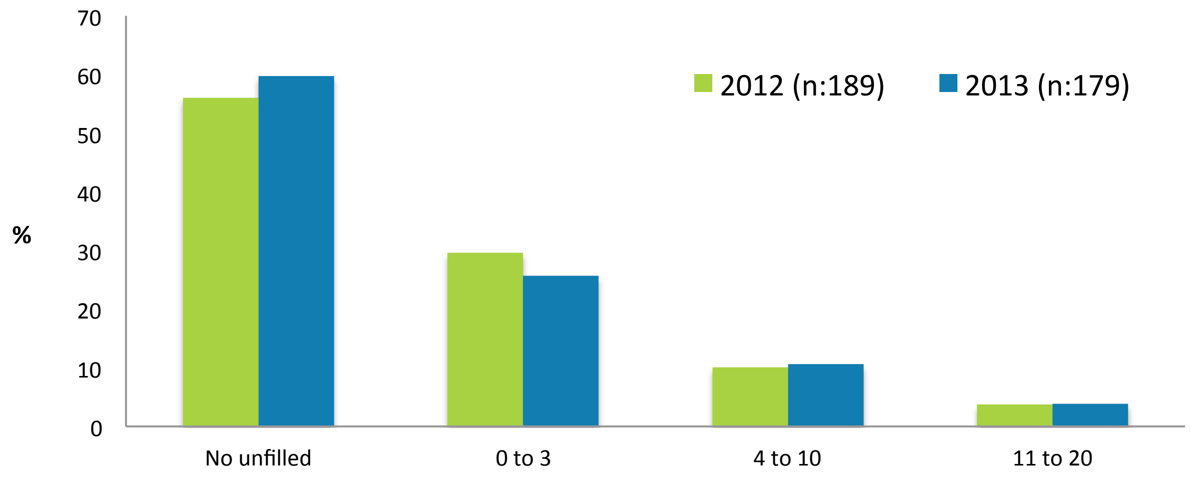
As at 30 June 2013, 60 percent of NFP respondents had no vacant positions. One quarter had up to three unfilled full-time-equivalent (FTE) positions and 11 percent had four or more unfilled FTE positions. In total, survey respondents reported having approximately 300 unfilled FTE positions.

There has been no change in vacancy rates since 2012.

Just under 60% of NFP respondents reported they had no vacancies at 30 June 2013.

A further 25% had between one and three vacancies.

Figure 8 Number of unfilled positions at 30 June 2013



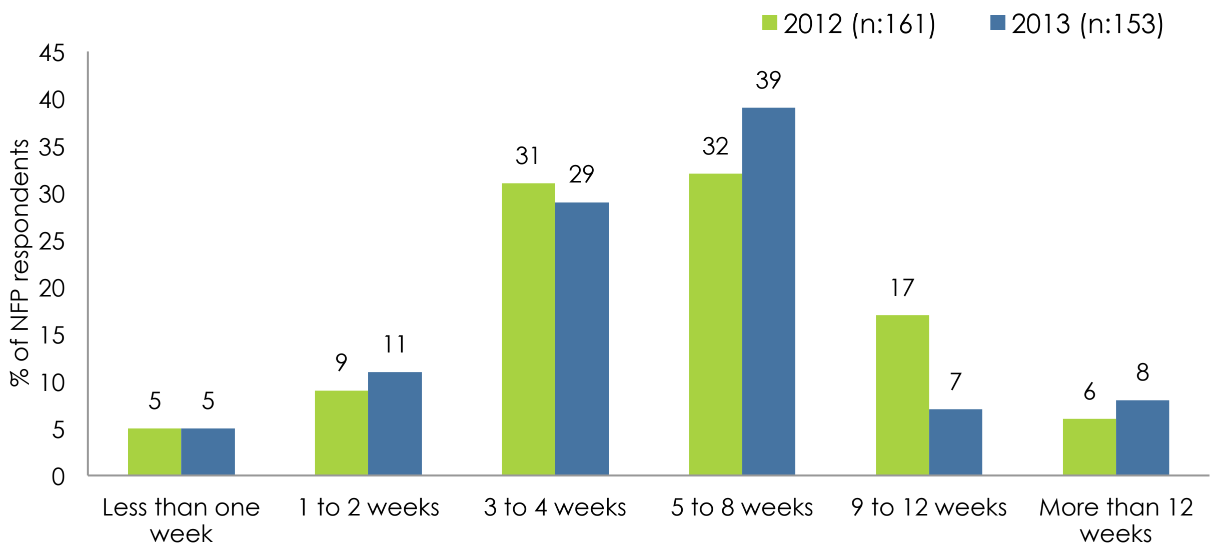
[5] The 2012 evaluation was conducted in November 2012. The 2013 and subsequent evaluations will be conducted in reference to mid-year that is, 30 June or 1 July.

Time to fill vacancies

The average time to fill vacancies may have increased from four to five weeks, but it is possible this difference could be attributed to sample variations and an underlying trend is not yet evident.

In 2013, the average time taken to fill a vacancy was five to six weeks, compared with four to five weeks in 2012. However, responses to the 2013 survey suggest that there may have been a reduction in the number of vacancies taking more than nine weeks to fill, and a consolidation around five to eight weeks. This could be the result of differences between the 2012 and 2013 samples regarding employment and/or indicate that there are particular positions that are difficult to fill due to work type, location, hours or other factors. Future studies may identify a trend.

Figure 9 Estimated average time for NFP respondents to fill staff vacancies



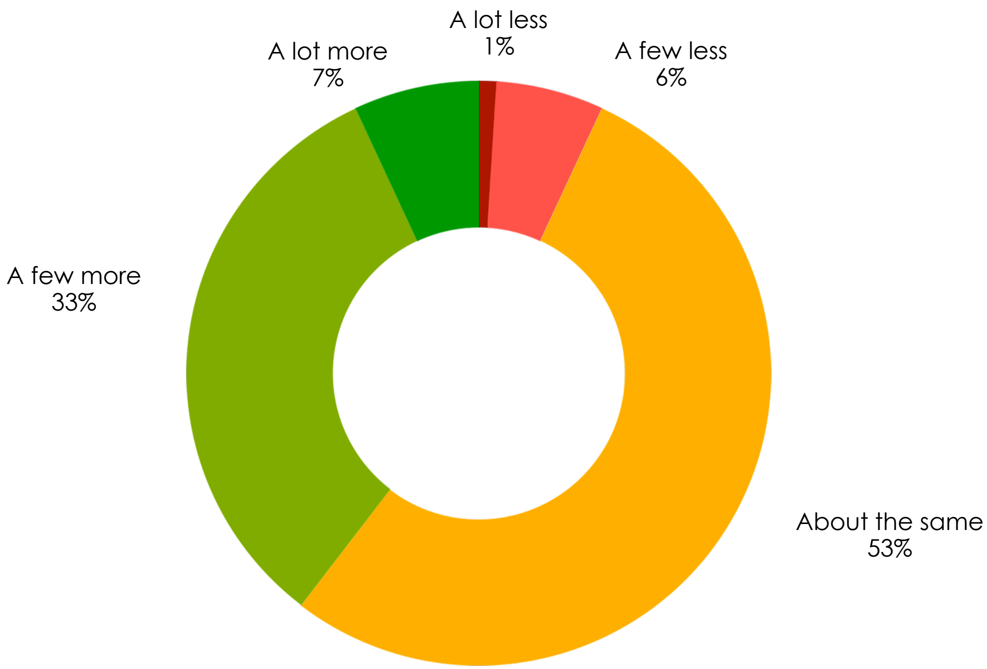
Perceptions of change in employment

CEOs were asked if their organisation had more or less staff 'now' (that is October 2013) than at the same time in 2012. Half reported that staff numbers were the same, and 40 percent have recruited a 'few more' or a 'lot more' staff since October 2012. Importantly, 7 percent have 'a few less' or 'a lot less' staff. There could be a range of factors other than the implementation of funding and contracting reforms that lead to growth or decline in staff numbers. This data supports the information in Figure 2 showing higher employment across the sector.

Approximately 40% of NFPs have a little or a lot more staff than they did in 2012.

CEO's perceptions of changes to sector employment in the 2013 and 2012 surveys are very similar.

Figure 10 Changes in staff since 2012 (n:179)

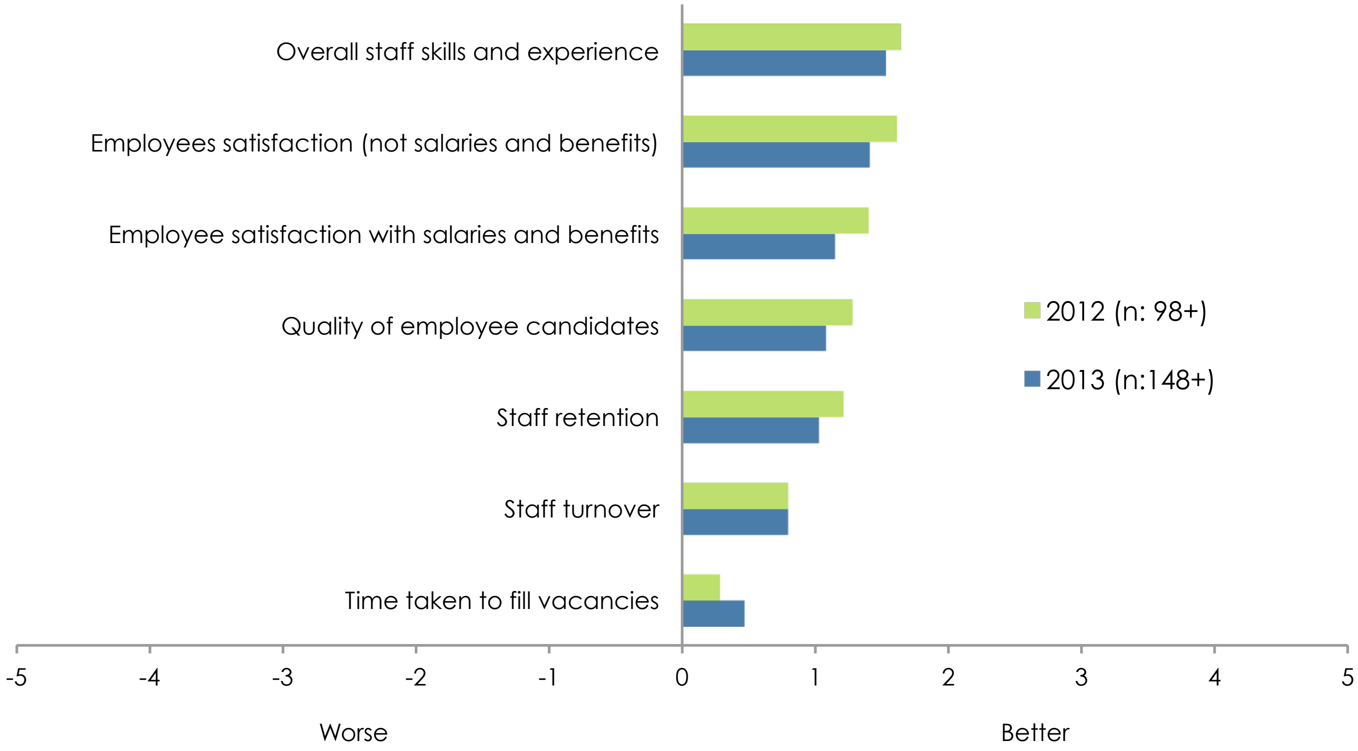


Human resource management

On average, human resource elements reflected more positively than the previous year, and confirmed the improvement seen in the 2012 evaluation.

