This background paper was authored by the Service Priority Review secretariat in consultation with, and to inform the work of, the Service Priority Review Panel. Every effort has been taken to ensure accuracy, currency and reliability of the content. The paper is not intended to be a comprehensive overview of the subject nor does it represent the position of the Western Australian Government. Changes in circumstances after the time of publication may impact the quality of the information.

The following background papers are published in full on the Department of the Premier and Cabinet website: www.dpc.wa.gov.au

1. Agency capability reviews
2. Best practice regulation
3. Overview of the budget process
4. Counterproductive rules and processes
5. Digital transformation
6. Engaging with the community
7. Functional leadership
8. Government boards and committees
9. Government trading enterprises
10. Leader performance management and accountability
11. One sector workforce
12. Privacy and information sharing
13. Procurement of goods and services
14. Public sector employment framework
15. Role of the centre
16. Service design and delivery
17. Successful implementation of reform
18. Whole-of-government targets
SERVICE PRIORITY REVIEW - BACKGROUND PAPER

Service design and delivery

Introduction

Government provides a broad range of services to individuals, households and the community across the State in cities, towns, regional areas and remote communities. These services cover a vast range of areas including licensing, policing, justice, education and training, health, emergency management, essential services, community services, social housing, child protection and homelessness services. This spectrum of services is not exhaustive and within each of these categories there are a myriad of universal, specialist and treatment services. ¹

Citizens today generally expect more transparent, accessible and responsive services from the public sector. ² However, the public sector faces significant service delivery challenges arising from diverse factors such as location (for example, remote communities) and complexity of the problem (for example, child protection or homelessness).

This paper does not attempt to provide a synopsis of all government-funded services or make any assertions regarding who delivers what and with what funding. Instead, it focuses on issues related to the design and delivery of services, with a particular focus on regional and remote communities. It also focuses, more broadly, on best practice principles for designing services as suggested by stakeholders through both written submissions and meetings. The Department of Communities and the Western Australian Council of Social Service (WACOSS) made significant contributions in this regard.

Delivering services to people and for places is at the core of what most government agencies do. Whether their functions are to achieve economic, environmental or social priorities for community, place or person (or an integrated approach to all of these) services are critical in shaping perceptions of the public sector and the benefits it delivers. More importantly, the effectiveness of these services determines outcomes for people and places.

An overarching theme of the feedback has centred on the need for service design and delivery to focus on and better engage with communities, places and people, rather than the inverse approach of trying to fit people and places into bureaucratic systems and administrative processes. As the public sector on the whole needs a public-facing approach, systems and processes must necessarily support an outward-facing approach to services.

¹Universal services are available and used by all or most of the population (eg. school education). Targeted services are available to selected groups or individuals (eg. social housing). Treatment services are specialist services that are available to individuals or families who have an established condition or problem, and are designed to eliminate or to minimise its negative impact. (Source: Centre for Community Child Health. 2006. Policy Brief No 4 2006: Services for young children and families. Royal Children’s Hospital. https://www.rch.org.au/uploadedfiles/main/content/ccch/pb4_children-family_services.pdf [9 October 2017])

²Public Sector Research Centre. 2007. The Road Ahead for Public Service Delivery: Delivering on the customer promise. PricewaterhouseCoopers.
Support from stakeholders for better community engagement, consumer-centred service design and delivery, more place-based approaches and greater practice of co-design has been strong and recurrent. The Department of Communities and WACOSS also flagged support for an intended greater focus on co-production.

Co-design, place-based design, consumer-centred design and community engagement are all ways of working, undertaking core public sector functions and delivering on key priorities that are essentially outward focused and ground-up. At the other end of the vast realm of public sector functions are top-down approaches which, in different measure, also have relevant application. These may include regulation, compliance, tax and policing functions, for example. Given this paper is about service design and delivery, it is important to acknowledge that this area is inclined towards understanding people and places to achieve social benefits.

In order to set a high-level context, this paper commences with a State-wide look at place and demographics, including the unique circumstances of regional and remote communities. While Western Australia has about 2.6 million inhabitants – around 11 per cent of the total national population – 92 per cent of the population lives in the south-west corner of the State. These situational factors have significant bearing on the service delivery challenges for the State.

Regional and remote

The challenges for service delivery in regional areas and remote communities in WA have been well documented and are shared to varying extents across other States and Territories. The problems are complex, intensifies by the State’s size and the expansive distances between where people live.

There are issues of concern that pertain to the Wheatbelt, South West and Great Southern regions which, while not unique to WA, are distinct from those of WA’s northern regions. They are largely about formerly viable and vibrant parts of WA declining, particularly since the early and mid-20th century, in terms of economic activity and population. These regions, particularly the South West, also face challenges in adapting farming practices to deal with the changing climate.

The Kimberley, Pilbara, Goldfields and Mid West regions of WA generally depend on mining, agriculture and tourism industries. Of the 95,000 Aboriginal residents of WA, it is estimated that about 12,000 Aboriginal people live in the State’s 274 remote communities, predominantly in the Kimberley and Pilbara. These remote communities are diverse in their size, remoteness and levels of infrastructure and service provision. They are both smaller and more dispersed than those in other Australian States and Territories. For example, in Queensland there are only 18 remote communities with about 20,000 residents.

