Queensland Government framework for investment in human services

2007

Queensland Government

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Executive summary

Human services play an important role in building and sustaining strong individuals, families and communities. Human service requirements are becoming more complex as a result of changing demographics and patterns of disadvantage, necessitating more contemporary and innovative approaches to funding and delivery.

The Queensland Government makes a significant investment in the delivery of human services through a variety of mechanisms including:

- direct service delivery
- funding to support service delivery by non-government organisations and others including for-profit providers and churches
- gifts and donations to support the activities of non-government organisations
- purchasing services from the for-profit and not-for profit sectors and
- various collaborative arrangements with Commonwealth and Local Government and other human service providers.

The Queensland Audit Office revealed that investment via just one of these modes ie. funding to non-government organisations totalled $3.7 billon in 2006[1].

High levels of need exist for many human services and there is often significant competition for Government resources both within, and beyond human service agencies. It is critical therefore, that the funds available are allocated in ways which best meet the needs and circumstances of Queensland communities and the priorities of the Government.

Government's investment in human service delivery is allocated across a number of agencies. Depending upon the nature of a client group or target community, there may be a range of investment options available, each of which may have strengths and weaknesses. The challenge for agencies is to select the investment strategy which best aligns Government/agency priorities and value for money with client need, provider capacity and sustainable service outcomes.

Recent reviews by the Queensland Audit Office (QAO) and the Service Delivery and Performance Commission (SDPC) have recommended a number of reforms to improve the effectiveness and efficiency of government-funded human services.

This framework directly responds to key recommendations and provides a platform for more consistent approaches across agencies to the allocation and management of government investment. It establishes:

- principles articulating the Government's expectations regarding the outcomes sought from its investment in human services
- descriptors of investment options to support more consistent approaches to assessment, risk management, monitoring and evaluation
- criteria to support more rigorous and systematic assessment of options for investing in human services to deliver positive outcomes for Queenslanders and
- guidelines for the effective management of Government's investment in human services.

This framework also places a more strategic focus on the effectiveness and sustainability of the human service system as a whole. This system is comprised of State, Commonwealth and Local Government, not-for-profit, for-profit and other providers such as churches and educational

[1] Auditor-General of Queensland (2007) *Report to Parliament No.2 for 2007 Results of Performance Management Systems Audit of Management of Funding to Non-Government Organisations*

institutions. Effective implementation of the framework will be critical if the benefits of more robust and consistent investment strategies are to be achieved. The Department of Communities commits to work with other agencies to:

- develop and monitor implementation and action plans
- develop a Strategic Grants Management Policy to establish a preferred Queensland Government approach to integrated grants management
- review opportunities to further support and extend this framework based on an assessment of the outcomes of a whole-of-government business process review of grants management undertaken to inform the Grants Management System Program.

The framework will become effective in November 2007 and will be reviewed by December 2010.

Objectives

The objectives of this framework are to:

1. support the effective allocation and management of Government's investment in human services and
2. provide a platform for further improvements in Government-funded human service delivery.

Drivers

The key drivers for the development of this framework are the:

1. requirement for all Queensland Government agencies, including human service agencies to meet their objectives efficiently, effectively and with economy
2. Auditor-General of Queensland Report to Parliament No. 2 for 2007 Results of Performance Management Systems Audit of Management of Funding to Non-Government Organisations and
3. Service Delivery and Performance Commission (2007) Report on the Review of the Department of Communities, Disability Services Queensland and the former Department of Aboriginal and Torres Strait Islander Policy.

Elements

The key elements of this framework are:

- principles articulating Government's expectations regarding the outcomes sought from its investment in human services
- descriptors of investment options to support more consistent approaches to assessment, risk management, monitoring and evaluation
- criteria to support more rigorous and systematic assessment of options for investing in human services to deliver positive outcomes for Queenslanders and
- guidelines to support effective management of Government's investment in human services.

Scope

This framework has been developed to provide high level guidance to core human service agencies within the Queensland Government including the Departments of Communities, Health, Housing, Child Safety, Justice and Attorney-General and Disability Services Queensland. The framework may also support other agencies which invest in human service activities. This framework describes, formalises and links existing legislation, policy and good practice.

The framework is not intended to address all elements of the funding decision making process. Separate organisational policies and procedures are likely to guide related activities such as needs identification, service and program design, determination of funding levels and funding approval processes (refer Figure 1).

Implementation and review dates

This framework will become effective from November 2007. It will be evaluated by December 2010.

What is human service delivery?

For the purpose of this framework, human services are defined as:

> *services that support, assist or enhance the health, well being and participation of Queenslanders*

Human services may be universal in nature and accessible to whole communities, or highly targeted to meet the specific needs of groups or individuals within communities. They may be primarily preventative or remedial in nature.

Human service delivery differs from some other forms of government service delivery in that it involves the provision of *assistance* to people to meet identified needs.[2]

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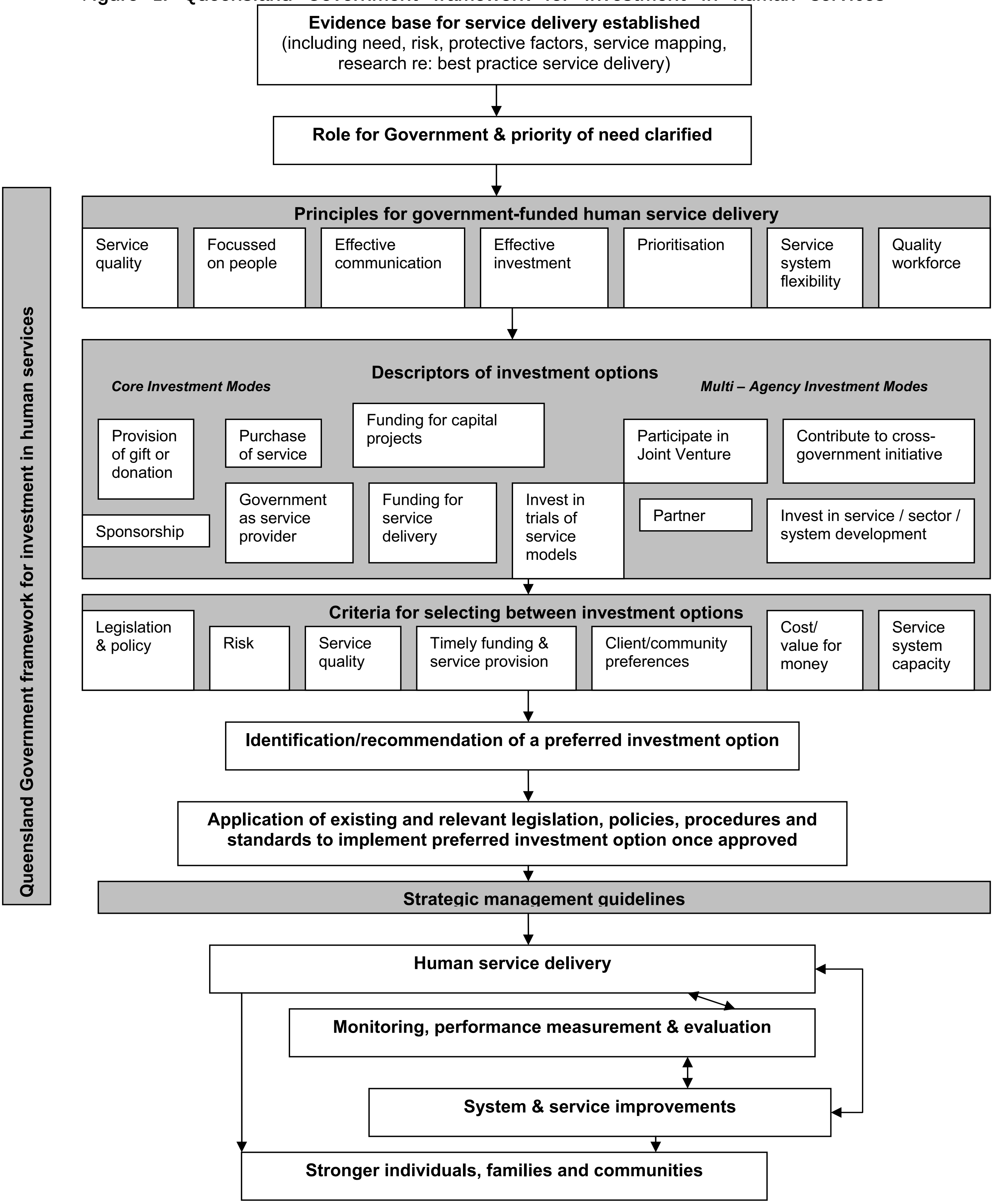
[2] Note: Courts, Tribunals, Registries and SPER are not considered to be in scope for this framework.