Across all areas, on average, Not for Profit CEOs believe that human resource issues were a little better by mid-2013 than at the same time in 2012[6]. Staff skills and experience, and employee satisfaction are considered to have improved the most and, as in 2012, the time taken to fill vacancies, staff turnover and retention has shown little change.

Figure 11 Change in aspects of human resource management



[6] This question iasks respondents to rate change on 10 point scale from 'much worse' to 'much better'

NFP sector capacity and investment intentions

In addition to evaluating organisational activity, CEOs were asked a series of questions about the current capacity of their organisation and their expectations for the next financial year.

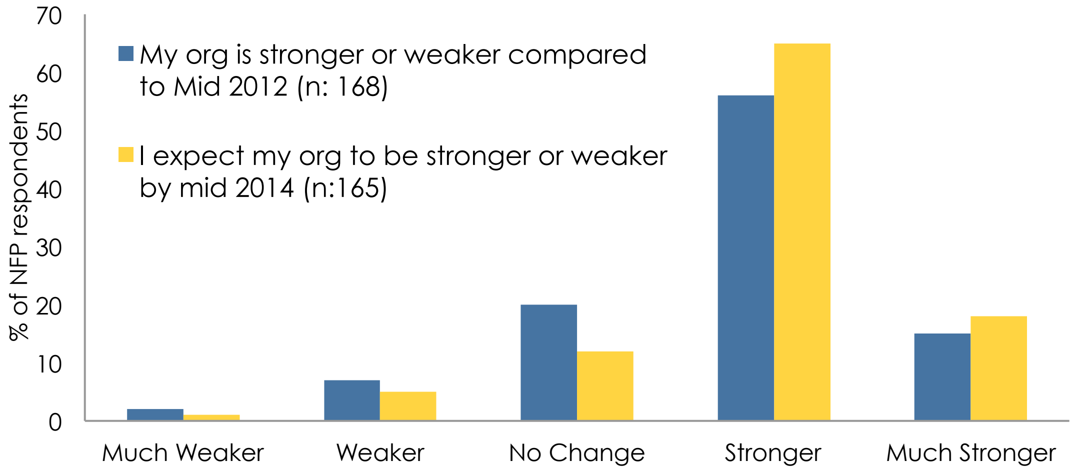
The majority of CEOs believe their organisation is stronger now than last year, and over 80% believed it will be stronger still in 2013-14.

Views of NFPs' current and future capacity

Over 70 percent of CEOs believe their organisation is stronger now[7] than last year, and over 80 percent believed it will be stronger still in 2014.

The year on year comparisons showed a slight increase in positive perceptions: both in the improvement between 2012 and 2013 and the anticipated improvement in the next 12 months.

Figure 12 Views of NFP capacity



[7] Respondents were asked to compare mid-year 2012, 2013 and 2014.

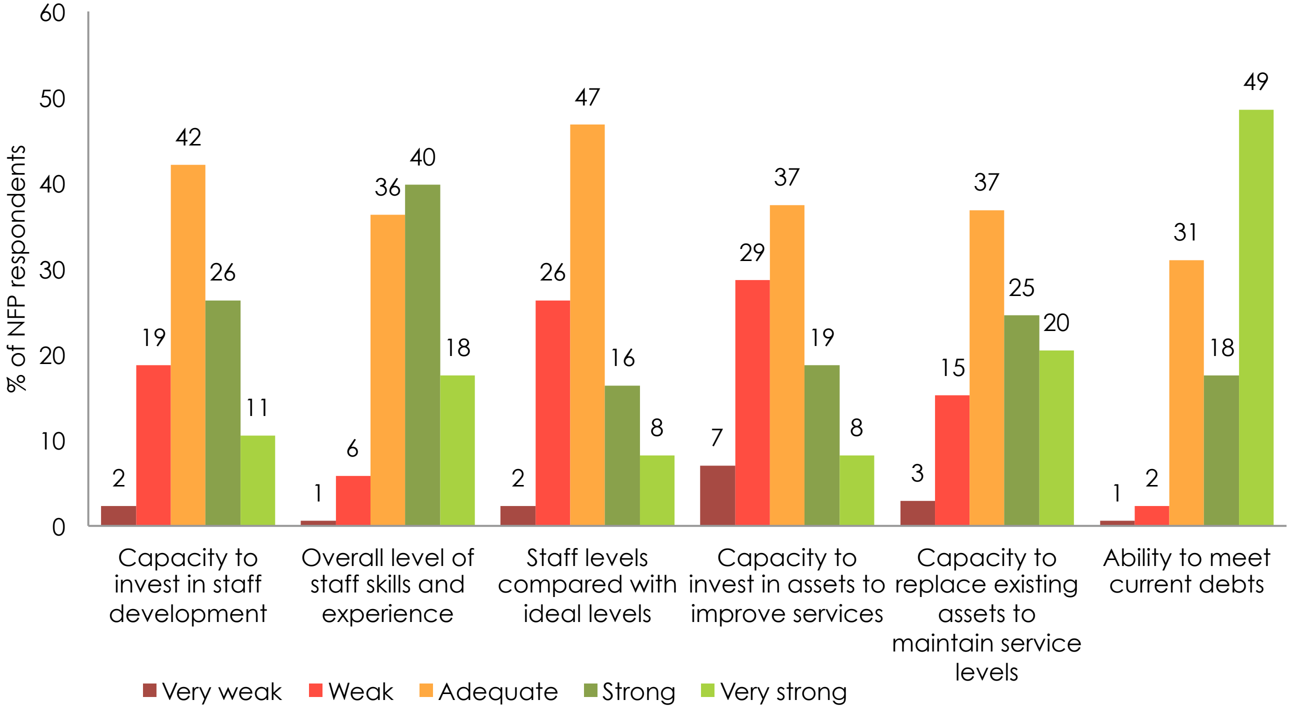
Respondents' overall rating of their capacity across all operational areas is mostly positive.

However, a significant number of NFPs rated their capacity to invest in assets and in staff attraction, skills and development as weak or very weak.

Capacity in individual operational areas

There was no change in respondents' ratings of their organisation's capacity across operational areas. This year's survey found that 67 percent of organisations believe they are in a 'strong' or 'very strong' position to meet their debts and 57 percent rate their capacity to replace assets is 'strong' or 'very strong'. Despite positive expectations about their organisation's overall capacity to meet its mission, views of capacity remained 'weak' or 'very weak' in some specific areas, particularly investment in assets to improve services (35% rated their organisation as 'weak' or 'very weak') and in staffing levels (rated as 'weak' or 'very weak' by 29%).

Figure 13 Rating of capacity in operational areas (n:164)



Planned investment

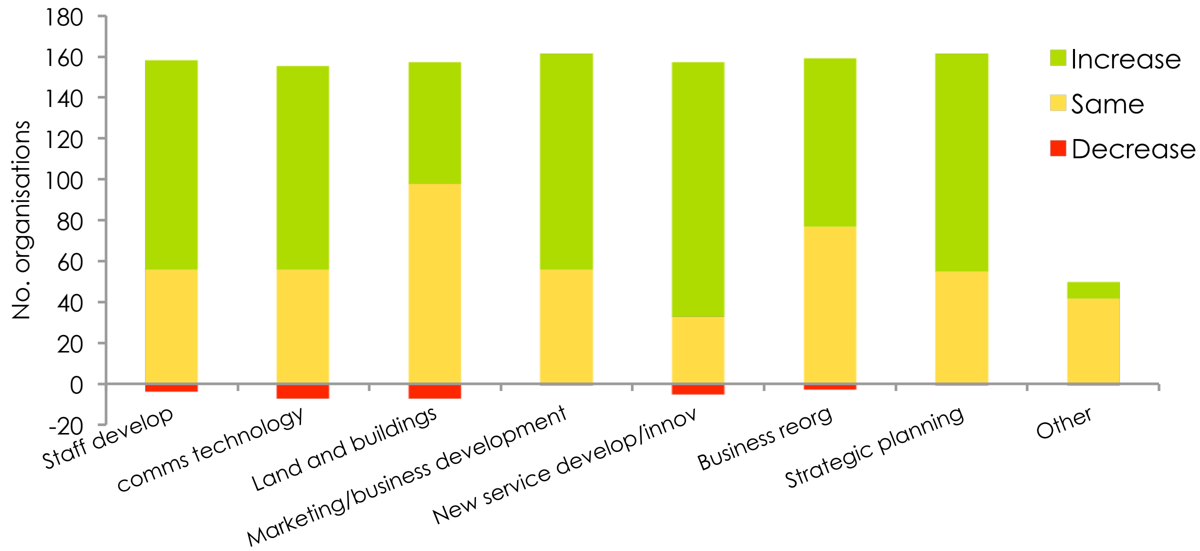
Most NFPs aexpect to increase investment in 2014 in all but one of the areas examined. Over three quarters of NFPs responding to the survey plan to increase investment in new business development and innovation, and approximately 60 percent will be increasing their investment in staff development, information and communications technology, marketing and business development, and strategic planning. Less than one third will be increasing investment in land and buildings.

Planned investment is high across the board, particularly in new service development, staff development, communications and technology, and business reorganisation.

NFPs are planning the greatest investment increase in:

- New service development. One quarter of respondents plan to increase investment in this area by 11 to 25%, and 40% of respondents by 5 to 10%.
- Business development and ICT. Forty percent of respondents plan to increase investment by 5 to 10%, and a quarter of respondents by up to 5%.