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3 Stakeholders indicating support for these approaches include the Department of Communities, WACOSS, Western Australian Aboriginal Advisory Council, Anglicare, Foundation Housing, Kimberley Development Commission, Western Australian Network of Alcohol and other Drug Agencies, Aarnja, Community Matters, and Parul Chauhan.


In WA, about 9,000 residents and 244 communities are in the Kimberley and Pilbara, with most of the remainder in the Goldfields and some in the Mid West.\(^6\)

In general, the need for services to break cycles of disadvantage is higher in many regional and remote areas, yet services have been shown to have less than ideal outcomes. The current web of services and programs, in addition to overlapping responsibilities between the State and Commonwealth governments, is proving unsustainable on two fronts: financially, as both levels of government face budgetary stressors; and socially and economically, due to the prevalence of poor outcomes for people living in remote communities and some regional areas.

**WA’s north**

Remote communities in locations of economic activity and investment (e.g. tourism along the Dampier Peninsula, mining in the Pilbara and other regions, pastoral leases around Mowanjum in the West Kimberley) have potential for economic viability that could be explored and maximised. These opportunities would support better outcomes if well managed for community interest, but changes are likely to occur only over the long term.

Nationally, in 2014-15, only 35.1 per cent of all Aboriginal people of workforce age (15-64 years) in very remote areas were employed, compared with 57.5 per cent of those living in the major cities.\(^7\) This figure needs to be considered in relation to the much younger age profile and structure compared to non-Indigenous population. In 2016, 53 per cent of Aboriginal and Torres Strait Islander people were aged under 25 and by comparison, 31 per cent non-Indigenous people were aged under 25.\(^8\)

Access to employment and education, which are essential circuit breakers to the cycle of disadvantage, varies by location. People often move between remote communities and towns to pursue education and employment opportunities, and to access other health and human services.

Levels, types and quality of service delivery differ widely between communities, with some receiving a large number of government services and others receiving few or no services.

The level of servicing to people in communities varies widely.\(^9\) Different service levels across communities and gaps in services could suggest a lack of service planning and design to effectively meet community needs. The current mix of services delivered in the State’s regional areas and remote communities by State and Commonwealth governments, community sector service providers and industry, is largely a result of an accrual of effort and resources over time. Services and how they have been delivered are driven by investment decisions, budget allocations (State and Commonwealth) and the lottery of good leadership at all levels including government, service provider and community.

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\(^{6}\) Ibid.
\(^{9}\) Regional Services Reform Unit. 2016.
In some places, some programs have achieved very positive and sustainable outcomes. For example, the transitional housing program in Kununurra and Halls Creek has resulted in several individuals and families having made the transition into building or buying their own homes.\textsuperscript{10} There are many examples of well-conceived and delivered programs and services, in partnership with communities, which make a difference.

Overall poor outcomes are not the result of lack of effort or goodwill. Yet outcomes for people living in regional and remote areas are not improving commensurate with investment and, in some cases, are getting worse.

**WA’s south**

In the South West and Great Southern regions, where the bulk of the regional population is located, the Service Priority Review Panel heard that engaging governments on the social and economic agenda is difficult, with most of the attention and resources directed to the Kimberley and Pilbara where there is higher perceived prevalence of social disadvantage. However, it should be noted that the South West Native Title Settlement, which is the most comprehensive native title agreement proposed in Australian history, will see significant investment into the region and a range of benefits for the Noongar native title agreement groups once implemented. The agreement involves around 30,000 Noongar people and covers approximately 200,000 square kilometres\textsuperscript{11}.

In the South West and Great Southern regions there are a range of issues largely related to changes in industry, such as deregulation, that require businesses to recalibrate to respond to different market forces. The ageing population also impacts the ability of industry to maintain its workforce.

In the Wheatbelt there are a number of linked issues cumulatively impacting on towns. Climate change is a factor driving the need to diversify agriculture in order to drought-proof farms, which can be cost intensive and unaffordable for many farmers. As a result, some farms become unviable. Another factor is the ageing population on the land, with fewer young people prepared to succeed the older generation of farmers.

The Shire of Northam has the largest resident population in the Wheatbelt with more than 11,700 people, compared to the majority of community sizes which fall between 500 to 1000 residents.\textsuperscript{12} The clear division into sub regions makes it unique from other regions in WA as, with no dominant regional centre, the infrastructure and service provision models that work in other areas are not suitable.

\footnote{11}{Department of the Premier and Cabinet. 2017. *The South West Native Title Settlement*. Government of Western Australia. Perth, Australia.}
Coordination between levels of government

The interaction between different levels of government – Commonwealth, State and local – impacts service delivery, particularly in terms of funding for programs and services and coordination of these on the ground. Australia’s federated system originally envisaged through the Constitution that States would serve as the primary mechanism of government in Australia. However, over time there has been a gradual shift in the balance of power towards the Commonwealth Government as a result of:

- constitutional amendments
- the Commonwealth Government’s increased use of special purpose or tied grants to the States
- High Court decisions changing interpretations of key constitutional provisions
- the increasing diversification and overlap of public policy areas at all levels of government.  

Current arrangements between State and Commonwealth levels of government mean that there is policy and regulatory duplication and overlapping responsibilities. To manage interfaces and better coordinate policy and service delivery, governments have created cooperative mechanisms, such as the Council of Australian Governments (COAG). Since the 1990s, COAG has focused on harmonisation across a number of areas, including improving national efficiency and competitiveness and developing national regulation systems.