Figure 1: Queensland Government framework for investment in human services



A vision for the Queensland Government-funded human service system

The Queensland Government expects that a strong, sustainable and effective Government-funded human service system will include a mix of government, not-for-profit and for-profit providers working, investing and building the capacity of providers individually and together.

This collaborative approach is critical to ensuring that human service delivery contributes to: stronger, more sustainable and inclusive communities; promotes individual responsibility, independence, capability and resilience; and contributes to the achievement of government priorities.

A quality human service system must also deliver a continuum of universal and targeted services ranging from prevention and early intervention through to intensive client care.

Queensland Government agencies will apply consistent and rigorous processes to ensure that Government's investment in human services is delivered in ways which best meets the priorities of the Queensland Government and the needs and circumstances of Queensland communities. Service demand will be managed through a variety of customised strategies including targeting and prioritisation and innovative investment models which leverage the resources of clients and other sectors.

Context

The service delivery environment

Human services play an important role in building and sustaining strong individuals, families and communities.

Human service delivery requirements are becoming more complex as a result of changing demographics and entrenched and multi-generational disadvantage. Preventative approaches which seek to intervene early, before crises emerge are becoming more important. Such approaches often require the effort and intervention of various agencies working together to support clients in an integrated way.

Many Queensland communities are experiencing rapid population change and the Queensland population as a whole is growing rapidly, placing pressure on existing infrastructure. In some communities, strong networks of government and non-government providers have a capacity to respond effectively to changing demand. Other communities however, struggle to attract skilled and viable providers resulting in interrupted, declining, inappropriate or geographically distant service delivery. Voluntary organisations are active in many communities and innovative and collaborative approaches to service delivery which mobilise local resources and effort have been developed in some. Increasingly accessible and sophisticated information and telecommunications platforms are making possible a range of innovations in service delivery.

Rural and remote communities and discrete Indigenous communities face particular challenges in establishing viable human service arrangements. These communities are often geographically isolated from regional service hubs and have limited public transport options to support service access. Relatively small population bases, low levels of local infrastructure and difficulties attracting, accommodating and supporting professional staff often make the delivery of locallybased services difficult and expensive. Where services do exist, they are often oversubscribed with limited or no capacity to take on additional service delivery arrangements.

The discrete Indigenous communities are some of the most disadvantaged in Queensland and demonstrate significantly higher levels of need for a range of services. Long-term, integrated approaches to investment, program development and service delivery are required. The Office for Aboriginal and Torres Strait Islander Partnerships is currently exploring investment strategies and service delivery methodologies on behalf of the Queensland Government to drive better service outcomes in discrete Indigenous communities.

Government is one of many providers within Queensland's human service system. Other providers include Commonwealth and Local Government providers, along with non-government organisations, the for-profit sector, voluntary groups and emerging models of providers such as community companies and trusts. The public is increasingly expecting consistent, accountable and integrated services across provider networks.

The long-term effectiveness, diversity and viability of this service system requires strong, clear and purposeful relationships between providers. Innovative approaches to investing in human service delivery are needed which build the capacity of, and leverage existing arrangements wherever possible. Service delivery arrangements which harness the potential of the full range of local community, government, non-government and for-profit providers under traditional and innovative institutional arrangements and which meet the specific needs and circumstances of communities in culturally appropriate ways are becoming more important.

Government-funded human service delivery

The Queensland Government makes a significant investment in the delivery of human services through a variety of mechanisms including:

- direct service delivery
- funding to non-government organisations and others such as for-profit providers and churches
- gifts and donations to non-government organisations
- purchasing services from the for-profit and not-for profit sectors and
- various collaborative arrangements with Commonwealth and Local Government and other human service providers.

The Queensland Audit Office revealed that investment via just one of these modes ie. Grant funding to non-government organisations totalled $3.7 billon in 2005-2006[3].

High levels of need exist for many human services and there is often significant competition for Government resources both within, and beyond human service agencies. Government must achieve its objectives efficiently, effectively and with economy. It is critical therefore, that the funds available are allocated in ways which best meet the needs and circumstances of Queensland communities and the priorities of the Government. Whilst targeting and prioritisation are important, a more rigorous assessment of investment options to determine which are most likely to deliver cost effective services and positive client outcomes is critical.

3 Auditor-General of Queensland (2007) Report to Parliament No.2 for 2007 Results of Performance Management Systems Audit of Management of Funding to Non-Government Organisations

Government's investment in human service delivery is spread across a number of agencies. Depending upon the nature of a client group or target community, there may be a range of investment options available, each of which may have strengths and weaknesses. The challenge for agencies is to select the investment strategy which best aligns Government/agency priority and value for money with provider capacity, client need and sustainable service outcomes. Despite common service delivery target groups (eg. Children and young people at risk) there are few common policies or platforms to support more integrated approaches to human service design, funding, monitoring and impact evaluation.

Many agencies have a long history of working with and funding non-government organisations to deliver human services. Government agencies will continue to develop relationships with the sector and to identify opportunities to develop more strategic and contemporary working arrangements.

In recognition of changing levels of demand for increasingly complex service types and emerging service delivery models, Government must also consider a variety of more innovative approaches to investing in service delivery. Examples include, but are not limited to; community companies, trusts, social firms, public-private-third sector partnerships and corporate social responsibility. Service delivery models which improve client access, integrate service provider resources and contain costs via robust and accessible information and communication technology platforms are also becoming increasingly important.

The need for reform

The priority to improve the effectiveness, sustainability and viability of the Queensland human services system as a whole has been highlighted in two recent reviews:

1. Auditor-General of Queensland Report to Parliament No. 2 for 2007 Results of Performance Management Systems Audit of Management of Funding to Non-Government Organisations
2. Service Delivery and Performance Commission Report on the Review of the Department of Communities, Disability Services Queensland and the former Department of Aboriginal and Torres Strait Islander Policy (2007).

The Queensland Audit Office (QAO) identified a range of improvements which included:

- the need for a cross-government policy to describe government's interactions with non-government organisations and to facilitate a more coordinated approach to funding and accountability
- the need to discontinue the use of grants terminology to describe all financial interactions between government and the sector and
- the need for greater clarity and consistency within and across government agencies regarding funding interactions with non-government organisations.

The Department of Communities is a key provider and funder of a diverse range of human services including both universal services and others tailored to the needs of key groups including children, young people, families, seniors and Aboriginal and Torres Strait Islander Queenslanders. The Department has taken a leadership role in working with other human service agencies to develop this framework which directly responds to the issues raised above.

