STAKEHOLDER ENGAGEMENT GUIDELINES
for Community Services Procurement

A Guide to undertaking Stakeholder Engagement under the Delivering Community Services in Partnership Policy

November 2015
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INTRODUCTION

Purpose

The Delivering Community Services in Partnership (DCSP) Policy puts the interests of service users at the centre of the relationship between the public and community sectors and challenges both sectors to redefine the way they engage in the planning, design and delivery of community services. To support this approach to procurement, the Department of Finance Funding and Contracting Services Directorate has developed the Stakeholder Engagement Guidelines (the Guidelines).

These Guidelines provide guidance on stakeholder engagement for government agencies that procure community services. The Guidelines outline a structured approach to the planning, preparation and implementation of stakeholder engagement, which is underpinned by the government agency’s demonstration of the values and approach to relationship management. The Guidelines encourage stakeholder engagement in the pre-planning stage of a procurement process that is consultative and collaborative in nature and based on two way communication and shared learning.

The Guidelines were developed in consultation with government agencies, Not-for-Profit (NFP) service providers and peak community sector organisations and has been informed by research into the most effective engagement models and techniques.

The broad conclusion reached from the consultation process was that there is no single ‘right’ way to effectively undertake stakeholder engagement. However, there are a number of key elements that act as enablers to successful engagement. Consideration and application of these elements will lead to more robust stakeholder engagement processes, better service design and greater benefits to the community.

While many government agencies already undertake stakeholder engagement throughout the procurement process, the Guidelines encourage a maturity check of current approaches and a renewed commitment to genuinely inclusive service design and implementation. Following consideration of the Guidelines, government agencies will be well placed to tailor the planning of community services in a manner consistent with the DCSP Policy Partnership Principles and Behaviours.
STAKEHOLDER ENGAGEMENT AND THE DCSP POLICY

The DCSP Policy seeks to improve outcomes for all Western Australians by building a genuine partnership between the public and Not-for-Profit community sectors in the policy, planning and delivery of community services in Western Australia. The Policy sets out the following principles and behaviours for partnerships:

**Partnership Principles**

1. A commitment to improve social, cultural and economic outcomes for the Western Australian community.
2. A collaborative approach to decision-making and working together recognising the interdependence in the delivery of community services.
3. A partnership based on mutual trust and respect, with openness and transparency in all activities.
4. A recognition of the value and contribution of both sectors in the design and delivery of community services and the important roles each play in the wellbeing of the community.
5. An enduring commitment to the sustainability of community services.
6. A commitment to empowerment of service users in the planning, design and delivery of community services.

**Behaviours**

1. An enduring focus and drive to deliver demonstrable improvements in outcomes for all Western Australians.
2. Consultation on all significant issues, including the development of policy, planning and service design.
3. Transparency in decision-making, including through the sharing of data and information, basis for funding decisions and contracting requirements.
4. An interdependent approach to the planning and delivery of community services.
5. Government agencies and service providers work together to ensure that funding levels are sufficient for sustainable community services.
6. Engagement of citizens in the ongoing planning, design and delivery of community services through direct and indirect methods of consultation and representation in the development of service delivery.

The emphasis on stakeholder engagement to inform service design acknowledges that community services are complex and can benefit from the input of those who can influence and are impacted by those services.
WHAT IS STAKEHOLDER ENGAGEMENT?

Definitions

Stakeholder

*Oxford Dictionary: Stakeholder [noun] - A person with an interest or concern in something.*

In the context of community services procurement, a stakeholder is a person or party that has relevant knowledge of, is able to influence, or is affected by the proposed service. Stakeholders can include current or potential service providers, service users, peak bodies, the community (where services are to be delivered), service experts, technical experts and consumer representatives. There may be additional internal or external stakeholders depending on the nature of the services.

Engagement

*Oxford Dictionary: Engagement [noun] - The action of engaging or being engaged; Engage [noun] - Occupy or attract (someone’s interest or attention).*

A variety of terms are used to describe the activity of engagement. However, stakeholder engagement is essentially a planned process of working with identified stakeholders to achieve the defined purpose.

In the context of community services procurement, effective engagement facilitates stakeholder influence over decisions relating to procurement approaches or a specific procurement.

Consultation and Collaboration

*Oxford Dictionary: Consultation [noun] - The action or process of formally consulting or discussing.*


The DCSP Policy requires government agencies to consult and collaborate with service providers and service users. The ‘level’ of engagement can range from a shallow interaction, such as simply informing stakeholders of activities, through to empowering service users and the community via stakeholder engagement.