Figure 14 NFPs: Expected investment and growth (n:162)



Planned growth in staff 2014

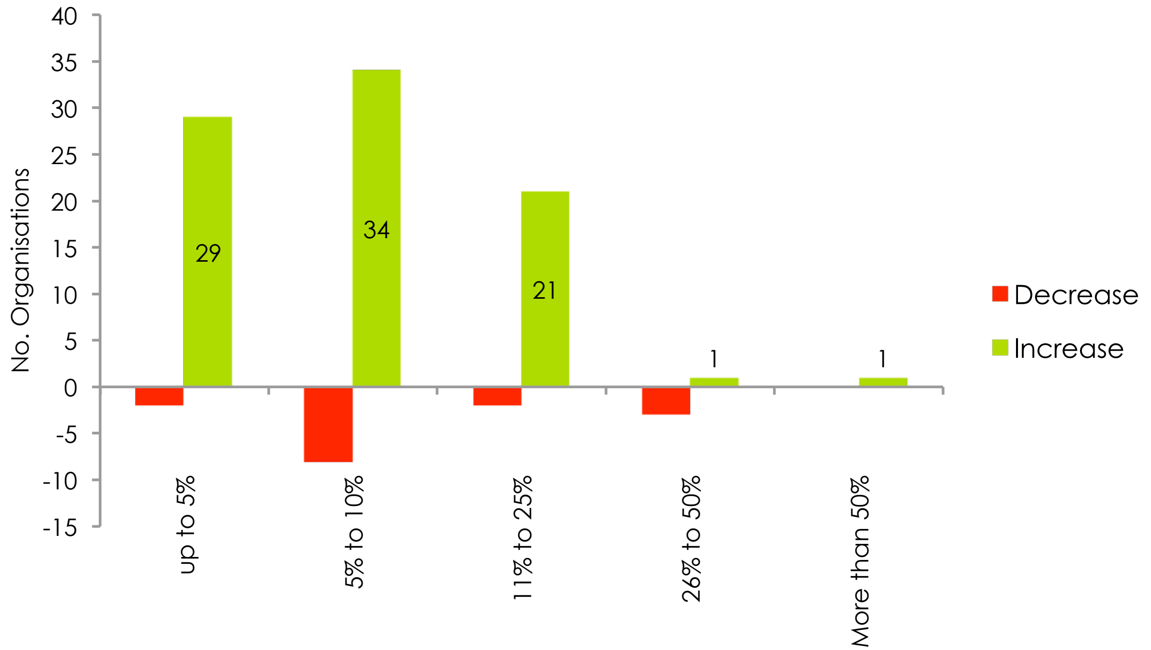
Half of NFPs expect to increase staff numbers by mid-2014.

Overall FTEs in the sector were expected to increase by at least five to ten percent in 2014.

Approximately 87 of the NFP organisations that responded to the survey expect to increase staff (FTE) numbers by mid-2014, and just under 10 percent (15 organisations) expect to reduce staff numbers. Of the 87 organisations planning to increase staff, just under a third will increase staff by up to five percent and a further third by between five and ten percent. Of the 15 organisations that expect to reduce staff, most planned to lose between five and ten percent.

If the intentions of these organisations are realised, there could be a net increase in staff numbers of at least five to ten percent. This data should be considered as indicative only. Evaluations in future years will be required to determine if this level of growth is achieved.

Figure 15 Planned growth in staff: 2013-14 (n: 173)



3. State government procurement: 2012-13

Introduction

The *Delivering Community Services in Partnership* (*DCSP*) Policy was developed jointly by the NFP sector and the Western Australian Government and launched on 1 July 2011. It replaced the previous Funding and Purchasing Community Services Policy (2002) and is being phased in as existing funding and contracting arrangements for community services expire.

The aim of the *DCSP* policy is to improve outcomes for the community by building a partnership between the public sector and the NFP sector in the areas of policy, planning and service delivery.

In implementing the *DCSP* policy, government agencies are required to comply with a range of procurement processes. The annual evaluation examines the amount of resources allocated to procurement and contract administration, the number of service agreements under the *DCSP* Policy, the term of agreements and opinions on the impact of the policy.

In 2012, data was collected from seven agencies that accounted for 94 percent of the total value of agreements with NFPs. In 2013, the agency evaluation was expanded and consisted of an online survey of 13 state government agencies that contract services to the community/NFP sector. Eleven agencies responded and these agencies account for 95 percent of the value and 87 percent of the number of contracts with the NFP sector. Some agencies did not provide answers to all questions, so total reported responses do not always add to 11.

As the agencies included in the 2012 and 2013 evaluations are different, it is not possible to directly compare results year to year.

The agencies participating in the 2013 evaluation:

Department for Child Protection and Family Support

Department of Commerce

Department of Corrective Services

Department of Education

Department of Health

Department of Housing

Department for Local Government and Communities

Disability Services Commission

Legal Aid Commission of WA

Mental Health Commission

The Drug and Alcohol Office

Agency's procurement resources

Operational structure and staffing

There are approximately 210 FTEs involved in procurement and contract management of community services across 11 agencies.

Over 50% of procurement and contract management staff are employed at Levels 4, 5 and 6.

Seven agencies have a central unit responsible for procurement and contract management. The Departments of Health, Education and Housing have central units responsible for the procurement framework, while procurement and contract management is decentralised.

Determining the exact numbers of staff involved in community services procurement and contract management is difficult as some staff have dual roles or are only engaged in procurement when needed. Counting the staff in central units only, agencies reported a total of 210.6 FTEs undertaking services procurement from the community sector. Of these, there are five FTEs at Level 9; 39.4 at Levels 7 and 8; 111.2 at Levels 4, 5 and 6, and 55 at Level 3 and below.

Table 2 Agency FTE numbers involved in community services procurement

Agency	FTE community services procurement
Corrective Services	11
Child Protection and Family Support	46
Commerce[8]	1
Education	2
Health	13.4
Housing	32
Local Government and Communities[9]	18
Disability Services Commission	65
Legal Aid	3
Mental Health Commission	9
Drug and Alcohol Authority	10.2
Total	**210.6**

[8] There may be additional staff in other divisions.
[9] Includes Grants Management Staff.

Governance

Governance structures have not changed markedly since the 2012 evaluation. Procurement and contract management is generally undertaken using a structured, methodical approach. Most government agencies report having a written policy and procedures documents and two departments were still preparing these documents.

Procurement and contract management procedures is formalised and documented in most agencies.

The extent to which procedures were formalised and expected to be followed by staff varies between government agencies. It is evident there are cultural as well as structural differences that affect governance structures and procedures. Agencies are refining the FaCS recommended structures to work for their organisations, contract types and NFP partners, rather than implementing a 'one size fits all' approach.

Table 3 Quality management frameworks utilised by government agencies

Extent of quality management framework	Number of agencies
Procedures are determined by the responsible staff or divisions themselves	1
Guidelines are provided, and staff are expected to comply	4
Formal guidelines are provided and adhered to by staff	5
Other	1
Total	**11**

Agency comments on guidelines:

> *"All contract managers are required to familiarise themselves with the contract…Contract management plans are used and kept up to date for all contracts. Reporting and contract acquittals are undertaken twice per annum. A minimum of 2 provider visits are conducted per annum."*

> *"Contract Management and Procurement is prescribed by the Division."*

Use of procurement and contract management databases

All agencies except one use a procurement and/or contract management database. However, the software and content differed.

There appears to be little, if any, change in the type of database used or information collected since the 2012 evaluation. All but one agency reported having a procurement and/or contract management database but the content, capacity and use of the database varies significantly from agency to agency. Five agencies report keeping their database in MS Excel, and five agencies have a proprietary database. All agencies commented that software quality is poor and this limits their potential to examine contract management data.

The current variability and quality of databases makes it difficult for agencies to easily answer questions posed in this survey about service agreements, and prevents detailed cross-sector evaluation of contracting with the community sector. As such, some agencies did not provide contract data.

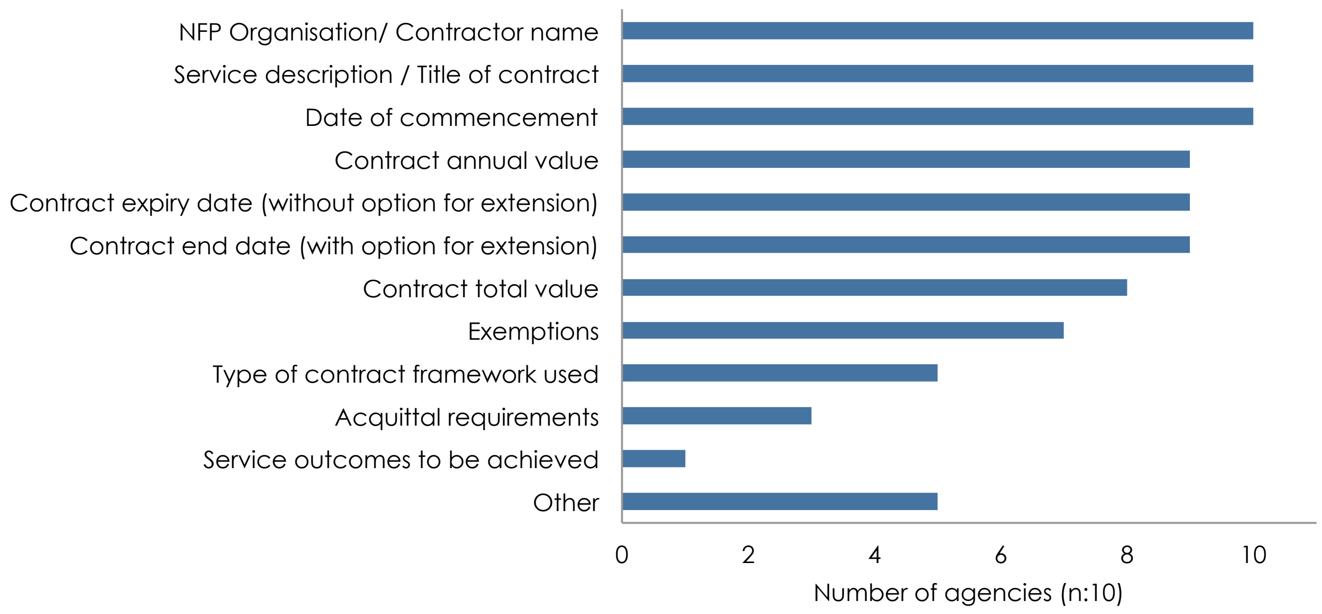
Content of databases

All agencies stated that 100 percent of service agreements, grants and exemptions are kept in their database (or register). Two agencies qualified this by stating their exemptions register is kept in a separate form.

Databases are updated after each agreement or grant is finalised (in the case of five agencies) or about once a week (for three of the agencies). Two agencies report updating their database only twice a year: these agencies had only a small number of service agreements in place.

The amount of information included in the databases varies between agencies. Some agencies noted they collect data in more than 25 fields, including contract number, profit status of the organisation, contract manager, service quality, service outputs, payments, region/area services provided and reporting KPI's. Only one agency reported collecting outcomes information in the register.

Figure 16 Information held on agency Service Agreement registers



Variability in data management prevents detailed evaluation of community services contracting.

Agencies were asked if data in the database is used for procurement planning and if so, how? Responses to this question were also varied. There may be structural or cultural reasons for this variability, but the results indicate there may be opportunities to improve the use of contract data to inform procurement strategy. Examples of the feedback received are provided below.