The Service Delivery and Performance Commission (SDPC) review highlighted a range of issues including the need to:

- develop policy, information systems and sustainable funding models
- improve the capacity of the Department of Communities and Disability Services Queensland to assess the quality, appropriateness and efficiency of service delivery models
- develop viable service delivery models and
- to improve the maturity of relationships between Government agencies and other human service providers.

This framework provides descriptions of a variety of investment modes and criteria to support assessments of the viability of the full range of options available to government to invest in service delivery. It also includes guidelines which form the basis of more mature and consistent funding relationships between government and other human service providers.

Principles

The following principles have been developed to articulate Government's expectations of the outcomes sought from its investment in both individual human service providers, and the human service system as a whole.

1. *Service quality*

Quality human services should be: safe; equitable; evidence-based; well targeted; monitored to ensure compliance with standards and legislation; flexible; and effective in improving people's independence and outcomes.

2. *Focussed on people*

Effective human services should: treat people with respect; be responsive to people's needs; consider stakeholder views in service design, monitoring and evaluation; support client services which are coordinated across service providers; and meet government's duty of care.

3. *Effective communication*

The operation of a strong human service system should be supported by effective communication between the organisations and sectors within the system including: regular information sharing; timely discussion of emerging priorities; the clear articulation of expectations; and the provision of feedback.

4. *Effective investment*

Effective investment should ensure: desired outcomes are achieved; value for money is maximised; there is consistency across funding systems; and risks are identified and managed.

5. *Prioritisation*

An effective human service system should ensure that transparent systems and processes are in place to prioritise the investment of finite resources amongst competing demands in accordance with government priorities.

6. *Service system flexibility*
An effective and sustainable human service system should support: innovation; responsiveness to changing needs and circumstances; shared investment models including partnerships; effective use of resources including technology; and integrated responses to complex issues.

7. *Quality workforce*
A sustainable human service system should have a flexible, skilled and appropriately located workforce sufficient to meet current service requirements, and invest in workforce development to continue to improve service quality and to meet future demand.

Descriptors of Queensland Government options for investing in human service delivery

A consistent approach to the assessment of options for investing in human service delivery requires a common understanding of the modes available to government.

The following descriptors have been developed to support common approaches across government agencies and also to describe the various objectives government may seek to achieve via its investment in human service delivery.

Two groups of investment strategies are identified:

- *Core investment modes* which include: donations or gifts; sponsorship; direct service delivery by a government agency; purchasing or contracting; the provision of funds to non-government organisations for service delivery and the provision of funds to support capital works
- *Multi-agency investment modes* which include: investment in the testing of service models; partnerships; joint ventures; investment in sector/system or service capacity building; and contributions to cross-government initiatives involving either Commonwealth or Local Government bodies.

The multi-agency investment modes, once established are likely to result in the allocation of relevant funds via one or more of the core investment modes eg. A cross-government initiative (a multi-agency mode) supporting people with a disability might allocate a percentage of dedicated funds to purchasing (a core investment mode) specialised therapeutic services.

Core investment modes

Core investment modes have been traditionally used by human service agencies to deliver and/or support a range of client services and other community activities assessed as likely to achieve a benefit to clients or the broader community.

Government as	Descriptor
Government as: Provider of a gift or donation	Provision of funds, property or other support to a specified 'cause' or activity without creating an obligation that the recipient will provide goods or services of approximately equal value to the donor organisation or to a nominated beneficiary or class of beneficiaries[4]. Gifts or donations are made voluntarily and involve an element of benefaction[5]. Gifts or donations are usually made without a service agreement or expectation of ongoing support to a not-for-profit organisation with objectives which are consistent with those of the donor organisation. A decision regarding whether to require gifts to be acquitted is made on a case by case basis.
Government as: Sponsor	A business arrangement involving the purchase of the right to associate the sponsor's name, products or services with the sponsored organisation's activities for a negotiated benefit in cash or kind. Sponsorship is a mutually beneficial contract with the desired outcome of positive and tangible returns to all parties[6].
Government as: Service provider	Direct delivery of a service by a government employee/group of employees to, or for, a client, group of clients or community. With regards to human services "A service involves a provider undertaking the process of assistance, and a recipient receiving this assistance. The provider undertakes a number of actions whose purpose is to further the process of assistance in response to the need. These actions are service activities."[7] Government service delivery may include the provision of direct services by one government agency which is funded by a second government agency. The funding agency usually specifies the clients, group of clients or community to be supported and the services to be provided.

4 Based on Financial reporting requirements for reporting period beginning on or after 1 January 2005 http://www.treasury.qld.gov.au/office/knowledge/docs/fin-reporting-req/frr-2007-05-part-c.pdf
5 Based on Income Tax Assessment Act (1997) http://law.ato.gov.au/atolaw
6 Queensland Government Sponsorship Framework 2003
7 Australian Institute of Health and Wellbeing (2003) National Classification of Community Services Version 2 http://www.aihw.gov.au/publications/index.cfm/title/8431

Government as	Descriptor
Government as: Purchaser/contractor	Purchasing includes the acquisition of goods and services through purchasing, leasing and licensing and this expression extends to standing offer or similar arrangements by which terms and conditions of purchase are determined[8]. Purchasing usually involves the calling of tenders, involves payment on delivery and assumes that the full cost of service delivery will be paid. Purchasing is used when an Agency needs to provide a service to clients and contracts a third party to deliver that service on its behalf. Purchasing establishes a buyer-seller relationship with the contractor, but the Agency may still have a relationship with the client and owe them duties and obligations over and above the delivery of the purchased services. Some of these liabilities can be minimised by the use of appropriate contractual terms but the purchasing of services from a third party will not always absolve the agency from continuing liability to the client.
Government as: funder of service delivery	The purpose of funding service delivery by providing financial assistance, property or other support to service providers is to enable them to provide services in ways which best meet the objective of the funder. Funding agencies will determine the level of funding which is provided to assist service delivery. Any statutory/funding agreement should specify that the agency has no obligation to provide full funding for the service being delivered. Funding is used when an agency wishes to support a service that another organisation wishes to provide to others who may or may not be Agency clients. Assistance is often provided via grants or subsidies which are made in various circumstances by government to support community activities and/or service delivery which achieves goals and objectives consistent with government policy. Grants may be covered by legislation or regulation or be subject to Cabinet, ministerial or administrative discretion[9].

8 Queensland State Purchasing Policy 2004:12

9 Queensland Treasury “draft Guidelines for Grant and Funding Administration” 1997:5

Government as	Descriptor
Government as: Funder of capital projects	Provision of funding to a non-government organisation to enable them to undertake capital projects in relation to a building, to infrastructure or a property that is not owned by Government. It is expected that the capital works will result in an improvement in service delivery and that the service delivery will be enduring. Any statutory/funding agreement should specify that the agency has no obligation to provide full funding for the works to be undertaken. Funds do not result in a capital gain for government as the assets being upgraded are not the property of government.

Multi-agency investment modes

Multi-agency investment modes are emerging as important strategies in addressing complex service needs. These modes combine and leverage the resources of multiple government and/or non-government organisations, clients and networks and often achieve results not able to be delivered by one government agency acting alone. Multi-agency modes are often customised to meet the specific requirements and circumstances of a particular client group or community and thus often support innovation in service design. As highlighted in the “Context” section above, the specific challenges faced by rural and remote communities and discrete Indigenous communities are likely to prompt consideration of multi-agency approaches to deliver viable services which respond to complex needs.

Investment in service, system or sector development or capacity building is likely to strengthen the capacity of existing providers/ groups of providers to deliver effective human services and thus to leverage any previous Government investment in that sector. Investments in the development of a system may also support the reallocation and/or redirection of funds existing within the system to better meet needs.