Benefits of Stakeholder Engagement

Undertaking stakeholder engagement in a collaborative and transparent way allows the government agency to build and maintain strong relationships with stakeholders (including service users), demonstrates accountability and contributes to better
outcomes for the community. The following benefits can be realised during an engagement process:

- Identify and address knowledge gaps;
- Improve understanding of service requirements and service delivery;
- Ensure services are designed in a manner which will best meet the community need;
- Improve understanding of cost and non-cost factors that support service sustainability;
- Stakeholders get a greater understanding of, and get to influence, how government designs services;
- Opportunity to determine risks and build risk management strategies;
- Opportunity to improve effectiveness of procurement process;
- Opportunity to develop and maintain good relationships with key stakeholders and work in partnership; and
- Demonstrate genuine attempts to be accountable throughout service planning.

Where to begin

Stakeholder engagement should commence during the design stage of a new or existing service before any decisions are made that could affect the achievement of the community outcome.

Procurement planning begins with the determination of the community need, or the desired impact or change a government agency is seeking to achieve within the identified target group and/or the community. Once this has been agreed, current knowledge of the community’s requirements can be considered, existing data analysed and research undertaken. Consideration can be given to the development of a stakeholder engagement process in order to test knowledge and assumptions, and scope service requirements.

The design stage is also the appropriate place to consider how the engagement will be evaluated throughout the process and at completion. Indicators of success will generally relate to task and relationship issues. For example, the extent to which:

- The agency leading the engagement completes the engagement process within approved timeframes and budget;
- The agency leading the engagement is satisfied that probity and accountability principles have been applied throughout the engagement process;
- The agency leading the engagement is satisfied that the outcome of the engagement can be applied effectively to their decision making and implementation processes;
- Stakeholders felt they were able to influence decision making;
• Stakeholders felt they had the information and support they needed to participate;
• Stakeholders were confident they understood the parameters of the engagement, such as what was negotiable and not negotiable; and
• Trust and respect between the parties is maintained or improved.

The Western Australian Government publication Working Together: Involving Community and Stakeholders in Decision-making, (Government of Western Australia, 2006) includes extensive guidance on evaluating community participation initiatives that also applies to the community services procurement context.

**Six Key Questions**

At the commencement of an engagement process, the government agency should begin by addressing six key questions: Why engage? What to engage on? Who are the relevant stakeholders? What do we hope to achieve? How will the engagement influence decision making? How should we engage?

**Why engage?**

Government agencies should not assume they have a comprehensive understanding of the proposed community service and community outcome prior to undertaking stakeholder engagement. The government agency should engage with service delivery experts, sector experts and service users for input to ensure service design and outcomes are relevant and will contribute to a desired change within the community.

**What to engage on?**

Stakeholder engagement can inform a variety of aspects of the proposed community service, such as:

• Testing knowledge of the community need;
• Defining community outcomes;
• Clarifying service requirements and parameters;
• Defining service measures (e.g. key performance indicators);
• Defining costs of service delivery;
• Potential impact of service model/s;
• Possible challenges and solutions;
• Limitations of past, current or proposed services;
• Opportunities for service sustainability;
• Opportunities for innovation;
• Possible issues and risks; and
• Other relevant matters.
Stakeholder engagement is equally applicable to open tender and restricted processes such as Preferred Service Provider (PSP) arrangements. Where a PSP arrangement has been approved, following research and evaluation of the service agreement and provider, the government agency should treat the service provider as a ‘partner’ and work closely with them to plan and scope the renewal of the service.

Who are the relevant stakeholders?

Stakeholders are those who have relevant knowledge of, are able to influence or are affected by the proposed service. Undertaking stakeholder identification and analysis processes will ensure all parties with an interest in the proposed services receive appropriate communication from the government agency.

What are we trying to achieve?

Fundamentally, stakeholder engagement is about establishing and maintaining relationships with key stakeholders and facilitating processes that allow stakeholders to influence decision making. It follows that engagement processes will result in new or stronger relationships and robust discussions on the issues in question.

In the context of community services procurement, effective stakeholder engagement will improve service knowledge to inform the procurement process and resulting community services. It is important to have a clear strategy for the engagement process by outlining the knowledge gaps, and issues to be included and the information that is required from stakeholders to inform the development of the service.

How will the engagement influence decision making?

Stakeholder engagement processes that are unclear about how the engagement can or will influence decisions could be seen to be perfunctory or tokenistic and deliver little of value. Being clear about how the engagement will allow or facilitate influence will focus the exchange and benefit both the agency that owns the engagement and participants.