Despite these issues, many would say Australia’s federation works very well, with some clear advantages. For example, having a national school system with corresponding standards across States and Territories enables trade and ensures a consolidated defence force. Without questioning the relative merits of the federation, this paper points to some of the issues arising from multiple levels of government with policy and service delivery responsibility in similar areas.

Regional Development Commissions

There are currently nine Regional Development Commissions (RDCs) with 21 offices in regional WA. The objectives of the RDCs are to:

- maximise job creation and improve career opportunities in the region
- develop and broaden the economic base of the region
- identify infrastructure services needed to promote economic and social development within the region
- provide information and advice to promote business development within the region
- seek to ensure that the general standard of government services and access to those services in the region is comparable to that which applies in the metropolitan area
- generally take steps to encourage, promote, facilitate and monitor the economic development in the region.  

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While not responsible for delivering services, RDCs have a key role in overseeing how and where services are provided, with the aim of ensuring consistency with metropolitan areas.

State-based RDCs are paralleled to an extent by the similar federal structure of the Regional Development Australia (RDA) committees. There are nine RDA committees in WA covering all areas of the State (including one RDA committee for metropolitan Perth) which share similar boundaries with RDCs.

The roles of these structures and the areas of joint interest and responsibility are not clear, and they appear to exemplify overlapping State and Commonwealth activity. If these structures were streamlined and resources and efforts more targeted, they may be more effective.

Reviews and findings

In view of the issues raised in the majority of submissions the Service Priority Review panel received on regional issues, the discussion below focuses predominantly, although not exclusively, upon outcomes for Aboriginal people living in regional and remote communities.

For many years, governments have struggled with how to achieve better outcomes for people living in regional and remote areas, particularly in the north and north-west of WA. State and Commonwealth governments have responsibilities and policy levers that are mutually dependent for effectiveness. The Commonwealth Government has the policy levers around welfare reform, employment, primary health and economic development and the State around public education, child protection, secondary health care, and law and order.

A number of reviews on the cost and effectiveness of human services in regional and remote areas of WA have found that, broadly, many services are being funded by government agencies, by a large number of service providers, with escalating costs to government, yet there is little evidence of positive or enduring change.

The Productivity Commission’s 2014 *Indigenous Expenditure Report* stated that, at the national level, expenditure on services for Aboriginal people increased in real terms by $5.0 billion (19.9 per cent) from 2008-09 to 2012-13, while expenditure on services for non-Aboriginal people increased by 9.0 per cent. During that period, expenditure per Aboriginal and Torres Strait Islander person increased by 10.3 per cent, and expenditure per non-Aboriginal person increased by 2.2 per cent.15

Despite high and increasing levels of government and other expenditure, the ninth report on *Closing the Gap* notes that progress needs to accelerate, with improvements to date not enough to meet the majority of the outcomes set by the COAG.16 Economic and social outcomes for Aboriginal residents in regional and remote WA are particularly poor on a range of targets.

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16 Department of the Prime Minister and Cabinet. 2017.
The Department of the Premier and Cabinet’s (DPC) 2013 *Aboriginal Youth Expenditure Review* found that less than 15 per cent of services in scope of the review could sufficiently demonstrate effectiveness. This was in part attributed to poor articulation and measurement of outcomes or objectives, limited program evaluation, and poor or patchy community engagement.\(^{17}\)

The DPC’s 2014 *Location Based Expenditure Review*, of all social, economic participation and community services expenditure delivered in Roebourne and outlying communities, identified significant fragmentation of service delivery. In Roebourne, there were 63 government and non-government providers delivering over 200 services to about 1,400 people.\(^{18}\) The Productivity Commission identified in its *Inquiry into Reforms to Human Services Draft Report* that the remote WA community of Jigalong received 90 different social and community services in 2013-14 for a population of less than 400.\(^{19}\)

There is, therefore, an array of uncoordinated services, which are expensive and difficult to deliver but do little to support individual and family success. It is evident that increased investment has not led to better outcomes.

**Key issues with service delivery**

At an aggregate level there is evidence of the following broad themes and issues:

- poor identification and measurement of outcomes, leading to little information or data regarding the effectiveness of existing expenditure
- higher funding for people living in regional and remote areas than for those in metropolitan areas
- significant investment at both levels of government
- tendency for funding to be short term (often grant funding) or not sustained
- expenditure not maximised for ancillary outcomes such as training and employment
- disconnections at the systemic level, and not enough emphasis on prevention, intervention and diversion
- poorly coordinated policy and service delivery environments
- high employee turnover in regional areas that is a barrier to effective service delivery
- limited community engagement.

**Coordination**

The problem of uncoordinated services is widespread and not limited to particular communities. The lack of coordination is apparent between and within governments and between service providers. Often governments make decisions about service provision on the basis of overlapping jurisdictional, departmental and program boundaries. Duplication will continue in the absence of clear dialogue across jurisdictional boundaries around what is funded where.


Evaluation

Evaluation is the missing link in the network of services to regional and remote areas. While it is apparent that a lot of money is being spent on services, it is not well targeted and there is no clarity around which services are making any meaningful difference.