> *"No. The contract register is used purely as a register of all contracts valued over $20,000 (goods / services, community services, ICT software licences) for the Department."*

Additional agency feedback regarding service agreement registers:

> *"It is used to identify the following: - where services are currently located - the type of services provided - outputs associated with services - updated on an 'as needed basis'"*

> *"Reports are sourced to assist procurement planning, e.g. cease dates, compliance etc."*

> *"Yes, the Register was recently used to identify service agreement expiry dates to flag to business units that they were due to expire within 6 months enabling forward procurement planning."*

> *"Yes - details in relation to the procurement planning process including relevant consolidated reports, approvals (at all levels) are maintained in the register."*

> *"Yes for expansion of services for existing panel members and budget determination."*

> *"The register is not used for procurement planning, other than flagging when agreements expire and therefore triggering the work required to potentially re commission the service."*

> *"New procurement processes are registered in the Contract Register at the contract initiation stage to ensure a consistent and planned approach to procurement planning."*

Procurement and contracting under *DCSP* Policy

Number of NFPs providing services and contracted as a Preferred Service Provider

The Department of Health contract with 264 service providers, more than double that of most other agencies and 75 percent more than the Department of Local Government and Communities with 151 organisations[10]. The Departments of Health, Local Government and Communities, and the Disability Services Commission, report that all their service providers were working on a Preferred Service Provider (PSP) basis for at least one service agreement[11]. The smallest number of providers contracted as PSPs was eight percent for the Department of Health.

The Department of Child Protection and Family Support, the Department of Housing, and the Legal Aid Commission did not provide data on the number of NFP organisations with which they had service agreements.

For agencies that reported in both 2012 and 2013, the number of NFPs they worked with has not changed.

Table 4 Contracting with NFP organisations with and without PSP status

Agency	Number of NFPs without PSP	Number of NFPs with PSP	Total	Percentage as PSP
Commerce	0	15	**15**	**100%**
CPFS	Not provided	Not provided	**-**	**-**
DAO	8	21	**29**	**72%**
DCS	57	42	**99**	**42%**
DLGC	0	151	**151**	**100%**
DSC	0	102	**102**	**100%**
Education	13	29	**42**	**69%**
Health	244	20	**264**	**8%**
Housing	Not provided	Not provided	**-**	**-**
Legal Aid	Not provided	Not provided	**-**	**-**
MHC	13	56	**69**	**81%**

[9] The Department of Health conducted a detailed analysis of community services contracting which resulted in significant revisions to the contract data provided in 2012.
[10] This data was collected as at 30 June 2013. Many agencies had new or revised contracts beginning 1 July 2013 and therefore this data may not reflect the current number of organisations that are PSP.

Number of service agreements and number as PSP

Based on the data provided, 36% of service agreements were procured on a Preferred Service Provider basis.

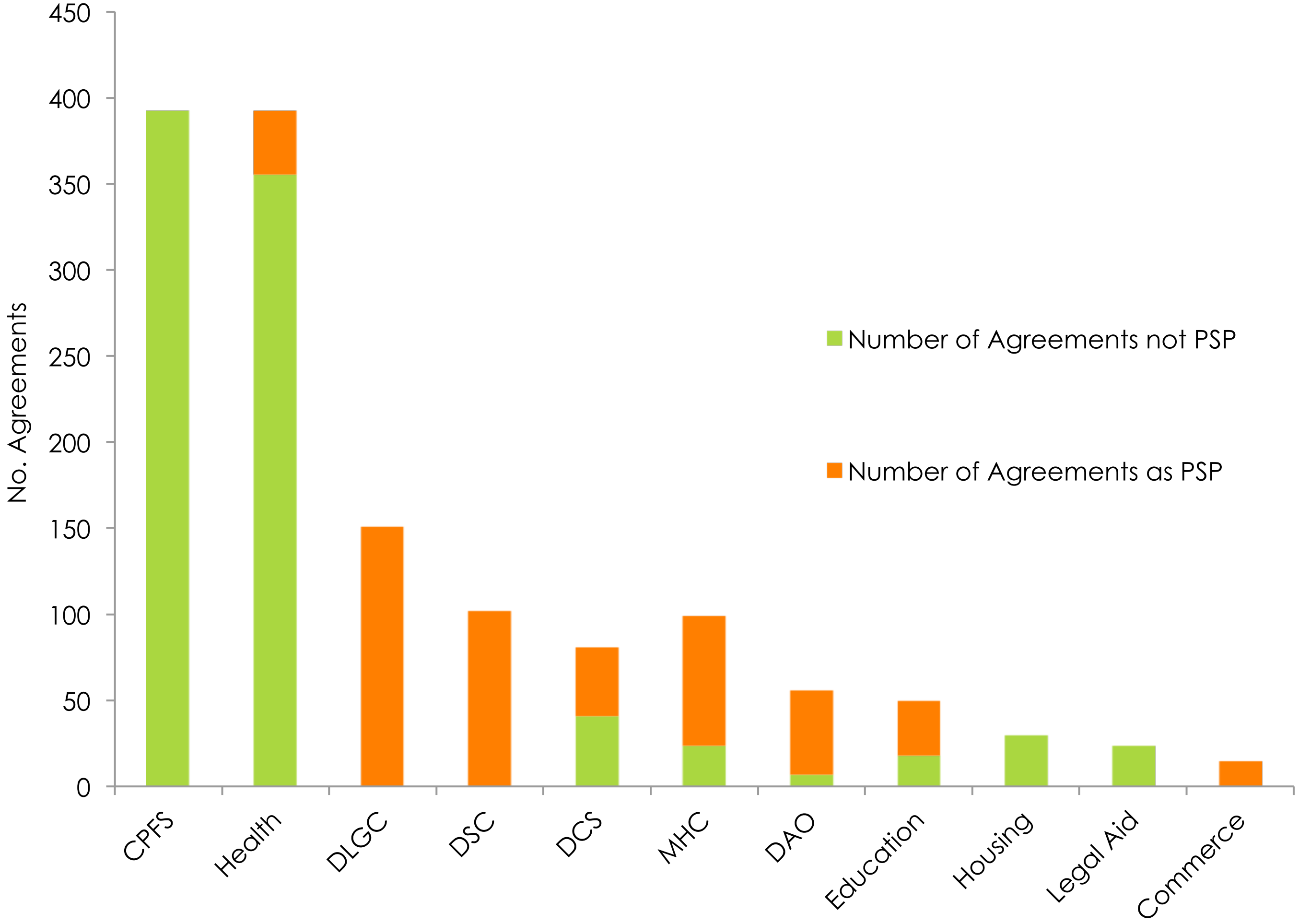
The number of service agreements held with NFP organisation was reported as 1,373. However, this figure is inconsistent with the 2012 estimate of 994 service agreements and subsequent data provided by agencies and collated by Treasury. As mentioned previously, this may be due to the limitations of the procurement and contract management databases of some agencies. The proportion of service agreements on a preferred provider basis varies significantly from agency to agency. Health and CPFS both reported having 392 service agreements. Only nine percent of Health's agreements were identified as PSP. (CPFS did not answer the question regarding agreements procured on a PSP basis.)

The data in Table 5 is also illustrated in Figure 17.

Table 5 Number of service agreements and number as PSP at 30 June 2013

Agency	Number of Agreements not PSP	Number of Agreements as PSP	Total Number of Agreements	Percent as PSP
Commerce	0	15	15	**100%**
CPFS	392	Not provided	392	**0%**
DAO	7	49	56	**88%**
DCS	41	40	81	**49%**
DLGC	0	151	151	**100%**
DSC	0	102	102	**100%**
Education	18	32	50	**64%**
Health	355	37	392	**0%**
Housing	30	0	30	**0%**
Legal Aid	24	0	24	**0%**
MHC	24	75	80	**94%**
Total	**72**	**501**	**1373**	**36%**

Figure 17 Service agreements with and without PSP at 30 June 2013



The extent to which service agreements were said to be under the *DCSP* Policy framework varies from zero to 100%.

On the data provided, approximately 30% of current service agreements are based on the *DCSP* Policy framework.

The number of service agreements under *DCSP* Policy

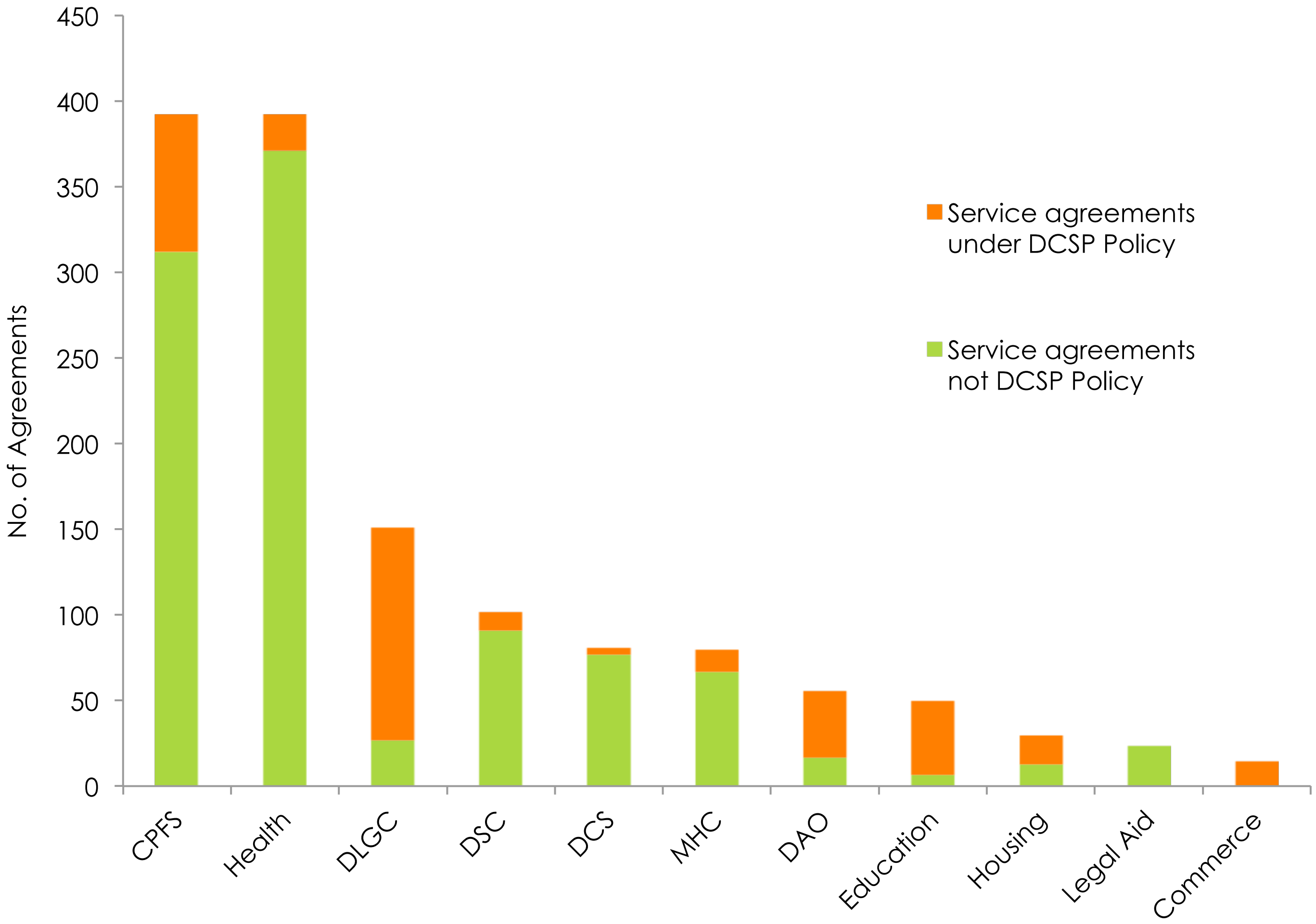
There is significant variance in the extent to which agencies have transitioned contracts to the *DCSP* Policy framework. The Department of Commerce reported that all its service agreements are under the *DCSP* Policy framework, and the Departments of Education and Local Government and Communities have over 80 percent of contracts under the *DCSP* Policy. Of the larger contracting agencies, the Departments of Corrective Services and the Department of Health each have only five percent of contracts under the *DCSP* Policy framework[12].