How should we engage?

Giving consideration to the best approaches for stakeholder engagement is important. There is a range of methods that can be used and planning should ensure the level of engagement is genuinely collaborative and the method is fit for purpose.

Probit and Accountability

Procurement activities are governed by the State Supply Commission Probity and Accountability policy. The Probity and Accountability policy sets out the requirement
for a government agency to ‘be able to demonstrate to suppliers and the community that it conducts its procurement activities with high standards of probity and accountability’ as per the following information:

“Probity” requires that a government agency conduct its procurement activities ethically, honestly and fairly. Elements of a procurement culture that promotes and demonstrates high standards of probity include the following:

- Expected behaviours are articulated and enforced;
- Officers involved are skilled, knowledgeable and experienced;
- Appropriate checks and balances are in place at various stages in the procurement process;
- The concept of conflict of interest is well understood and strategies are in place to identify and manage potential issues;
- Communication with service providers is consistent and does not disadvantage or advantage one service provider over others;
- Officers are not compromised in their ability to act, or to be seen to act, impartially; and
- Confidentiality of service provider information and evaluation processes is secure.

“Accountability” requires that a government agency be able to publicly account for its decisions and take responsibility for the achievement of procurement outcomes. Elements of a procurement culture that promotes and demonstrates a high level of accountability include the following:

- Responsibility for decisions is readily identifiable;
- Adequate records are maintained to enable external scrutiny of decisions;
- Compliance with government and State Supply Commission policies;
- Contract award details are made public as required; and
- Processes are in place to provide feedback to unsuccessful bidders and to manage service provider complaints.

While it is very important to act in accordance with these requirements, adherence to State Supply Commission policies should not inhibit stakeholder engagement. Carefully considered structures and processes should be in place to ensure appropriate conduct, with any issues that arise identified and managed accordingly.

Undertaking stakeholder engagement contributes positively to the demonstration of accountability in a government agency's decision making process.

Any decision not to engage with stakeholders, or to restrict participants to an engagement opportunity, should be justified and documented.
KEY ELEMENTS OF EFFECTIVE STAKEHOLDER ENGAGEMENT

A number of key elements act as enablers to effective stakeholder engagement. It is essential that government agencies have a commitment to engaging with stakeholders, that facilitators are appropriately skilled, stakeholders understand their role and that the process is well planned and underpinned by the values described below.

Building and maintaining trust with stakeholders is one of the most important elements of a successful engagement process. While trust takes time to develop, each positive interaction between government and stakeholders will contribute. Similarly, working with stakeholders in a genuine way and abiding by the key elements outlined below will contribute to the development of trust.

Values

To ensure the success of an engagement process, it is important to conduct engagement processes in a manner which is consistent with the following values:

- Trust;
- Respect;
- Openness; and
- Transparency.

These values can also serve as measures to be used to evaluate the success of the engagement.

Culture of the Government Agency

Government agencies should ensure stakeholder engagement is integrated into the pre-planning stage of procurement and allow sufficient time for an engagement process to occur. Elements of government agency culture which contribute positively to stakeholder engagement include the following:

- Executive support for undertaking stakeholder engagement;
- Stakeholder engagement reflected in organisational strategic planning;
- Commitment to addressing the needs of the community;
- Recognition of the value of stakeholder engagement;
- Adapting processes to incorporate stakeholder engagement;
- Capacity to adapt to change following a stakeholder engagement process;
- Commitment to developing trust with stakeholders;
- Skill development of key personnel; and
- Applying lessons learnt from a stakeholder engagement for process improvement.
Appropriate Skills of Facilitator

Managing an engagement process can be challenging and there are a number of key skills required. While the use of an external facilitator is an option, the government agency should consider developing the skills of key staff in regards to:

- Relationship management;
- Communication;
- Negotiation;
- Conflict resolution;
- Facilitation; and
- Listening.

Participation of Stakeholders

For stakeholders to engage effectively consideration should be given to their needs and any support required. Furthermore, by establishing parameters and ensuring the purpose, process and expectations are clearly communicated in advance, stakeholders will be able to understand their role and the manner in which they can contribute. Stakeholders will then be able to participate in an environment that supports successful engagement by:

- Allowing all parties to be heard;
- Demonstrating ability to compromise;
- Sharing of knowledge;
- Demonstrating a willingness to learn;
- Allowing ideas to form;
- Participating with integrity; and
- Demonstrating mutual respect.

Effective Preparation and Planning for the Stakeholder Engagement Process

A lack of effective preparation and planning is a significant barrier to successful stakeholder engagement. Detailed guidance on preparing for and planning engagement processes is provided below.