Planning, evaluation and feedback systems underpin effective service delivery. Outcomes could be improved by developing better evaluation practices that feed into new service design, re-design and delivery, as well as establishing systems to identify and share information on ‘what works’.20

Prevention and diversion

One of the most significant and complex issues identified and submitted by central agencies is that a large portion of expenditure is directed towards acute, crisis services (which are also high cost). These types of services include child protection, police, health and justice and are often triggered in response to symptoms related to social and economic disadvantage.

There appears to be a natural logic for shifting the service burden from high cost and high needs to early intervention and prevention to achieve better and longer lasting outcomes that would also be more cost effective.

The current focus on acute, crisis services could be indicative of a system bias that has been created over time in an effort to respond to the most visible and high risk situations.

It is no small challenge to continue to address high risk and critical situations while endeavouring to identify and address behaviours before they reach the stage where an intensive response is required.

Potential for addressing these issues

Regional Services Reform

The Regional Services Reform roadmap, released in July 2016, outlines a long-term reform plan to improve outcomes and provide Aboriginal people in regional and remote areas with access to opportunities available in other areas of the State.21

The regional services reform process is well underway and is a significant step towards improving service delivery for Aboriginal people living in regional and remote communities. The process provides direction for future investment and service delivery with a focus on towns and larger Aboriginal communities to provide improved sustainable outcomes.

An intended long-term outcome of reform is high-functioning regional social, cultural and economic networks based around towns. Towns have the scale to support better infrastructure, services and governance. Reform is intended to ensure that towns can offer families more educational and economic opportunities, access to quality services, and

20 Ibid.
21 Regional Services Reform Unit. 2016.
appropriate accommodation for residents and for those who orbit in and out from across 
the region to access opportunities and services. Within those networks, larger remote 
communities would play a key role in ensuring young people can develop and have real 
choices about their future, as it is in those communities that the greatest numbers of 
remote residents live, and in which there are schools and health clinics.

Regional services reform represents an opportunity for system-wide change that is driven by 
a strong foundation of partnership with communities. In terms of delivering tangible 
change, it is clear that there are no easy ‘quick wins’. Reform is expected to occur over the 
long term but the benefits of reorienting the system, if the program is implemented well, 
could be seismic and lasting.

Supporting local people and economies through procurement

Government expenditure can play a central role in defining how communities work and 
what opportunities are available to people living there. Government expenditure on 
services is the main economic activity in some remote communities and therefore 
represents a key lever to generate opportunity for people living in these communities.

Creating local employment opportunities is considered by the Regional Services Reform Unit 
as central to enabling potential to be unlocked and to support people to achieve better 
outcomes. Consultation with Yawuru native title holders in Broome indicated strong 
support for procurement policies that support Aboriginal employment and training 
opportunities. It was also proposed that procurement policies should be reviewed to 
encourage direct Aboriginal contractors, rather than mainstream firms that subcontract 
Aboriginal labour.

The aim should be upskilling and supporting Aboriginal communities through 
government-funded service delivery and economic activity. This means that contracting 
practices will need to accommodate broader definitions of ‘value’ that account for social 
outcomes which, despite being difficult to measure in a monetary sense, are also extremely 
valuable.

In addition to maximising local skills and capacity, the need to recruit and retain staff with 
specialist skills and cultural competencies remains a significant challenge for public sector 
agencies. Human services often rely on relationships built on trust, making high staff 
turnover in the regions a significant barrier to effective service provision.

Regional procurement challenges

Contracting locally has the potential to deliver better regional economic and social 
outcomes. The Government spends significant monies on schools, hospitals, public 
transport systems, building critical infrastructure and service delivery across the State, and 
regional procurement is a means of leveraging this expenditure for a range of outcomes, not 
just lowest price.

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The State’s Buy Local policy seeks to maximise supply opportunities for WA businesses to bid for and, when competitive, win government work. The following case study illustrates how the policy can deliver improved community outcomes.

### Case Study – Ngaanyatjarra Lands Maintenance Program

**ISSUE**

The State Government’s Buy Local policy aims to increase opportunities for local suppliers, Aboriginal businesses and apprentices. It contains principles and actions to support regional development and local industry. In many remote Aboriginal communities in Western Australia, government spending on services is the principal economic activity and therefore an important lever to affect social outcomes.

**ACTION**

In 2017 the Department of Finance awarded a contract to an Aboriginal organisation to manage a building maintenance program across the Ngaanyatjarra Lands. Ngaanyatjarra Services (Aboriginal Corporation) coordinates and undertakes repairs on government-owned buildings in 12 remote communities and performs other low-value, high-volume unplanned work. Previously, the maintenance program had been managed by the department’s Kalgoorlie office and services were carried out by a range of suppliers.

**OUTCOME**

The $1 million contract is helping to boost economic and employment opportunities in the Ngaanyatjarra Lands. The maintenance program enables Ngaanyatjarra Services to employ and develop the skills of local Aboriginal people and offer apprenticeships in a variety of trades. The use of local employees also means faster response times for communities and lower travel costs.

The policy states that agency staff procuring goods and services should consider both cost and ‘non-cost’ factors (including whole-of-government priorities and objectives). It will be important that the policy is supported by robust processes that assist agencies to make good decisions regarding the extent to which other outcomes, for example ‘job creation’ and ‘industry development’, can be taken into consideration during the tendering and ongoing contract management.