In certain situations, multi-agency investment modes may therefore, be more cost-effective over time and more likely to deliver outcomes in response to highly complex needs than implementing core investment modes in isolation.

Government as	Descriptor
Government as: Investor in trials of service models	Provision of time limited funding to support the development and evaluation of service delivery models and arrangements. The primary objective of this investment mode is to collect evidence and the investment must resource the collection of evidence regarding the effectiveness or otherwise of key elements of the service delivery model(s) under specified circumstances or for particular target groups. Funding agencies will determine the level of funding which is provided to assist in the development and testing of the models and the duration of the trial. Any statutory/funding agreement should specify that the agency has no obligation to provide full funding for the service being delivered.

Government as	Descriptor
Government as: Partner	For the purpose of this framework a partnership is considered to involve parties acting interdependently to align existing systems and create new strategies to respond to complex issues to achieve change which cannot be achieved by one of the parties acting alone. Partnerships commit government and its partners to a degree of shared governance, risk management, resourcing and responsibility for decision making. Partnerships also result in shared liability between partners. It will rarely be appropriate for Government to form a partnership with an external entity.
Government as: Participant in a joint venture[10]	Joint ventures are another form of collaboration which enable two or more parties to combine resources and effort to achieve a common service outcome. Parties agree to share governance, risk management, resourcing and responsibility for decision making for the purpose of the joint activity. This may be achieved via the development of a separate entity which becomes responsible for service delivery. Participants in a joint-venture can remain legally independent of each other and can specify how they will share liability.
Government as: Investor in sector / service / system development	Government funds activities which build the capacity of organisations or groups of organisations to deliver a service. This mode of investment focuses on strengthening the ability of a service provider/group of providers rather than on the delivery of a service to a client/group of clients or community.
Government as: Contributor to cross-government initiative involving Commonwealth and/or Local Government	The pooling of resources between two or more levels of government in order to enable service delivery which meets shared priorities. The pooling of funds does not imply shared governance as is the case with partnerships (see above). Resources are then allocated through a variety of methods eg. funding, direct service delivery etc. as considered appropriate by the contributing agencies.

Guideline for assessing the most appropriate mode of investment in human service delivery

Deciding which investment strategy should be pursued requires the consideration of various factors, including the Government's/agency's priorities, cost and resource availability, value for money for the government, client need and provider capacity. 'One-size-fits-all' investment strategies are increasingly being replaced with approaches which are more sensitive to places, clients or markets. Effective investment strategies must consider the full range of options available to government, including building the capacity of existing providers to work more

10 Examples of joint ventures can include: community companies and trusts, social firms and enterprises and arrangements which harness corporate social responsibility contributions and community service obligations

effectively and investment in more innovative approaches to service delivery. These innovative approaches are likely to be particularly important where service providers are non-existent, at capacity or under-developed.

This framework establishes criteria to support a more rigorous and consistent approach to assessing the most appropriate mode(s) of government investment in human service delivery. The criteria are clustered according to the following headings:

- policy and legislation
- risk
- service quality
- timeliness of funding and service provision
- customer/community preference
- cost/value for money and
- service system capacity.

Consideration of the criteria will assist agencies in identifying and recommending the most appropriate investment option(s). The criteria can be applied to support a variety of decision making processes including:

- the development of budget submissions for new initiatives
- decision making regarding the re-allocation of funds when providers withdraw or when client outcomes are not being achieved
- testing current investment strategies against other potential options
- testing the relevance and applicability of innovative investment strategies and
- testing opportunities to maximise efficiency in human service investment via cross-agency or cross-government funding approaches.

Consideration of the criteria is also likely to inform:

- program design, service specification and costing processes
- service delivery governance arrangements and
- the development of evaluation plans.

Application of these criteria assumes that decision makers have already:

- identified, understood and confirmed the need for a service
- confirmed that there is a role for government to play in responding to the identified need and that developing a response is consistent with Government/agency priorities
- identified the type of service, product or intervention most likely to respond to the identified need within government policy and priorities and
- developed an understanding of the capacity of the existing service system.

Depending upon the complexity of an initiative, it may be necessary to work through the assessment criteria several times at different stages of the service delivery initiative. This will be particularly true if an initial decision is made to commit to a multi-agency strategy eg. The creation of a joint venture. Once established, representatives of this venture may need to apply the criteria again to determine how particular elements of a service delivery model are funded eg. How brokerage funds managed by the joint venture are most effectively allocated to maximise client support.

The Assessment Guideline is included in Appendix 1.

Strategic management guideline for effective investment in human services

A Strategic Management Guideline has been developed to provide guidance to agencies on the effective management of government investment in human services. The guideline focuses on the interaction between government and other providers. Many agencies are currently demonstrating many of the practices documented in this guideline. It is anticipated that over time, agencies implement the changes required to better align agency practice with this guideline. Agencies are also encouraged to develop more detailed supporting documentation describing how agency procedures are to be aligned with the guidelines.

The purpose of this guideline is to assist agencies to manage investment in human services in ways which reflect relevant legislation and policies, contemporary good practice and the nature of the specific investment mode(s) being implemented. As recommended by both the QAO and the SDPC, the adoption of targeted approaches which align management strategies to the nature of government's investment and the level of risk involved is intended to reduce the administrative burden on both government and funded service providers. As a general rule, low risk investments will involve less frequent monitoring and reporting and be governed by less formal agreements. Agencies will assess the level of risk associated with an investment by considering:

- the type of service being supported with government funding
- the clients being supported
- the history of the organisation receiving government funding
- the nature of funding (eg. One off or enduring)
- the total quantum of funds received by an organisation across all Departmental programs and
- the number and diversity of funded and alternative providers.

The Strategic Management Guideline is included in Appendix 2.

Further development

The Department of Communities will work with other human service agencies to implement this framework and to monitor and report on the benefits derived as a result of implementation. An action plan will be developed in 2008 which documents cross-agency and agency specific strategies for applying the framework to address priority human service delivery challenges and specifies monitoring and reporting arrangements.

The provision of Government grants to non-government organisations for service delivery is a commonly used investment option. Efforts to enhance the effectiveness of government's overall investment are therefore likely to be significantly boosted by improvements to grants management systems.

A strategic grants management policy which sets out an agreed business model for grants management across government agencies will be developed in 2008. This policy will:

- help to achieve the objectives of this framework by articulating a standard grants business model and
- articulate policy objectives to be achieved via a whole-of-government business process review of grants management and administration functions and subsequent systemisation decisions.

Findings from a grants business process review being conducted as part of a Grants Management System Program will inform further policy development required to support and/or extend this framework.