Challenges to Effective Stakeholder Engagement

There are a number of challenges present in stakeholder engagement processes which can impact the effectiveness of the process as per the following criteria:

- Poor planning;
- Differing philosophies and culture;
- Lack of common values, respect, obligations and expectations amongst participants;
- Restrictive timeframes;
- Limited stakeholder capacity;
• Tokenistic engagement – engaging when there is nothing to influence;
• Lack of stakeholder inclusiveness in process;
• Lack of two-way information flow;
• Geographical limitations; and
• Differing perspectives on issues and strategies to deal with them.

Appropriate preparation for and planning of a stakeholder engagement should assist in overcoming many of the challenges.
STAKEHOLDER ENGAGEMENT ENGINE

The Stakeholder Engagement Engine demonstrates that stakeholder engagement is a fluid and circular process, with each stage informing the next and feeding back into previous stages. The agency’s approach to preparing, planning and implementing engagement can be evaluated throughout the engagement process and learnings used to improve the approach and influence strategic or operational goals.

STEP 1
PREPARING
- Current Knowledge and Knowledge Gap Analysis
- Purpose of the Engagement
- Stakeholder Identification
- Stakeholder Capacity
- Risk Identification
- Evaluation plan

STEP 2
PLANNING
- Communication Strategy
- Stakeholder Engagement Plan
- Facilitation Approach
- Timing of Engagement
- Levels of Engagement/Influence
- Methods of Engagement

STEP 3
IMPLEMENTING
- Stakeholder Engagement in Practice
- Analysing Findings
- Feedback
- Evaluation and Lessons Learnt

KEY ELEMENTS:
- Values
- Culture
- Skills
- Participation
- Planning

The following sections consider in detail each of the important components of the stakeholder engagement engine.

**STEP 1: PREPARING FOR STAKEHOLDER ENGAGEMENT**

Stakeholder engagement should commence with consideration of the purpose of the process and the factors that may influence success.

**Strategic or Operational Goals**

Procurement decisions are often determined via the strategic or operational goals of the government agency. This direction assists in identifying the community need and/or desired impact or change the government agency is seeking to achieve within the community.

**Current Knowledge and Knowledge Gap Analysis**

Once a government agency has identified the community need, it can collate and assess all relevant information available relating to the proposed service. This includes, but is not limited to, any previous service history, service reviews, trends, data, client surveys and sector intelligence. Once this process has been completed, the collated information will enable identification of knowledge and skill gaps and assist in defining the purpose for the stakeholder engagement.

**Purpose of the Engagement**

Having a clear purpose for the engagement process provides clarity and direction for all participants. Once the purpose of the stakeholder engagement has been agreed, the government agency should also identify the outcomes they are seeking from the process.

Identifying the scope of the engagement process also assists in setting the parameters and outlining the negotiable and non-negotiable matters.

While the government agency should have a purpose, expected outcomes and scope for the stakeholder engagement, they should not have a pre-determined conclusion for the process, as a genuine two-way information sharing and gathering process will often uncover unexpected information.

**Stakeholder Identification**

A few simple questions can often assist in identifying who stakeholders are, such as:

- Who is the service for?
- Who is affected by the service?
- Who can influence the service?
- Who is interested in the service and finally?
- Who would be capable of delivering the service?

Where there are issues in identifying and connecting with stakeholders, community services peak bodies may be able to assist.

It is recommended that as many stakeholders as possible are engaged, as this will deliver a variety of viewpoints and ensure a robust engagement process. Services of a sensitive nature may require participation to be limited.

The government agency can consider each stakeholder’s level of interest and influence, by mapping their interest/influence in the proposed project within the matrix below. Undertaking this analysis will assist the government agency to develop a finely-tuned communication strategy, as the outcome is a detailed understanding of stakeholder needs and clarity about how government should approach each stakeholder group.

![Stakeholder Interest/Influence Matrix](image)

**Stakeholder Capacity**

When planning an engagement process, it is important to consider the capacity of the individuals and organisations involved. It is the government agency’s responsibility to provide an opportunity for relevant stakeholders to participate and specifically target important parties.
Government agencies should be flexible in their approach and tailor stakeholder engagements to the needs of the participants. The government agency should be able to communicate the benefit of the engagement process to key stakeholders and specify a time commitment to ensure that requirements can be met.

Participation and access limitations will need to be considered and addressed prior to undertaking an engagement process. It may be determined that there is a need for capacity building with key stakeholders prior to undertaking an engagement process. Peak bodies may have an interest in offering services to build the capacity of their members to participate in stakeholder engagement processes.