A statement from government regarding the legitimacy of considering non-cost factors in assessing value-for-money would assist agencies to give appropriate weight to social and economic factors. This would complement the Government’s Western Australian Jobs Bill 2017, which seeks to support the development of local industry and economic diversity.

Some stakeholders claim that, while the policy has an important role to play, the determining factor in local business participation for a regional contract is whether or not that contract was called from the local community. It has been suggested that locally-based public sector employees will often go to great lengths to ensure that a regional contract reflects local business capability, and that subsequent tendering requirements are not

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overly restrictive or bureaucratic. In addition, and given their knowledge of local businesses and the community, these employees will also take into account whole-of-life cycle costs and benefits (such as local servicing and support) and the requirements of service recipients.

In the context of agency budget cuts, some stakeholders suggested there has been a recent shift from regional to metropolitan decision-making on procurement. Individual agency capability and risk appetite is another key factor in the delegation of procurement decisions. Procurement capability can fluctuate considerably in small regional offices.

In the context of the legislative and public sector reforms there is an opportunity to consider new ways of getting more value from regional public sector procurement. For example, consideration could be given to ‘regional procurement hubs’. Key features could include:

- a more strategic and coordinated approach to procurement in the regions, with a focus on local strengths and opportunities and whole-of-government objectives (not just process compliance)
- access to specialist procurement advice and support for all government agencies, including improved data sharing and analysis of buying behaviour and potential aggregation opportunities
- support and advice tailored for the needs of local suppliers.

**Localised decision making**

Regional consultations revealed a number of views around the extent to which local decision making is enabled in public sector agencies. From the perspective of regional officers, the ability to make decisions locally often depends on the relationship between central and regional offices.

The Panel heard that the overarching issue pertains to centralised control versus regional effectiveness. A key challenge is, then, how to resolve the tension between empowering regional officers while retaining appropriate accountability controls.

Many stakeholders espoused the need for localised decision-making capacity, arguing that regional services should be enabled to make decisions in the interests of the region and, further, down to the community level.

Different local cultures – for instance Perth and Broome, which are vastly different economically, socially and culturally – require different approaches.

On the other hand, it was also submitted that, while devolved responsibility and local responses can and do work, these should not be at the expense of statutory responsibilities. In the example of child protection, risk assessment needs to be guided by the same standards, frameworks and processes, regardless of the location. Often regional responses that are intuitive or based on length of tenure in a role, rather than consistent assessment standards, are not in the best interest of the child or family.

Stakeholders also reported that dealing with Perth-based officers presents a barrier for appropriate services in the regions because differences in community needs are not
appreciated or understood. Therefore, funding for a broadly different service mix or approach is often not supported. Almost all regional stakeholders agreed there is not enough leeway to make decisions locally and pointed to increased authority for decision making at the regional level as a solution to better regional service delivery outcomes.

_Delegated authority_

Local decision making is often enabled through delegated authority. This can be used to empower staff in regional areas to support better regional service delivery and community engagement, as well as avoid unnecessary administrative processes.

This mechanism is enabled in legislation and frequently used to empower the appropriate person or entity to take responsibility for an activity. Many Acts specifically allow for statutory functions to be formally delegated to officers of the relevant authority, rather than being exercised directly by the director general or other office holder, as the case may be. Aside from statutory delegations, directors general routinely delegate administrative decision-making functions to pre-determined financial levels.

Formal delegations do, however, have limitations. Regional officers reported that, while delegations can function extremely well, they can also be problematic because of the number of processes or layers of administration. It is also acknowledged that regional offices often have less capacity and resources in comparison to metropolitan offices.

Delegated authority can vary significantly from one agency to another in terms of the level of decision making allowed and the resources and funding that can be authorised. A standardised approach to delegations would enable improved collaboration between regional offices. Any standardised approach would need to take into account varying community requirements in different regional areas, and the different functions and resourcing capacities of agencies.

Furthermore, implementation of place-based solutions often requires regional decision-making authority to be effective.

_Place-based services_

State-wide policy settings and programs are often framed around the needs of the majority of the State’s population, which is based in the greater Perth metropolitan area, and do not always take into account the significant differences in and between regions.

Place-based approaches have the benefit of allowing a ‘tailored’ approach to community needs that gives the community a voice and puts its needs at the centre of service design. There are many models of implementation, ranging from pooled funding based on location, to formal coordination and engagement mechanisms. Some models of place-based approaches favour providing people with more control over the funding and design of local services at a community level. Other approaches take a regional governance approach, while others promote greater engagement.
Some service delivery areas are particularly well suited to place-based approaches as they depend on local input, for example, where particular local beliefs, understandings or practices must be understood to prevent problems or to respond to them effectively.

Empowered Communities is a set of proposed national reforms for an Indigenous empowerment framework that is based on the premise that Aboriginal Australians have a right to economic, social and cultural development.25 One of the proposed Empowered Communities reforms is pooled funding to support place-based development agendas, including establishment of pooled funding in each of the Empowered Communities regions. Regionally-based pooled funding is needed to break down the silos and structural rigidities caused by having funds tied to specific programs and agencies.26

The Productivity Commission is considering an approach based on community-led plans that articulate community priorities and aspirations. Community plans may have multiple uses, including improved transparency and accountability for outcomes in remote communities.27

Co-design

Co-design is an approach to designing and delivering community services through engagement and partnership between funders, service providers and consumers (direct service users as well as carers, families and others in their community).