Table 6 Service agreements under *DCSP* Policy framework at 30 June 2013

Agency	Service agreements under DCSP Policy	Service agreements not DCSP Policy	Total Number of agreements with NFPs	Percent DCSP Policy
Commerce	15	0	15	**100%**
CPFS	80	312	392	**20%**
DAO	39	17	56	**70%**
DCS	4	77	81	**5%**
DLGC	124	27	151	**82%**
DSC	11	91	102	**11%**
Education	43	7	50	**86%**
Health	21	371	392	**5%**
Housing	17	13	30	**57%**
Legal Aid	0	24	24	**0%**
MHC	13	67	80	**16%**
Total	**367**	**1006**	**1373**	**27%**

[12] Note that the start date of some service agreements is 1 July and therefore this data may understate the number of agreements under the *DCSP* Policy framework.

Figure 18 Service agreements under *DCSP* Policy framework at 30 June 2013



Nearly all service agreements have a term of at least three years.

Depending on improvements to agency databases, future evaluations should be able to show trends in the term of contracts.

Term of service agreements

Nearly all service agreements were for three years or longer and the majority have a term of three to five years. In some cases agencies were still revising agreements. Comments from agencies showed a clear intent to lengthen the term of service agreements. Data from future evaluations will enable assessment of the transition to longer terms for service agreements.

Table 7 Term of service agreements with NFP organisations by government agency[13]

Agency	Term of Service Agreement			
	Less than 3 years	3 years	3 to 5 years	More than five years
Commerce	0	0	15	0
CPFS	1	312	79	0
DAO	0	17	39	0
DCS	0	0	81	0
DLGC	0	0	151	0
DSC[14]	Not provided	Not provided	Not provided	Not provided
Education	5	22	11	12
Health	0	0	392	0
Housing	0	0	17	0
Legal Aid	0	24	0	0
MHC	0	0	76	0
Total	**6**	**375**	**861**	**12**

[13] Housing reported 10 agreements that did not fall into these categories for the term of agreement.
[14] Data not provided

Agency staff commented on their intent to increase the term of service agreements.

> *"[We] moved from 3 year agreements, to 3 years with the offer to extend through either one extension option having a two year duration or two extension options, each option having a one year duration. The extension option remains at the absolute discretion of the State Party."*
>
> *"Service agreements are for a 3 year term with provision for extension of 1 year."*
>
> *"[We have moved toward] outcome focused, 5 year service agreement terms, and streamlined reporting (i.e. annual progress report)."*
>
> *"All Service Agreements expiring 30 June 2013 were extended in order to finalise current preferred provider procurement. This will align all Service Agreements to DCSP framework by 1 July 2014 with most commencing 1 October 2013."*
>
> *"[Agency] is now utilising 3 year terms with 2 + 1 year extensions. The majority of service agreements will have an initial contract term of three years with an extension option of up to two years, however this is at DCS' discretion based on organisational profile and departmental needs. In most cases this will ensure that NFP community organisations will have assurance of timeframes for sustainability and to assist with attrition rates."*

Agency staff report that the term of service agreements is being extended when contracts are renewed.

They also commented that changes are being made to reporting requirements to reduce the administrative burden on both NFPs and agencies.

This page left blank intentionally.

4. The impact of the *DCSP* Policy

This section summarises the findings from a set of questions asked of both NFP organisations and government agencies. The results provide a side-by-side comparison of the implementation of change and perceived effectiveness of the *DCSP* Policy.

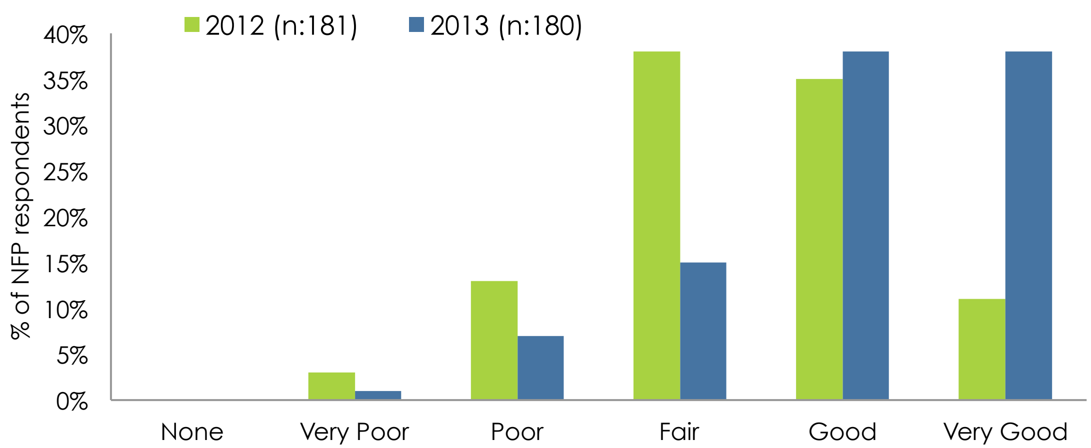
Awareness and understanding of the *DCSP* Policy among NFP and agency staff is high and has increased.

Current knowledge and investment in skill development: NFPs and agency staff

The 2013 results showed a significant increase in the number of NFP respondents who believe their understanding of the policy is 'good' or 'very good'. Of the respondents to the survey, three quarters said their knowledge is 'good' or 'very good', compared with less than half in 2012.

Eight of the 11 agencies participating in the evaluation, rate staff awareness regarding implementation of the *DCSP* Policy as either 'good' or 'very good'.

Figure 19 NFP respondents' knowledge of *DCSP* Policy



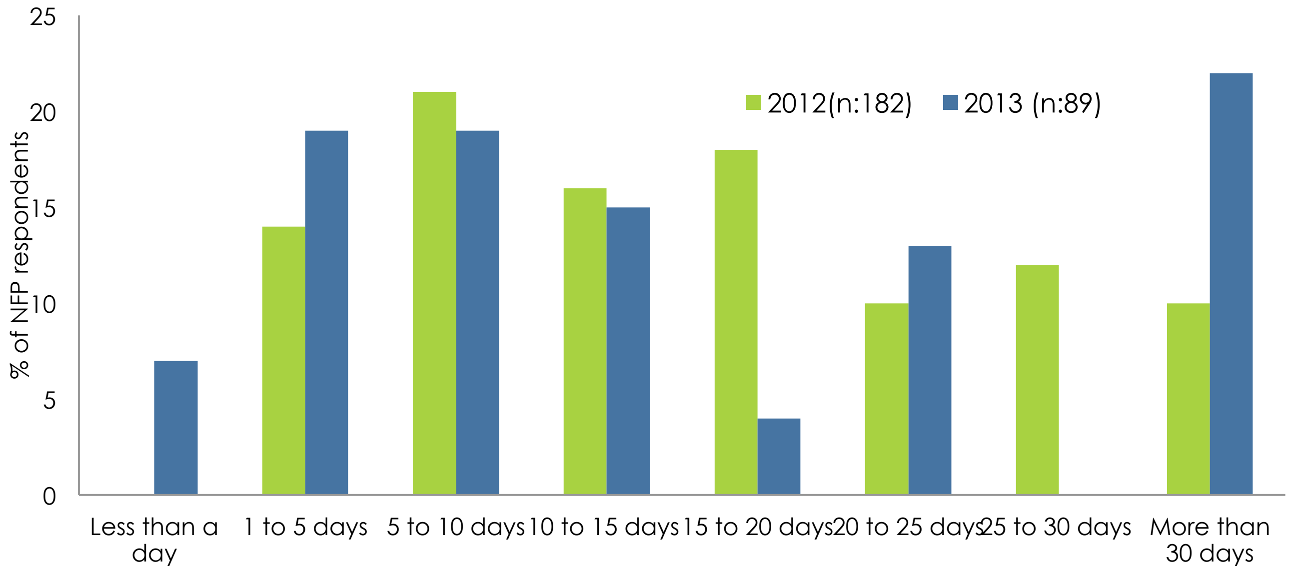
Impact on the time required to complete tender applications

The average amount of time required to submit tenders has increased by one day to 16 days.

There is a significant increase in the number of organisations spending more than 30 working days a year on tenders.

Of the 103 respondents that submitted a tender to provide community services in 2013, 89 estimated the time required. The average time spent on tender preparation in 2013 was approximately 16 days compared with 15 days in 2012. There was a significant increase in the number of NFPs reporting an average of more than 30 working days undertaking tendering work.