Links to relevant reports and legislation

Reports

Auditor-General of Queensland (2007) *Report to Parliament No.2 for 2007 Results of Performance Management Systems Audit of Management of Funding to Non-Government Organisations* www.qao.qld.gov.au

Service Delivery and Performance Commission (2007) *Report on the Review of the Department of Communities, Disability Services Queensland and the former Department of Aboriginal and Torres Strait Islander Policy* http://www.thepremier.qld.gov.au/sdpc/index

Legislation and policy

Community Services Act 2007
http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2007/07AC038.pdf
Child Protection Act 1999
http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/C/ChildProtectA99.pdf
Disability Services Act 2006
http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2006/06AC012.pdf

Financial Administration and Audit Act 1997
http://www.legislation.qld.gov.au/Search/isysquery/fd7605f5-62f1-4a21-b112-825fe62f76b3/1/doc/FinAdminAudA77.pdf#xml

Housing Act 2003
http://www.legislation.qld.gov.au/LEGISLTN/ACTS/2003/03AC052.pdf

Partnership Act
http://www.legislation.qld.gov.au/LEGISLTN/CURRENT/P/PartnerA1891.pdf

Public Service Act 1996
http://www.legislation.qld.gov.au/LEGISLTN/ACTS/1996/96AC037.pdf

Public Sector Ethics Act 1994
http://www.legislation.qld.gov.au/LEGISLTN/ACTS/1994/94AC067.pdf

Queensland Government Policy on Contracting Out
http://www.opsc.qld.gov.au/library/docs/resources/policies/Other_Policy_ContractGovtServices.pdf

Queensland Treasury Guidelines on Funding and Grants Administration 1997 (under review)
http://www.treasury.qld.gov.au/office/knowledge/docs/grant-admin/grant-admin.pdf

State Purchasing Policy 2004
http://www.qgm.qld.gov.au/00_downloads/spp2000.pdf

Appendix 1: Guideline for assessing the most appropriate option for investing in human service delivery

Purpose

The purpose of this guideline is to support the rigorous assessment of investment options available to Government in order to inform recommendations regarding which option(s) is most likely to result in effective service delivery.

Possible applications:

Consideration of the criteria will assist agencies in identifying and recommending the most appropriate investment option(s). The criteria can be applied to support a variety of decision making processes including:

- the development of budget submissions for new initiatives
- decision making regarding the re-allocation of funds when providers withdraw or when client outcomes are not being achieved
- testing current investment strategies against other potential options
- testing the relevance and applicability of innovative investment strategies and
- testing opportunities to maximise efficiency in human service investment via cross-agency or cross-government funding approaches.

Consideration of the criteria is also likely to inform:

- program design, service specification and costing processes
- service delivery governance arrangements and
- the development of evaluation plans.

First steps

Prior to making an assessment of investment options, it is important to:

1. identify a service need (eg. Via research, client or provider feedback, Ministerial advice etc.)
2. understand the identified service need (eg. who are the expected clients? where do they live? What level of demand is likely to exist for the service? What outcomes are being sought? Is a new service required or can an existing service be revised? What impacts would a new service have on related services? Do opportunities exist to leverage existing services?)
3. determine if there is a role for government to play in responding to the identified need and confirm that a response is in accordance with Government/agency priorities
4. identify the type of service most likely to respond to the client needs within government policy and priorities (likely to involve consultation with other government agencies, service providers and potential clients)
5. understand the capacity of the service system to deliver the desired services (eg. Are existing providers able to deliver? Is there merit in building the capacity of existing providers, of realigning existing investment or in designing new service delivery models? Is there a need to attract new providers? Are multi-agency strategies required?)

Investment options

As identified in the *Queensland Government framework for investment in human services* Government may choose to invest in human service delivery in a number of ways including by:

- providing a donation or gift
- providing sponsorship
- employing staff to provide a direct service to clients
- purchasing a service
- providing funding to support service delivery
- funding capital projects expected to result in improved service delivery
- investing to test service models
- partnering with other organisations
- participating in joint ventures
- building the capacity of service providers and
- contributing to cross-government (eg. Commonwealth or Local Government) initiatives.

Given the diversity of Queensland communities, of clients and of service providers, more than one investment option may be required to respond to an identified need. This is particularly likely when undertaking multi-agency investment approaches eg. A cross-government initiative targeting people with a disability which might subsequently progress shared priorities using one of the core investment strategies eg. Purchasing specialist therapeutic services. Similarly, different investment modes might be recommended for different parts of the State.

Assessment criteria

The following questions have been developed to assist in comparing the range of investment options available to Government. Certain criteria or sets of criteria are likely to be more important in a particular decision making process, or preclude others in particular decision making processes. It may not be necessary to work through all of the criteria for each decision making process.

> *Example 1*: If a legislative requirement exists for service delivery to be undertaken in a certain manner, other options will be excluded.
>
> *Example 2:* If it is identified that only one sector has the capacity to deliver a particular service, it may be necessary to only work through criteria relating to how funds can be most effectively directed to that sector.

Attachment 1 includes a summary of circumstances, indicated in national and international literature and via practice wisdom in which each of the investment modes may be applicable.

Legislation / policy

- Do current Government Acts, policies or commitments require that services be delivered by a particular sector or be funded in a particular way?
- Do existing Commonwealth-State agreements require that services be delivered by a particular sector or be funded in a particular way?
- Do existing guidelines indicate that services are to be delivered by a particular sector or be funded in a particular way?

Risk

- Which investment mode is most likely to minimise risk to government?
- Which investment mode is most likely to minimise risk for clients?
- Which investment mode is most likely to result in services which meet government's duty of care?
- If it is important that government maintain an "arms length" relationship to clients, which investment mode best delivers this?
- Which investment mode is most likely to result in a safe service?

Service quality

- Which investment mode is most likely to result in the desired service outcomes?
- Which investment mode is most likely to result in equitable or prioritised service access for clients experiencing the greatest levels of need?
- Which investment mode is most likely to result in services which are responsive to client needs?
- Is one investment mode more likely to result in culturally competent service delivery which meets the needs of the target group?
- Are innovative and/or multi-agency investment modes more likely to result in the desired service outcomes?
- Which investment mode is most likely to support the provision of integrated client services?
- Which investment mode is most likely to achieve greatest service continuity?
- Which investment option is most likely to result in reliable measures of service outputs and outcomes?

Client/community preferences

- Which investment mode is most likely to result in services which meet client preferences?
- Is one investment mode more likely to receive strong community or stakeholder ownership or support?
- Which investment mode is most likely to support client participation in service design, monitoring and evaluation?
- Which investment mode is most likely to meet sector or community expectations?
- Which investment mode is most likely to maintain consumer choice?
- Which investment mode is most likely to protect the public interest?

Timely funding and service provision

- Which investment mode is most likely to result in service provision within required timelines?
- If it is important to be able to make significant changes to service delivery over time, which investment mode is most likely to achieve this flexibility within relevant timeframes?

Cost/value for money

- Can Government intervene (eg. via incentives or regulation) to encourage a particular sector/s to respond to the identified service need within existing resources?
- Which investment mode is most likely to result in service delivery which represents good value for money (eg. Reduced unit costs, improved or increased services, additional resources/ benefits leveraged for clients)[11]?
- If service competition is desirable, which investment mode is most likely to support an appropriate level of competition amongst potential providers?
- Which investment mode is most likely to reduce administrative/bureaucratic burdens (eg. contract specification, relationship management, grants program administration)?
- To what extent is it possible to achieve more effective and/or efficient service delivery by investing in cross-agency service delivery?
- To what extent is it possible to achieve more effective and/or efficient service delivery by pooling funds with another tier of government?
- To what extent is it possible to tightly specify the service outputs and/or outcomes sought as would be required via a purchasing arrangement?
- Are any of the investment modes likely to deliver a “value add” or additional benefit to government or to service recipients, over and above the funded service delivery?
- Which investment mode is most likely to result in both short and long-term benefits?

Service system capacity

- Is there an existing market of capable providers or should initial investment strategies focus on:
    a. building the capacity of a provider/sector or system of providers? and/or
    b. designing new service delivery models (eg. Some form of joint venture which combines the strengths and resources of various providers?)
- Is one investment mode more likely to result in service innovation than others?
- If one provider/group of providers has substantially greater capacity to deliver the desired service than others, which investment mode is most likely to attract that provider(s)?
- Is any investment mode likely to be equally effective in all regions/for all target groups?

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11 In determining the value for money of each mode it is important to assess the costs of establishing, administering and monitoring delivery arrangements in addition to the costs associated with service delivery.