Co-design is anticipated to have the following benefits:

- By engaging all parties in the design of services, opportunities for collaboration and integration of services can be explored, with consequent improved cost effectiveness and reduced service duplication.
- Services can more effectively achieve outcomes and have greater impact by addressing challenges and identifying potential unintended consequences in the design stage.
- By engaging service users, families and carers in the delivery of services, opportunities for volunteering and peer support can be identified to complement professional services.

Co-design is increasingly becoming a preferred model for service design and delivery in community services. While it seems fairly intuitive that services will be more effective when designed with all involved parties, it requires a level of understanding from all participants in relation to how the process will work and needs to clearly set expectations. Co-design processes can often be about compromise as all parties seek to work together to arrive at mutual agreement around the key aspects of a service or initiative.

There are complexities and risks with a true co-design process that need to be managed; this means all parties need to build capability to undertake successful co-design. As government agencies, service providers, service users and others look to participate in co-design and understand what makes co-design processes successful, there is clearly a need for guidance on how to make it work.

WACOSS has developed a co-design toolkit with a capacity-building grant from the WA Government that was launched in July 2017. The toolkit is designed to raise awareness around what co-design means and how to do it by explaining key concepts, risks and stages in the process. It has a focus on how to undertake co-design in the context of government-funded programs and services, and in particular co-design in the lead-up to procurement.28

As well as procurement processes, co-design can be effective in designing solutions to complex issues such as intergenerational disadvantage or child development outcomes in a particular location, which typically involve a long-term strategy including environmental scanning, service planning, service integration, information sharing, data linkage, collective impact approaches and significant new investment.29 Shared responsibility, owning both the problem and the solutions, is a prerequisite for co-design of service models required for more complex local issues. This will be most effectively achieved if the community is involved from the beginning.30

While a successful co-design process can be effective, it is worth noting that a co-design process that is not well thought through may be potentially damaging to relations between service providers and users. There will always be circumstances where co-design is not appropriate. For example, if relevant considerations have already been decided or if there is inflexibility to respond to participants’ concerns, entering into a co-design process would be a waste of participants’ time and effort.

**Coordination and collaboration**

There is no shortage of published and anecdotal material that recommends better coordination of services on the ground. Importantly, better coordination of services is not related only to individuals, it also points to the need for a better approach for families.

Government agencies generally provide fragmented services to the same people, who are often from the same family. A family may receive services from several government agencies or not-for-profit service providers, who may not work together or share information to enable solutions for the individuals or families.

Greater collaboration is required between providers to share information, resources and solutions for their common families, who often have interrelated issues that no one provider can address in isolation. Collaboration occurs at its best with ‘intensity of purpose’, for example in critical response situations such as bushfires.


29 Ibid.

30 Ibid.
There seem to be a range of barriers to coordination, some of which stem from organisational policies. The locus of control for activity in regional and remote areas is often based within head offices which, as discussed earlier, are removed from the reality of people’s lives in these places. There will likely be ongoing tensions regarding how to empower regional officers while still having appropriate accountability controls, and these require resolution in ways that can enable targeted and routine collaboration.

The case study below demonstrates how Royal Perth Hospital is collaborating with the community services sector to provide homeless people with more holistic treatment and support.

### Case Study – Royal Perth Hospital Homeless Team

**ISSUE**

For a homeless person, health and housing are intrinsically linked. At Royal Perth Hospital (RPH), 70 per cent of the most frequent users of emergency health services were identifying as homeless or of ‘no fixed address’ (926 people in 2016). The hospital recognised that treating homeless people without addressing the factors contributing to homelessness was resulting in repeat episodes of care and recurring costs for the hospital. A study of seven patients in 2016 revealed the average health care cost for a homeless patient was $3,730 per week. In comparison, the average cost to rent a home was $300 per week.

**ACTION**

A Homeless Team was established in RPH in partnership with Homeless Healthcare. The team visits homeless patients in the hospital, helps with their discharge and refers them to ongoing health and accommodation support. As part of its collaboration with the community services sector, the team connects patients to the 50 Lives 50 Homes – a program coordinated by Ruah Community Services that prioritises homeless people for public housing.

**OUTCOME**

In the first 12 months of the Homeless Team program, 70 per cent of homeless patients had only one episode of care at Royal Perth Hospital. The Homeless Team partnership is succeeding in improving both in-hospital treatment and post-hospital support for homeless people, while reducing the cost burden on the public health system.

*Regional co-location opportunities*

Services and agencies could be co-located in more effective ways in regional areas to capitalise on whole-of-government service delivery synergies. A location-based approach could also promote better coordination of services and more targeted service delivery to meet local needs. Identifying clusters of services that could be co-located in regional areas could also help to identify potential duplications in service delivery that can be removed.

Office accommodation in regional WA has historically been developed by individual agencies seeking accommodation based around their particular requirements, rather than around a
full client perspective across services. As a result, office accommodation in the regions is fragmented and provided on an agency-by-agency basis, which is not optimal\textsuperscript{31}.