Figure 20 Time preparing tenders: 2012 and 2013

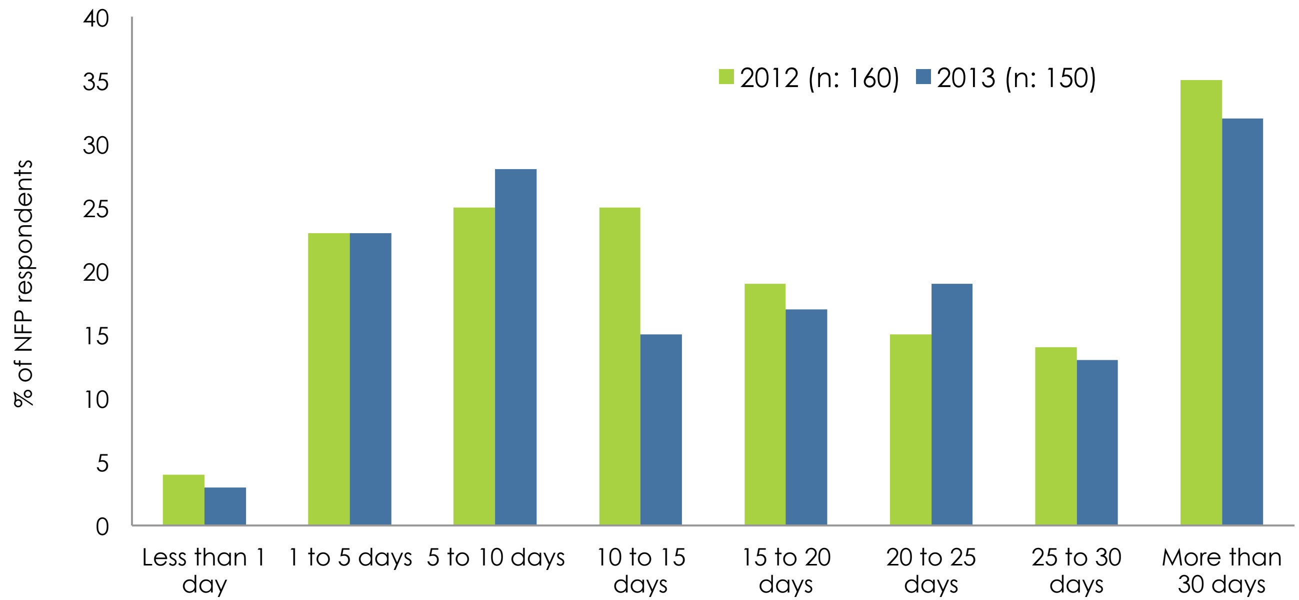


Impact on the time required to manage contracts

Over 30 percent of NFPs spend more than 30 days per year managing contracts (administration and acquittals) and a quarter spend five to ten days per year on contract management. There has been little change since 2012, although there were indications of a marginal improvement at the higher levels.

The time required to manage service agreements has not changed significantly since 2012.

Figure 21 Time for NFPs to manage contracts: 2012 and 2013



Approximately 43 percent of NFP CEOs and nearly all agency staff believe administration time has increased since the introduction of the *DCSP* Policy.

Impact of *DCSP* Policy on administrative effort

In addition to asking for estimates of the time involved in tendering for and managing service agreements, both NFP and agency respondents were asked their opinion on the impact of the *DCSP* Policy on administration.

There is a significant differences between opinions of the NFP and agency leaders. About a quarter of NFP CEOs ‘don’t know’ if administrative effort has changed, and around 43 percent believe it has increased (20 percent stated the time was ‘much more’). In contrast, nearly all agency staff believe that the *DCSP* Policy has increased administrative work. Arguably this is an expected response given the relative positions of the NFP sector and agencies in the change process.

Figure 22 NFP CEOs’ opinion on impact of *DCSP* Policy on administrative time (n: 167)

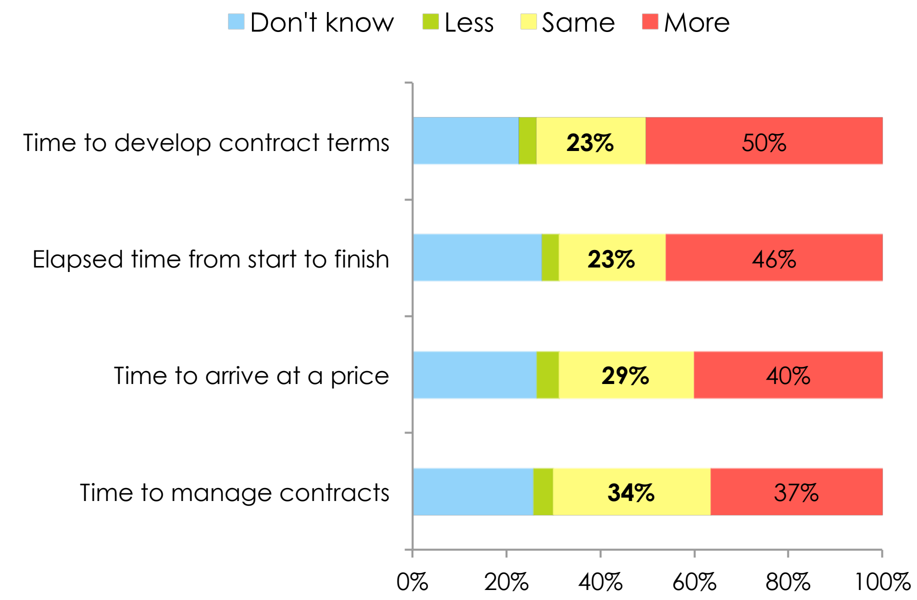
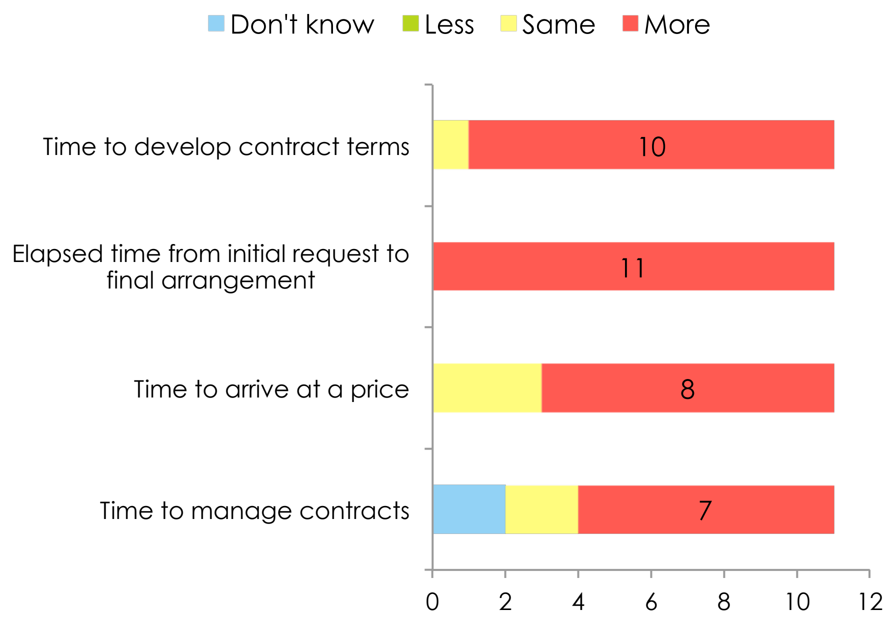


Figure 23 Agency Mangers’ opinions on impact of *DCSP* Policy on administrative time (n: 11)



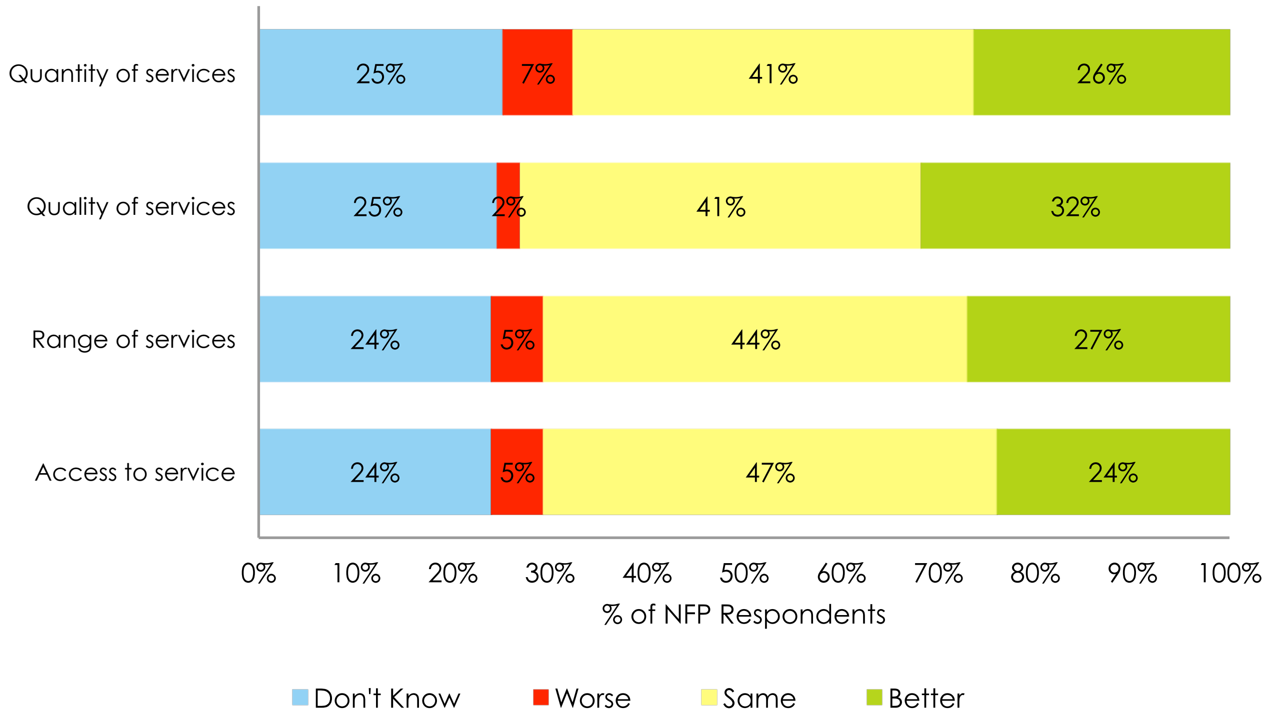
Impact of the *DCSP* Policy on service to end-users

On average, NFP leaders have a positive or neutral view of the impact of the *DCSP* Policy on the quality, quantity, range and accessibility of services to end-users. A quarter of respondents 'don't know' the impact, and the written responses indicate that many feel it is still too early to tell. Of the remainder, a third believe that services have improved since the introduction of the policy.

One third of NFP respondents believe that services for end-users are better under the *DCSP* Policy.

For many the impact of the *DCSP* Policy is still hard to assess.

Figure 24 NFP / Agency opinion on impact of *DCSP* Policy on services to end-users (n: 167)



"It is hoped that service will improve, but there is no evidence yet."

"The increased admin is taking resources away from the front line."