- Are investment modes targeting existing local providers likely to be effective or is there benefit in attracting new providers?
- Have any investment modes historically been associated with successful outcomes for related service activities / clients? (eg. Outcomes for Indigenous clients have often been found to improve when services are delivered by Indigenous organisations)
- Have any investment modes historically been associated with poor client/service outcomes?
- Which investment mode is most likely to help strengthen the human service system?
- Which of the investment modes is most likely to support the retention of service delivery skills by government?
- Which of the investment modes is most likely to result in a strengthened human services workforce?

Next steps

Once an assessment has been made to determine which investment mode(s) is most likely to result in effective service delivery it is important to:

1. recommend the preferred investment mode(s) outlining why the mode(s) is expected to result in effective service outcomes, any factors given priority in arriving at the decision and risks associated with the recommended strategy. This recommendation may include realigning existing investment to better meet identified needs.
2. gain the necessary approvals to invest or reinvest in the identified service type via the identified investment mode
3. secure resources necessary to enable service delivery (eg. Via funding bids, development of agreements with other tiers of government or providers)
4. implement the investment strategy using the procurement method which is most likely to offer incentives and opportunities to a range of providers to deliver the service and which is in accordance with appropriate policies and procedures and the strategic management guideline
5. monitor service delivery in accordance with agreements and the strategic management guideline
6. evaluate a selection of investment decisions to assess the effectiveness of the investment strategy in delivering outcomes

Summary table

The following summary table identifies circumstances, indicated in national and international literature and via practice wisdom in which each of the investment modes has been found to be applicable.

Core investment modes

Investment mode	May be appropriate when:
Donation	• Government wishes to support an organisation, 'cause', or 'appeal' with objectives consistent with its own • Government is not expecting or requiring discrete or quantified outcomes which are in direct proportion to the funds allocated • Time pressures and other constraints mean that Government does not wish to become involved in complex governance arrangements
Sponsorship	• Government wishes to support a particular event or activity and to receive a degree of recognition and/or strategic advantage in return for that support • Government does not wish to become involved in complex governance arrangements
Government service provision	• Government has a statutory responsibility for the service to be provided and/or a duty of care to clients • The community expects that services achieve a high degree of accountability most commonly associated with government service provision • The risks associated with service provision are significant and government has the greatest capacity to manage and/or mitigate those risks • Government has, and wishes to retain a degree of expertise, infrastructure and/or commitment to service delivery, and/or to make existing expertise and infrastructure available to other state government agencies • Other providers are non-existent, at capacity or not willing to deliver the required service
Purchased/contracted service delivery	• Market competition exists among service providers which will promote service quality, innovation and lower prices • Service provider accountability can be clearly established • Government has a responsibility to provide a service to clients and external providers have the greatest capacity to manage key risks associated with service delivery
Provision of funding for service delivery to not-for-profit organisations	• Organisations possess specialised knowledge, relevant expertise, links to local communities or client groups and have the capacity to deliver the desired service • Organisations are able to deliver cost-effective services with a focus on public benefit, including by leveraging additional resources (eg. Volunteers, access to networks) to achieve improved client outcomes • Evidence indicates that client outcomes are likely to be most positive when services are provided by particular organisations eg. Outcomes for Indigenous clients have been found to be more effective when services are provided by Indigenous non-government organisations • Government wishes to promote service and/or funding flexibility

Investment mode	May be appropriate when:
Provision of funding to for-profit organisations	• Funding policies and/or guidelines permit consideration of for-profit organisations • A degree of market competitiveness exists to the extent that can ensure service quality, lower prices and innovation • Organisations demonstrate experience and capacity to deliver effective outcomes, to manage risk and to leverage additional resources
Provision of funding for capital projects	• Government wishes to improve an asset which it does not own • There is a demonstrated link between the capital project and improved client services/outcomes • The need for the service which is to be enhanced via the capital project is expected to exist beyond the time required to undertake the capital works

Multi-agency modes

Investment mode	May be appropriate when:
Investment in trials of service models	• Government is interested in collecting evidence regarding the effectiveness or otherwise of particular service delivery models, or elements of models under specified circumstances and/or for specific client groups • Government does not wish to commit to ongoing funding at that time
Partnership approaches	• Longer-term relationships between partners are desirable and the parties are prepared to be jointly liable (note, this is very rarely the case for Government) • Partnerships can be structured in a manner which enables more targeted and effective service delivery • It is possible and desirable to combine the efficiencies and resources of the non-government providers with the mandate and resources of government • Agreements can be negotiated specifying common goals, the contribution of complementary resources and expertise, and the joint sharing of risks
Joint ventures	• Joint ventures can be designed in innovative ways to enable more targeted and effective service delivery • It is possible and desirable to combine the efficiencies and resources of the non-government providers with the mandate and resources of government • Agreements can be negotiated specifying common goals, the contribution of complementary resources and expertise, and the joint sharing of risks • The parties do not wish to be jointly liable for activities beyond the focus of the joint venture and intend to operate independently (legally and actually) in relation to their other business or activities
Investment in sector / service or system development	• There are no existing service providers or, existing providers are weak, poorly coordinated or at capacity • Providers/sectors or service system members indicate a preparedness and capacity to work with Government to improve their ability to deliver a desired service • New, evidence-based service models are being developed and it is in government's interest to work with providers to achieve positive outcomes for the service and clients • Capacity building will deliver additional and desirable benefits to government and/or clients
Contribution to cross-government	• There is a common interest in and/or responsibility for service delivery • Effectiveness or efficiency can be improved by channelling the resources of

Investment mode	May be appropriate when:
(Commonwealth / Local) initiatives	2 or more tiers of government through a single provider, or through a cross-agency agreement • Other tiers of government are able to leverage important resources to support service delivery (eg. mandate, responsibility, relationships, local knowledge, physical and financial and/or human resources)

Appendix 2: Strategic Management Guideline for effective investment in human services

The purpose of this guideline is to assist agencies to manage investment in human services in ways which reflect relevant legislation and policies, contemporary good practice and the nature of a specific investment mode. The guideline focuses on the interaction between government and other providers. The guideline:

- identifies core investment modes and multi-agency investment modes which are likely to combine and leverage the resources of a Government agency and one or more other organisation or sector. Multi-agency approaches will generally result in available funds being allocated via one or more of the core investment modes
- summarises common approaches across core human service agencies to the effective management of government investment in human services
- establishes targeted approaches which align management strategies to the nature of government's investment and the level of risk involved to reduce the administrative burden on both government and funded service providers. As a general rule, low risk investments will involve less frequent monitoring and reporting and be governed by less formal agreements. Agencies will assess the level of risk associated with an investment by considering:
  –
  - – the type of service being supported with government funding
  - – the clients being supported
  - – the history of the organisation receiving government funding
  - – the nature of funding (eg. One off or triennial)
  - – the total quantum of funds received by an organisation across all Departmental program areas and
  - – the number and diversity of alternative providers.

Many agencies are currently demonstrating many of the practices documented in this guideline. It is anticipated that over time, agencies will implement changes as required to better align agency practice with this guideline. Agencies are also encouraged to develop more detailed supporting documentation describing how agency procedures are to be aligned with the guidelines over time.

It should be remembered that government may be managing multiple investments with a single organisation at any given point in time. These arrangements may be managed by the same or different government and service provider staff. It is important that there be consistency across approaches but that each interaction be appropriate to the objective of the relationship which is the immediate focus for the government or non-government agency.