Co-location of regional agencies, combined with greater use of digital technologies to communicate between regional and metropolitan offices as well as directly provide services, would enable efficiencies that could result in cost savings over the medium to long term.

While there is clearly an ongoing need for accommodation to facilitate the delivery of services in the regions, further analysis needs to be undertaken to determine where co-location is viable. The Local Service Delivery Working Group identified merit in investigating opportunities for co-location in the Bunbury Tower, for example, and more generally across Bunbury’s government property portfolio\textsuperscript{32}.

To maximise the potential benefits of co-locating agency led service delivery in regional areas, the following require consideration:

- the types of government services provided to regional consumers and the model of service delivery (for example, face to face or online)
- the cost of vacant workstations in office accommodation and underutilised space, including how this space could be better utilised
- the financial impacts on the local providers of office accommodation in places where government is the only entity occupying such tenancies and there may not be a replacement tenant\textsuperscript{33}.

One size doesn’t fit all in service delivery

There is no ‘one size fits all’ approach to achieve better service delivery, rather there is a range of service delivery models that can, and should, be applied to meet customer needs. Equally, a ‘one size fits all’ approach to policy often doesn’t work in the regions.

Adopting a customer-centric approach, in which the needs of service consumers and communities are identified and catered for, must drive selection of the most appropriate service delivery model.

A key finding from the literature reviewed is that detailed understanding of and focus on customer needs and expectations must drive service delivery strategies, with a more deliberate focus on the needs of the citizens accessing (and paying for) those services\textsuperscript{34}.

A ‘multi-size’ framework was articulated by the Commonwealth Government in 2006 in its Delivering Australian Government Services: Access and Distribution Strategy.\textsuperscript{35} This suggests a range of service delivery models from direct agency to customer services to a networked approach utilising non-government organisations to deliver specific place-based services.

\textsuperscript{32} Ibid.
\textsuperscript{33} Ibid.
Building flexibility across the range of public sector service products and delivery channels responds to the various combinations of factors that drive demand. A particular issue faced by service delivery reform identified in the literature is the misalignment of service regions between agencies, which impedes the design of services for the ‘whole person’. Given the vastness of regional WA, this is a particular factor that must be addressed.

Types of service models

While there are numerous types of service delivery models and structures of various kinds, there are some key models with particular relevance to effective regional service delivery. These may warrant further consideration, and include:

**Hub and spoke:** In this model, services are based in areas of greatest population density (known as hubs) and provide services out to smaller centres (the spokes). This model works well when outreach services are regular, reliable and adequately resourced, and have sufficient time to engage with local community.

**Interagency collaboration:** Interagency collaboration can be informal (e.g. knowing who to talk to and work with to get things done) and formal (e.g. contractual partnerships, referral protocols, case management memoranda of understanding, co-location and joint training). This approach can result in very positive outcomes by employing a holistic approach to assisting families. Effective collaboration builds trust and is increasingly important with more remote locations.

**Collaborative models:**

- Co-location – sharing infrastructure between agencies. This is useful for cost reduction for agencies but can also create a valuable one-stop-shop for clients, and encourage communication between agencies around common issues and challenges.
- Fund blending – a type of collaborative model that involves one agency receiving funds from multiple sources to create a resource pool, with staff straddling various programs. It can result in a critical mass of resources that might otherwise not be possible to develop. It can also foster mutual support between staff and decrease professional isolation.
- Pooled funding – a type of collaborative model where agencies combine funding bids to increase the likelihood of success. This also refers to a model where Treasury allocates a single amount of funding for outcomes to multiple organisations.
- Technology-based models – spans a range of programs delivered by various technologies, including phone, email, chat rooms and video conferencing. This can provide ease of access for consumers in regional communities and may encourage people to seek help while preserving privacy. It can be hampered by limited access to cheap, reliable and efficient internet services in some locations.

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Housing is foundational

There are clear barriers to effective service delivery in regional and remote areas that should not be underestimated, such as remoteness and inaccessibility. In regional centres, service delivery is constrained by high costs and limited local supplier and employment capacity.

Housing provides the cornerstone on which effective service delivery should be based. Where a person is experiencing homelessness or their housing is not secure, overcrowding exists or the housing is in disrepair, services delivered to that person can generally be expected to be ineffective in the long term - health outcomes are poorer than for people with secure housing, as tends to be the case for education and employment outcomes.

Remote housing requires major refurbishment and replacement more frequently than urban housing, due to a range of conditions including the harsh environment and seasons, and frequent general property maintenance and reporting issues.

The case study below demonstrates how the North West Aboriginal Housing Fund aims to provide more housing options for Aboriginal residents in the State’s north, and, in doing so, improve residents’ education and employment outcomes.

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**Case Study – North West Aboriginal Housing Fund**

**ISSUE**
Appropriate and affordable housing helps families to attain and maintain good health, family, education and employment outcomes. In the Kimberley and Pilbara regions, the majority of Aboriginal households are living in social housing. The housing system, supported by human services, can be a powerful policy lever to enable families to achieve better education and employment outcomes, become more independent and resilient, and achieve their homeownership aspirations. The Department of Communities’ North West Aboriginal Housing Fund, developed in partnership with the Department of Primary Industries and Regional Development, was established to provide more housing options for Aboriginal families living regionally in the State’s north. The first project delivered through the fund expands on the existing transitional housing model, which requires children to go to school, adults to work and householders to fulfil tenancy obligations and engage with support services in exchange for affordable housing with the overarching goal to create financial independence and to transition families into private rental or home ownership.