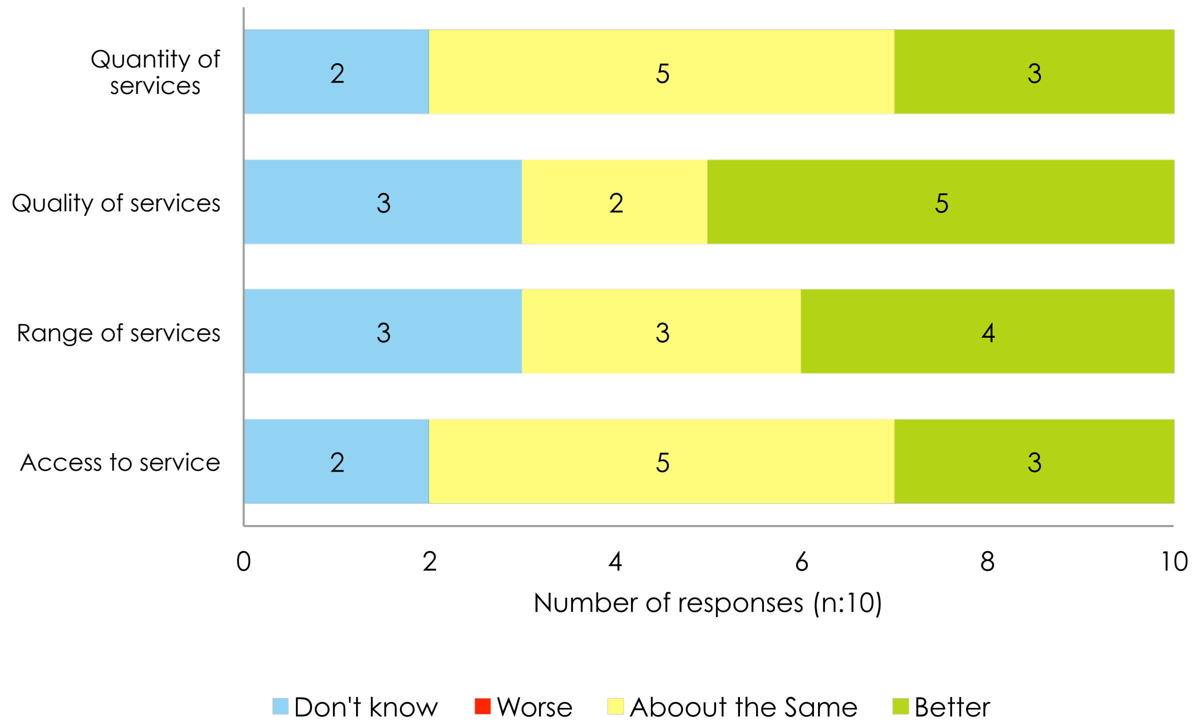
Agency staff are somewhat more positive than NFP respondents regarding the impact of the *DCSP* Policy on services.

"I think in the long run … end users will benefit as service providers will have more time to spend delivering services rather than reporting on them. It will take some time though for agencies to get their processes in place."

"There has been little change in this respect. What has improved is that the contract arrangements are [clearer] in the specification of requirements and roles / responsibilities."

The responses from agency staff were more positive. None of the agency representatives said they 'don't know' or that services are worse . Instead half of the respondents believe that quality has improved, and four out of ten that the range of service had improved. However, in contrast, only three agencies report that quantity has improved and three that access has improved. These results were similar to those from 2012.

Figure 25 Agency opinion on the impact of *DCSP* Policy on services to end-users (n: 10)[15]



[15] One agency answered 'not applicable' to all questions.

Overall opinions of the *DCSP* Policy

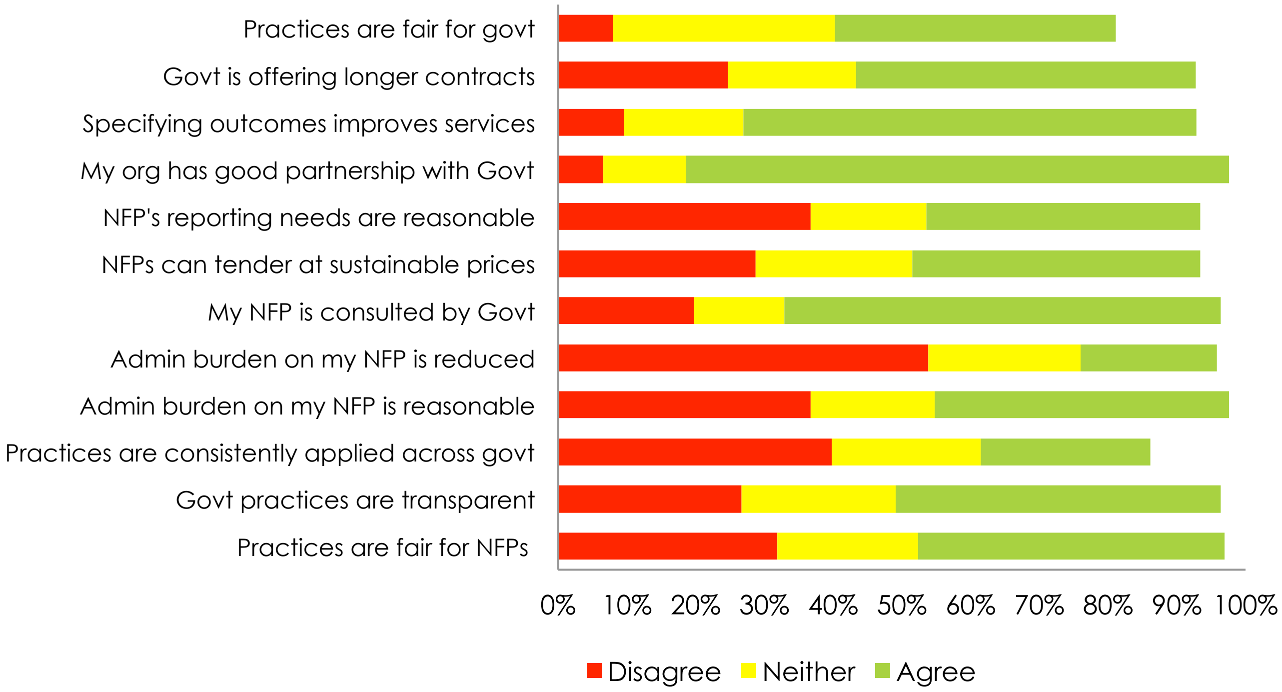
NFPs responses to opinion questions support the overall findings of this evaluation and highlight differences between the NFP sector and government agencies.

NFP respondents and government agencies were asked a series of almost identical questions to identify any differences in opinion regarding the introduction and impact of the *DCSP* Policy.

The comparison of NFP and agency opinions on the *DCSP* Policy reinforces the overall findings from this study. While most NFPs agree that they have a good relationship with government and are consulted on the development of service design, they disagree that practices are being consistently applied.

These results reflect the responses from 2012, other than the percent who 'don't know', which had declined significantly.

Figure 26 NFP CEOs' / Managers' opinions on impact of the *DCSP* Policy (n: 133+)



NFP's opinions on the *DCSP* Policy

CEOs' comments on the implementation of the *DCSP* Policy were mostly negative or mixed. Several believe it is still too early to tell.

CEOs voiced frustration with inconsistencies between agencies, increasing administration and a range of other issues.

Some CEOs have had a positive experience, particularly in regard to building relationships with agencies.

In response to an open-ended question regarding the impact of the *DCSP* Policy, 94 CEOs made comments. Of these, 18 considered it too early to tell, just less than half were negative and a further 20 percent mixed. Clearly, some NFPs are finding the process effective and anticipate less administration in future, whereas others are frustrated, and are concerned about inconsistent application and whether the reform will make a substantive difference.

The key points raised were:

High level of variability between the agencies in the way the policy has been implemented.

> *"Not all agencies are the same. Some have been very good and some have been exceptionally bad! I have nothing but admiration and respect for the Department of Finance and their involvement in this process as well as the work done by the (Agency)."*

> *"Almost random inconsistency."*

> *"It has been protracted, inconsistent and not undertaken in a positive manner. My sector in particular has been subjected to misinformation because the area undertaking the discussion do not have the expertise or knowledge to impart it impartially or accurately. There has been considerable delays/deferrals as well due to changing decisions and lack of cabinet agreement to the contractor's position"*

> *"Our experience is really limited to working with (Agency) which appears to operate fairly exclusively outside of the Partnership policy."*

Frustration with having to respond to templates that may not be suitable in all cases.

> *"It was unclear what sort of information was required in each "box" and there tended to be overlap between one criteria and another. We also felt that the structure didn't leave much room to expand upon innovation that would happen in a proposed service model. It felt very procurement focused, but one size doesn't always fit."*

Reality of contracting and pricing for sustainability not meeting the expectations set in communications and training.

> *"In our experience we have less flexibility in service delivery and range, and far more red tape to service the agreement."*

> *"Contracting with State Government Agencies is still a somewhat one-sided affair, in that the price and the conditions are imposed by the State Government".*

Difficulty in shifting from a culture of detailed output design and acquittals to outcome specification and evaluation.

> *"Setting outcomes will improve service delivery. However, I am yet to see any government agency setting, with the community sector, any outcomes frameworks and associated indicator measures. As such, after all this time and effort spent on a new way of doing things, I am yet to see any real change or benefit for consumers."*

Reduction in the amount or quality of service.

> *"Because there is no more money, services had to decrease to accommodate the true cost of service."*

The specific impact on small and/or regional organisations.

> *"As a small NGO we are concerned that larger providers, with a larger profile may be at unfair advantage."*

> *"Rural and remote issues are still not being addressed appropriately… especially regarding accommodation and additional costs that impact upon service delivery and retention of staff".*

A lack of strategic approach to service design by agency staff.

> *"The State Government agency did not appear to know exactly what they were looking for and therefore could not be clear with us as the service provider as to exactly what outcomes were needed or available within a reasonable budget."*

CEOs who made positive comments mentioned improved relationships with agencies and feeling they are being treated with greater respect.