Core investment modes | Multi-agency investment modes

	State Govt as provider of a gift or donation	State Govt as sponsor	State Govt as service provider: Direct or on behalf of, or via another agency	State Govt as purchaser or contractor	State Govt as funder of service delivery < $100 000		State Govt as funder of service delivery > $100 000		State Govt as funder of minor capital works <$100 000	State Govt as funder of major capital works >$100 000	State Govt as investor in trials of service models	State Govt as partner	State Govt as participant in a joint venture	State Govt as investor in sector/ service /system capacity	State Govt as contributor to cross-govt (C'wealth/Local) initiatives
					Low risk*	High Risk	Low Risk	High Risk							
Objective of relationship between government & other provider(s) under the specified funding relationship	Provision of untied funds to support a not-for-profit organisation, generally for non-quantified outcomes	Provide support to an activity/ event which delivers positive & tangible returns to government	No funded relationship exists between government deliverers & other providers. Unfunded relationships may exist which focus on strengthening service delivery outcomes	Enable delivery of a service government is required to provide to clients by a third party under a buyer – seller arrangement	Support community activities or service delivery by another organisation to people who may or may not be clients of the funding agency. The funded activities or service delivery must be consistent with government policy				To enable a funded not-for-profit organisation to make modifications to an asset not owned by government which is expected to result in improved service outcomes.		To support the collection of qualitative & quantitative evidence regarding effectiveness or otherwise of service delivery models under specified circumstances or for particular target groups[12].	Combine resources to enable service delivery outcomes not achievable by one govt agency acting alone	Combine resources to enable service delivery outcomes not achievable by one government agency acting alone	Build the capacity of existing or emerging providers or groups of providers to deliver required services	Combine resources between levels of government to enable service delivery which addresses shared priorities
Nature of agreement governing the funding relationship between government & other provider(s)	Exchange of letters	Sponsorship agreement	Peer-based relationship. Referral or client management protocols may be developed to support service delivery	Contract	Contract or statutory agreement eg. service or funding agreement				Capital funding agreement		Contract or statutory agreement eg. service or funding agreement including a detailed evaluation plan. Large scale pilots involving significant investment and/or significant risk may necessitate creation of a Joint Venture agreement	Partnership agreement[13]	Joint Venture agreement or special purpose company	Grant agreement	Funding/ project-specific agreement. Subordinate agreements may be developed to progress the joint initiative.
Length of agreement between government & other provider(s)	Brief – often once-off	Brief – often relates to a specific event/ activity	as needs basis to strengthen service delivery	As specified in contract – no commitment to renew	Generally 3 years[14] – a new agreement may be entered in to at the end of the specified term. Decision to enter in to a new agreement is informed by a range of factors including: - continuing need for service - acceptable standard of service delivery - compliance with previous agreements.				As specified in the capital funding agreement – usually the period required to design and undertake agreed works.		As specified in the agreement – no commitment to extend funding or to provide future support via funding for service delivery regardless of the evidence generated	Long-term[15]	Long-term	Variable – investment will generally only be made if there is an assumption that a service delivery relationship will exist beyond the capacity building phase	Generally renegotiated every 5 years

12 Australian Evaluation Society Guidelines and protocols should be applied

13 Note that all of the multi-agency investment modes may result in subsidiary agreements with a third party eg. The State and Commonwealth Governments may agree to a joint initiative and then establish service agreements with organisations to enable service delivery on the ground. Additional management strategies are required to ensure the effective management of subsidiary agreements.

14 Note that individual funding is generally recurrent in nature

15 Note that long term generally indicates a minimum of 3 years but often 5-10 years

Core investment modes — Multi-agency investment modes

Accountability	State Govt as provider of a gift or donation	State Govt as sponsor	State Govt as service provider: Direct or on behalf of, or via another agency	Government as purchaser/ contractor	State Govt as funder of service delivery <$100 000		State Govt as funder of service delivery > $100 000		State Govt as funder of minor capital works < $100 000	State Govt as funder major capital works > $100 000	Investor in trials of service models	State Govt as partner	State Govt as contributor to a joint venture	State Govt as investor in sector/ service / system capacity	State Govt as contributor to cross-govt (C'wealth/Local) initiatives
					Low risk*	High Risk	Low Risk	High Risk							
Legal issues	Actual or perceived conflict of interest	*Queensland Government Sponsorship Policy* applies. Actual or perceived conflict of interest	*Finance, Administration and Audit Act, Public Service Act* & *Public Sector Ethics Act* apply	*Finance, Administration and Audit Act, State Purchasing Policy* and the *Qld Govt policy on Contracting Out* apply. State liable for damages caused to service recipients if duty of care breached.	*Finance, Administration and Audit Act* and the *Queensland Treasury Guidelines for Grant Administration (draft)* apply. The State is not part of the management of the funded organisation and therefore is not liable for damages caused to service recipients unless it can be established that the State owed a duty of care to a party and that duty has been breached.				*Finance, Administration and Audit Act*, the *State Purchasing Policy* and the *Qld Govt policy on Contracting Out* apply. Issues regarding asset ownership, particularly when the State is funding works to a building owned by another party, or to a building constructed on land owned by another party.		*Finance, Administration and Audit Act* and the *Queensland Treasury Guidelines for Grant Administration (draft)* apply.	Legal liability is joint for all liabilities of the partnership to third parties: s12 *Partnership Act. The Partnership Act* also provides that partners are agents of each other and can therefore bind the other parties by their actions.	As agreed between the parties in the Joint Venture agreement which will help to minimise the risks that arise and to properly regulate the relationship between the parties.	As specified in agreement Actual or perceived conflict of interest	As specified in funding /partnership agreement & subordinate agreements. C'wealth legislation may override local agreements.
Regulatory issues	No additional responsibility to regulate incurred by donor agency	No additional responsibility to regulate incurred by sponsoring agency	Regulatory reviews of govt service delivery should be undertaken by an independent unit or organisation.	Regulatory responsibilities in accordance with relevant Acts & regulations	Regulatory responsibilities in accordance with relevant Acts and regulations governing agency funding practice				Regulatory responsibilities in accordance with relevant Acts & regulations governing agency funding practice		Regulatory responsibilities in accordance with relevant Acts and regulations governing agency funding practice	As specified in the *Partnership Act*.	Regulatory responsibilities in accordance with relevant Acts & regs	No additional responsibility to regulate incurred	Regulatory responsibilities in accordance with relevant Acts & regs
Financial management issues	Payment as negotiated, usually in advance	Payment in advance	Annual budget allocation in advance	Payment in arrears	Payment in advance				As specified in agreement, payment usually staged		As negotiated	Joint resourcing as negotiated	Joint resourcing as negotiated	Payment as negotiated	Annual payment in advance
Asset management issues	Assets owned by recipient of donation	Assets should be retained by government	Assets owned by government	As specified in contract	Assets owned by funded organisations however may be reallocated or returned to funding agency upon conclusion of the funded activity or period. Special arrangements may be detailed in a service agreement eg. Bill of Sale over motor vehicles.				As specified in agreement. A Bill of Sale or Mortgage will usually apply		Asset ownership as negotiated in accordance with the nature of the agreement governing the investment.	Asset ownership as negotiated. Assets must be applied only for purposes of partnership: S23 *Partnership Act*	Asset ownership as negotiated	As specified in agreement	As specified in agreement & subordinate agreements
Accountability & monitoring issues	Limited or no accountability to government for use of funds. No monitoring	Recipient accountable for allocation of sponsorship as agreed. Monitoring via the owner of the agreement.	Delivery agencies accountable to government. Internal monitoring & occasional independent reviews by government nominated third party	As specified in contract, frequency determined by risk and funding level. Likely to be tied to project milestones.	Funded organisation accountable to govt for services funded by govt Annual monitoring	Funded organisation accountable to govt for services funded by govt Quarterly and as needed monitoring by an 'expert manager'.	Funded organisation accountable to govt for services funded by govt Annual monitoring	Funded organisation accountable to government for services funded by government Frequent & as needed monitoring by an 'expert manager'	As specified in agreement. Likely to be tied to project milestones.		Funded organisation or joint venture accountable to govt for services funded by govt and must fully support the evaluation of those services Frequent & as needed monitoring often by a project steering committee or evaluation group.	As specified in partnership agreement – frequency determined by risk and funding level. Likely to be tied to project milestones.	As specified in Joint Venture Agreement - frequency determined by risk and funding level. Likely to be tied to project milestones.	As specified in agreement – frequency determined by risk and funding level. Likely to be tied to project milestones.	Generally annual
Reporting arrangements	Financial acquittal may be required under the terms of the donation however no requirement to submit audited financial statements	Financial acquittal & once-off evidence of sponsored activity required (eg. letter / photos)	Monthly internal reporting. Annual activity & financial reporting to other service providers via annual report	As specified in contract	Annual short-form reporting & financial reporting	Quarterly long-form reporting & financial reporting	Annual long-form reporting & financial reporting	Frequent & as needed reporting on activity. Quarterly long-form reporting & financial reporting	As specified in agreement. Likely to be tied to project milestones.		Submission of project data in accordance with agreed evaluation plan and templates. Frequent & as needed reporting on activity, often involving a project steering committee or evaluation group. Quarterly long-form reporting & financial reporting.	As specified in partnership agreement – frequency determined by risk and funding level. Likely to be tied to project milestones.	As specified in joint venture agreement – frequency determined by risk and funding level. Likely to be tied to project milestones	As specified in agreement – frequency determined by risk and funding level. Likely to be tied to project milestones.	Generally annual
Responsibility for service delivery	It is expected that any services delivered with support of a donation be consistent with the purpose for which the donation was sought	As specified in sponsorship agreement	Rests with government	Rests with government despite any subcontracting arrangements	Rests with the funded organisation(s)				Service delivery is not a direct output of funding for capital works. There is an expectation that improved human service delivery which meets the objectives of the funding agency will be a result of the capital works.		Rests with the funded organisation or joint venture unless otherwise negotiated. Responsibility for managing the evaluation component may be managed by a 3rd party which reports to the steering committee or evaluation group.	As specified in partnership agreement. Partners are jointly and severally liable to third parties As specified in partnership agreement. However, partners are jointly and severally liable to third parties	As specified in the joint venture agreement.	Service delivery not a direct output however an expectation exists that organisations will continue to deliver services which meet the objectives of funder	As specified in agreements & subordinate agreements