**ACTION**
Implementation of the fund will begin in late 2017 with the construction of 50 additional transitional houses in the Kimberley. A core principle of the fund is co-design with Aboriginal organisations, to ensure that projects delivered are targeted and tailored to the needs of local Aboriginal people. The Department of Communities has signed MOUs with Binarri-binyja yarrawoo and Aarnja (backbone organisations of Empowered Communities in the East and West Kimberley) to co-design elements of the initial transitional housing project (including location, design and density), and to seek opportunities to co-design and co-deliver future projects. These partnerships will also help ensure that the right support services are in place for the Aboriginal families and individuals who move into the homes.

**OUTCOME**
Over four years, the fund is expected to achieve increased school attendance for at least 600 Aboriginal children; participation in jobs and training by at least 300 adults; apprenticeships for 30 young people; eventual home ownership for at least 15 families; and about $25 million in services and construction contracts for Aboriginal organisations.
Implementing change – flexibility and stewardship

It is inevitable that some initiatives will not work as intended. Some will have unintended consequences or show little or no signs of improvement, at least initially. When initiatives begin to falter it is important to respond in a timely and constructive way.

Central agencies have a role as stewards of the system to support, guide and help implement reform, which includes taking responsibility when things don’t work out as planned. The response to failure from central agencies should be to learn from the experience, adjust and offer greater support to agencies in these instances to find better ways to meet community needs.

Central agencies may also have a role in supporting meaningful engagement and assisting in the design of programs and commissioning of services to meet the diverse needs of communities.

Reform principles for service delivery

Gaps and shortcomings in service delivery, particularly for people living in regional and remote communities, are not due to a lack of effort or resourcing. Some of the issues identified are symbolic of complex causes that have accumulated over a long period of time and over generations of families.

A key question then is how can services, particularly in regional and remote communities, support people to achieve better outcomes and break cycles of disadvantage?

There is no doubt that improving service delivery and outcomes is no small challenge. There is no panacea or silver bullet. Instead, there is a range of tools that can be implemented and actions taken. It is important to recognise, as emphasised in the regional services reform roadmap, that services alone will not sustainably improve the lives of people living in regional and remote areas – these need to be supported by training, employment and education opportunities.

To support activity, the following principles, derived from previously discussed publications, provide an overarching framework for service design and delivery:

- **Local engagement** with residents of regional and remote communities to enable service design that works on the ground, with frequent practice of co-design to build capability and the potential for co-delivery.
- **Local opportunities** for people to gain training and employment to build their capabilities and develop skills. Government investment should be leveraged by routinely ensuring that expenditure supports economic development for local communities.
- **Partnerships and collaboration** between community, funding and service providers (including the State and Commonwealth governments, local government, industry and not-for-profit community sector, philanthropists).
• **Accountability** for improved service delivery and outcomes at all levels, culminating with State and Commonwealth governments.

• **Targeted intervention** that will make the most difference over a longer period in people’s lives. In particular, earlier intervention to help children and families at risk.

• **Cost effective**, recognising that creating and maintaining significant long-term change requires sustained investment.

**Options for reform**

*Better use of co-design*

The service delivery challenge in regional and remote communities will not be fixed by outside expertise. Many Aboriginal organisations and communities have called for new ways of working together to deliver better services built on lasting partnerships, rather than the model where services are delivered ‘to’ people and communities without their input or voice being heard. Agencies can work more frequently in collaboration with communities to co-design services that meet the unique needs of regional and remote communities.

*Create regional partnerships*

Agencies can proactively explore partnerships with local government authorities to reduce the number of contact points for customers engaging with the three tiers of government, and to identify services that can be delivered for State Government and the arrangements under which this might occur.

*Incentivise collaboration*

Greater collaboration could be triggered by clearly articulating purpose and seeking agreement from agencies with related roles in providing solutions. This could be led by central agencies with an agreed reporting framework that could be linked to whole-of-government targets as well as standing alone.

*Improve transparency of expenditure by location*

Establishing transparency over expenditure by location would allow service delivery to be mapped for specific regions and communities.

A service profile could then be established which would enable better service coordination, including of local, State and Commonwealth services. With transparency comes accountability for service outcomes, as well as making clear the potential for local involvement, training and employment opportunities.
**Trial place-based approaches more widely**

There is enormous opportunity for State-wide programs to be better translated into place-based services that focus on the needs and circumstances of regions and locations. Government-funded services can become more outcome-focused and responsive to the differing needs and circumstances of regions and communities through place-based approaches.

**Enable regional decision making where appropriate**

Local staff should be empowered to make decisions that enable them to better serve the interests of the local community.

**Invest in better service design and evaluation**

Services that are redesigned to better meet the differing needs of families, communities and regions should be prioritised for investment. Services that are innovative, family-centred, based on partnerships and can provide local opportunities for training, employment and/or education are required but also need to be consistently evaluated.

**Progress implementation of the regional services reform roadmap**

The projects and reform directions commenced through the regional services reform process are a strong foundation for reform. The work should be further progressed, recognising that change will not occur quickly and that this is a long-term agenda.
References