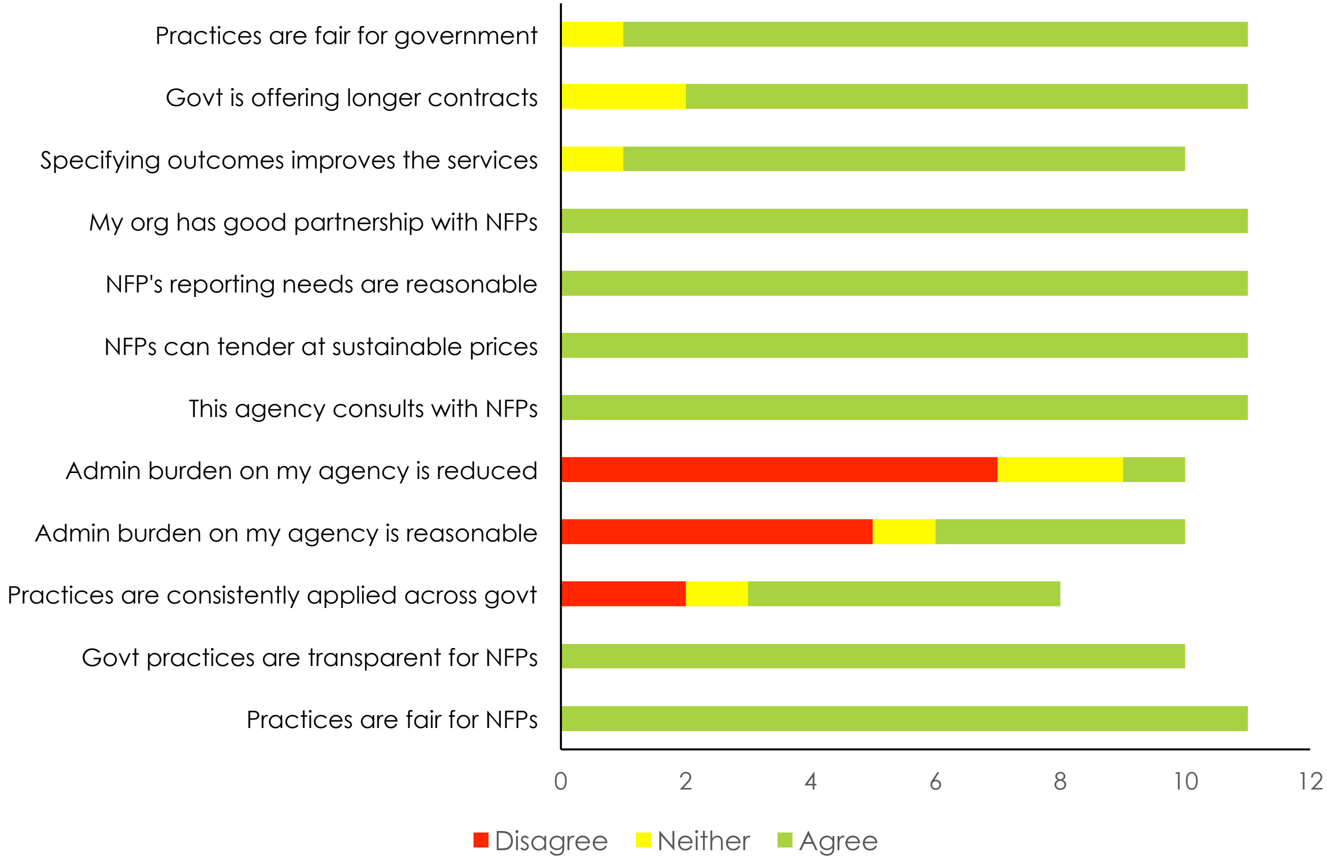
> *"Staff from the funding officer to contract managers are never too busy to answer questions and new services are negotiated through their evolution with ease and understanding by the funders."*

> *"The community Services Partnership policy development has allowed for a better approach. We are now asking the community (end users) what they need and developing programs to match this need."*

In contrast to the NFP respondents, agency staff have an overwhelmingly positive opinion of *DCSP* Policy. Other than the impact on administrative time, all respondents believe the policy has resulted in improved procurement processes and better relationships with NFP organisations and services to end-users.

Agency respondents have very positive views of the *DCSP* Policy and its impact on end-users.

Figure 27 Agency Managers' opinions on Impact of the *DCSP* Policy (n: 11)



Although they are supportive of the *DCSP* Policy, agencies raised some concerns about the implementation of change, the development of outcomes based contracts and resources requirements. :

> *"The challenge that we currently face in terms of community services contracting and funding is coming up with relevant, appropriate outcomes that are easy to measure. Outcomes are much more difficult to determine and measure than outputs. Budget restrictions and resourcing is an issue for our agency at the moment, as is the case across the State government."*

> *"Generally well-run and governed reform process. While the effort and resources involved are significant, in general the new approach is a very significant improvement. It has been important to maintain effort centrally within government. This type of reform needs leadership and strong leadership has been a feature throughout."*

> *"Organisations continue to struggle with costing principles and aligning services to outcomes."*

> *"Our agency has struggled somewhat with the DCSP Policy in that we have received some conflicting advice from the Department of Finance on how to conduct a restricted tender process in accordance with the policy. This led to delays in evaluating the tender."*

> *"Much more resource intensive, however the results for the community on the whole are likely over time to be much improved."*

Appendix 1: Survey Methodology

The evaluation consisted of two main tasks:

1. A survey of NFP organisations that have service agreements to provide community services and that received the Component I price increase.
2. A survey of the key state government agencies that administer contracts for community services with the NFP sector.

The survey of NFP organisations

Key state government agencies were requested by Treasury to provide a current list of email addresses for the Chief Executive or key contact within each NFP organisation. These lists were de-duplicated by Curtin and resulted in a list of 486 individual NFP organisations and the name of their representative.

A questionnaire was developed and approved by the Partnership Forum Working Group Sub-group (PFWGSG). The PFWGSG also prepared a covering email to be sent to respondents describing the purpose of the survey and containing a link to the questionnaire. The questionnaire was uploaded into survey software, and tested with a small number of representatives of NFP organisations to check structure, terminology, flow and technical aspects.

On 26 September 2013 the email was distributed to 486 respondents containing an individualised link to the survey. This approach ensured that only one response was received per organisation and only those organisations in the sample would be included in the results.

As NFP respondents have an important, long-term relationship with government through the agencies that purchase services from them and the subject of the survey was considered highly topical, it was expected that all or nearly all NFP organisations would respond.

A full response is also important to the ability to understand the overall demographics of the sector and as the basis for monitoring the impact of the reforms on all NFPs over time. The final response rate for full responses was 34%. Of the 486 emails distributed, 167 completed the survey in full: another 71 people submitted a partial response. The final sample included in the survey and summarised in this report is therefore variable, with a minimum sample size of 167. The sample sizes (n) vary for each question and are noted in the charts and tables.

Curtin has reviewed these results and identified enhancements for subsequent surveys.

The survey of State Government agencies

A questionnaire for state government agencies was prepared and distributed to 13 agencies in October 2013: 11 agencies completed the survey.

Appendix 2: Enhancements for future evaluations

This is only the second time research of this kind and scale has been undertaken with the NFP sector in Western Australia. To improve and extend the study, the Curtin research team suggests the following for the 2014 and subsequent research phases.

1. Significantly reduce the length of the questionnaires for both the NFPs and agencies. Having undertaken the initial research to determine the key issues, removing redundant questions and shortening the survey instrument will improve response rates and facilitate future evaluations of the longitudinal data sets.

2. Continue to seek support from the sector peak bodies to promote the study and encourage a full response, particularly the Western Australian Council of Social Services and National Disability Services WA. Also seek a high profile individual sponsor to promote response.

3. Distribute this report widely in the sector and encourage discussion of the findings as feedback on and engagement with this study will also support increased participation by the sector in 2014.

4. Continue to include the whole population of NFPs contracting with government agencies.

WA Government Agencies

CPFS	Department for Child Protection and Family Support[16]
DAA	Department for Aboriginal Affairs[17]
DAO	Drug and Alcohol Office
DCS	Department of Corrective Services
DLGC	Department of Local Government and Communities
DoTAG	Department of the Attorney General
DSC	Disability Services Commission
DTWD	Department of Training and Workforce Development
Education	Department of Education
FaCS	Department of Finance: Funding and Contracting Services Unit
Finance	Department of Finance
Health	Department of Health
Housing	Department of Housing
Legal Aid	Legal Aid Commission
MHC	Mental Health Commission
Treasury	Department of Treasury
WA Police	Western Australian Police

[16] As a result of machinery of government changes in April 2013, the responsibilities of the Department for Communities were allocated to the Department of Child Protection and Family Support, and the Department for Local Government and Communities.
[17] The Department of Aboriginal Affairs was previously called the Department of Indigenous Affairs.

Other Abbreviations

CEO	Chief Executive Officer
DCSP Policy	*Delivering Community Services in Partnership* Policy
FTE	Full Time Equivalent
m	million
MS	Microsoft
NFP	Not for Profit
pa	per annum
PSP	Preferred Service Provider
RFT	Request for Tender
SFCNFP Initiative	Sustainable Funding and Contracting with the Not for Profit Sector Initiative

Glossary

Component I refers to the 15% upfront across the board price increase for eligible NFP community sector contracts which was implemented as part of the SFCNFP initiative.

Component II refers to the second stage of funding implemented as part of the SFCNFP initiative which will be made available as not-for-profit community service contracts are reviewed, and linked to the key contracting reforms contained in the *Delivering Community Services in Partnership* Policy.

***DCSP* Policy** refers to the *Delivering Community Services in Partnership* Policy which has been developed to guide all state government agencies that provide funding for, or purchase community services from not for profit organisations. The policy focuses on ensuring that government funding and contracting practices are fair, transparent, and consistent, and on reducing the administrative burden placed on NFP community sector organisations when contracting with government agencies.

n (sample size) refers to the number of units in a subgroup of the sample under study.

Not for Profit organisations are organisations that do not operate for the profit or gain of individual members, whether these gains would have been direct or indirect. Any profit made by the organisation is invested in the organisation undertaking its mission, and not distributed to its members.

NFP respondents are those Not for Profit organisations that participated in the 2013 evaluation to assess the impact of the contracting and procurement reforms implemented by the Western Australian Government in 2011-2012.

Partnership Forum is a group consisting of senior Not for Profit sector representatives and the CEOs of key State Government agencies. The mission of the Partnership Forum is to bring together leaders from State Government agencies and the NFP community sector to improve outcomes for all Western Australians through a genuine partnership in the policy, planning and delivery of community services in Western Australia. The group meets quarterly.

Preferred Service Provider is an existing service provider who is retained to provide services. These service requirements are not filled through open tendering.

SFCNFP Initiative refers to the additional funding and associated contracting and procurement reforms that were identified by the Western Australian Government in the 2011-12 state budget.

Curtin University

The Curtin Not-for-profit Initiative

The Curtin Not-for-profit Initiative was established in 2011 by Curtin's School of Accounting in order to focus on providing industry-ready research outputs that are readily applicable in practice. The aims of the Initiative are to:

1) Develop a body of research focused on practical and implementable outcomes that will enhance the resilience, efficiency and the sustainability of the Not-for-profit Sector Australia-wide;

2) Build significant and effective industry engagement in order to identify and prioritise the topics of research, and to facilitate dissemination and discussion of the findings to the best effect for the sector; and

3) Build a body of up-to-date, Australia specific knowledge that can be used to inform policy and practice within government, the Not-for-profit Sector and the broader community with a view to enhancing policy outcomes to the greater benefit of all communities in Australia.

Contact Information

Professor David Gilchrist
Director
Curtin Not-for-profit Initiative

T: +61 8 9266 7771
E: David.Gilchrist@curtin.edu.au
W: Curtin.edu.au

School of Accounting
Curtin Business School
Building 407
Bentley Campus

GP0 Box U1987
Perth WA 6845

http://business.curtin.edu.au/courses/accounting/research/public-sector-and-not-for-profit-research.cfm