Core investment modes

Multi-agency investment modes

Governance	State Govt as provider of a gift or donation	State Govt as sponsor	State Govt as service provider: Direct or on behalf of another agency	State Govt as purchaser/ contractor	State Govt as funder of service delivery <$100 000		State Govt as funder of service delivery > $100 000		State Govt as funder of minor capital works < $100 000	State Govt as funder major capital works > $100 000	Investor in trials of service models	State Govt as partner	State Govt as participant in a joint-venture	State Govt as investor in sector/ service/ system capacity	State Govt as contributor to cross-govt (C'wealth/Local) initiatives
					Low Risk*	High Risk	Low Risk	High Risk							
Responsibility for organisational governance	As a major investor in human service delivery, government has a responsibility to ensure that there is public confidence in the services delivered with the assistance of government investment. Government therefore will establish requirements for service providers to demonstrate effective organisational governance and to have certain policies and procedures in place which support the delivery of quality, accessible and safe services.														
Responsibility for the standard/quality of service delivery	rests with recipient	rests with recipient	Rests with government	Rests with government despite any subcontracting arrangements	Rests with the funded organisation(s)				Rests with the funded organisation(s)		Rests with the funded organisation or joint venture unless otherwise specified	As specified in Partnership Agreement	As specified in Joint Venture agreement	Responsibility shared between government and organisation(s) being targeted by the capacity building initiative	As specified in funding / project agreement & subordinate agreements
Responsibility for setting service delivery programs and priorities	Rests with government	Rests with government	Rests with government	Rests with government	Rests with government				Rests with government		Rests with government	Negotiated between partners	Negotiated between partners	Rests with government	Rests with co-contributors
Responsibility for decision making re: funded service delivery	Decisions made by recipient organisation	As specified in sponsorship agreement	Government is responsible for all decision making	Contracted provider makes decisions regarding service delivery in consultation with funding body in manner specified in contract	Rests with service provider. Significant changes to funded service made by service provider in consultation with Regional staff from the funding organisation	Rests with service provider Significant changes to funded service made by service provider in consultation with funding organisation in accordance with funding agreement	Rests with service provider Significant changes to funded service made by service provider in consultation with Regional staff from the funding organisation	Rests with service provider Significant changes to funded service made by service provider in consultation with funding organisation in accordance with funding agreement	Rests with service provider Significant changes to funded service made by service provider in consultation with Regional staff from the funding organisation	Rests with service provider Significant changes to funded service made by service provider in consultation with funding organisation	Decision making generally supported by a steering committee or evaluation group. Significant changes to funded service made by service provider in consultation with funding organisation in accordance with funding agreement	As specified in partnership agreement	As specified in Joint Venture Agreement	Service delivery is not a direct outcome of capacity building activities	As specified in funding / project agreement & subordinate agreements
Communication between government and other human service providers	Time limited and formal communication between relevant operational unit of the donating agency and the recipient organisation	Time limited, semi-formal and formal communication between relevant operational unit of the sponsoring body, relevant regional staff and the organisation receiving sponsorship	As needed to enable effective service delivery	Likely to be formal and informal as needed to enable effective service delivery. Terms specified in contract.	As needed between local and regional service & govt staff	Regular, formal and at multiple levels between local, regional & state service & government staff. Particular arrangements specified in service agreement.	Regular, semi-formal and at multiple levels between local, regional & state service & government staff	Regular, formal and at multiple levels between local, regional & state service & govt staff. Particular arrangements specified in service agreement.	As needed between local and regional service & govt staff. Particular arrangements specified in capital funding agreement	Regular, semi-formal or formal and at multiple levels between local, regional & state service & govt staff. Particular arrangements specified in capital funding agreement	Usually supported by a project steering and/or evaluation group. Regular, semi-formal and at multiple levels between local, regional & state service & government staff.	Often established in a Communication Protocol. Regular & as needs, formal and informal between staff at various levels of the participating agencies.	As specified in Joint Venture Agreement. Usually via a board of management that meets regularly.	Varies according to the nature of the capacity building initiative. Likely to be frequent, informal & as needs between local service & government staff	As needed to advance the goals of the funding program
Responsibility for capability development	Rests with recipient organisation	Rests with recipient organisation	Rests with government	Rests with provider unless otherwise agreed	Rests with funded organisations unless otherwise agreed				Rests with providers unless otherwise agreed		Rests with funded organisations or joint venture unless otherwise agreed. The organisation responsible for managing the evaluation component must also assist with disseminating evaluation results.	Usually joint development to enable new business models to be implemented	Usually joint responsibility to enable new business models to be implemented.	Government may elect to build the capacity of providers, sectors or groups / systems of service providers under specific circumstances	As specified in funding / project agreement & subordinate agreements

* NB risk based upon an assessment of the type of service being supported with govt funding, the nature of the client group(s) to access the service, the history of the organisation, the nature of the funding relationship (eg. One-off or triennial), the total quantum of funds received by an organisation across all Departmental program areas and the number of diversity of alternative providers.