It should be noted that not all parties will wish to, or have the ability, to be involved in an engagement process. NFP organisations are often operating with limited resources and are dedicated to meeting core service delivery. They could also be experiencing consultation fatigue. Service users may feel there is an imbalance of power and be reluctant to participate. When key stakeholders are not willing, or unable, to participate in an engagement process, the government agency should propose alternative engagement methods or forms of communication that may better suit their needs.
STEP 2: PLANNING FOR STAKEHOLDER ENGAGEMENT

Effective planning for stakeholder engagement is fundamental to its success.

Effective planning will include:

- Consideration of the existing relationships with stakeholders and how to create an engagement experience that will establish or maintain and improve those relationships;
- Thinking carefully about the appropriate methodology for the engagement and designing a process that is fit-for-purpose;
- Allowing appropriate time for engagement processes to be conducted at the pre-planning stage of a procurement, before decisions that could impact the achievement of community outcomes have been made;
- Being open and honest about parameters and expectations, to develop trust; and
- Ensuring that stakeholders have sufficient notice to plan their participation.

Stakeholder Engagement Plan

Developing a Stakeholder Engagement Plan (template available at Appendix 1) will involve considering at least the following issues, which are discussed below and included in the Plan template:

- Gathering summary information from the preparation step, such as purpose, scope, outcomes being sought and key stakeholders;
- Communication strategy;
- Timing of engagement;
- Levels of engagement;
- Methods of engagement; and
- Risk and issues management.

Communication Strategy

Developing a Communication Strategy (template available at Appendix 2) will assist with clarifying the information required by each stakeholder group to ensure transparency and consistency and avoid bias. This is particularly important where there are multiple forms of engagements taking place and a variety of methods being used.

When planning for stakeholder engagement, government agencies should ensure that relevant information is available to participants, such as:

- Background information required by participants for the purpose of the engagement process;
- Supporting evidence and information such as any service history, data and trends; and
• Information about any limitations to the scope of the engagement, or items that are non-negotiable and set the parameters for the process.

For workshops, providing an agenda and or discussion papers in advance will support a stakeholder's preparation.

**Timing of Engagement**

To be most effective, stakeholder engagement should commence during the procurement planning stage, prior to decisions being made about possible funding and/or contracting strategies. This will require stakeholder engagement to commence prior to the drafting of procurement documents such as a procurement plan, as stakeholder engagement will inform the procurement strategy. Collaborative activities later in the procurement process do not substitute for effective stakeholder engagement at the procurement planning stage. Likewise, opportunities for collaboration and co-design will be essential to the formation of some service agreements, even where meaningful stakeholder engagement has been undertaken in earlier stages of the procurement process.

As it is recommended that formal procurement processes begin at least six months prior to the commencement of a new service agreement, planning for stakeholder engagement should begin at least 12 months prior to the commencement of a new service agreement.

Allowing insufficient time is one of the most significant barriers to effective stakeholder engagement. The design of a community service can take time, especially in circumstances where a government agency has a range of stakeholders to consult and the service is complex. Government agencies should allocate an appropriate timeframe for stakeholder engagement, taking into consideration the needs of the expected participants. As ideas evolve through discussion and consultation, each party’s understanding of the issues may change over time and a restrictive timeframe for collaboration could prevent the development of meaningful ideas and optimal solutions.

**Levels of Engagement**

Stakeholder analysis assists in determining the relevant level of engagement for the range of stakeholders however government agencies should be seeking to ‘deepen’ the level of engagement with stakeholders in order to build relationships and trust.

Determining the level(s) of engagement will also inform the method/s of engagement to be used and how these can be combined to meet the needs of stakeholders and achieve the desired benefit of the engagement process.

The level of engagement can be defined along the spectrum below, running from ‘shallow’ to ‘deep’. Activities that fall into the ‘Informing’ category are often activities that are undertaken as part of general stakeholder communications. These are
considered shallow interactions and do not constitute genuine two-way communication flow. The DCSP Policy encourages consultation and collaboration in decision making and designing of services based on two-way communication. This requires a ‘deeper’ level of engagement than simply informing stakeholders or consulting with stakeholders.

The following table demonstrates the levels of engagement and how interactive each level is.

<table>
<thead>
<tr>
<th>Levels of Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inform</td>
</tr>
<tr>
<td>Consult</td>
</tr>
<tr>
<td>Involve</td>
</tr>
<tr>
<td>Collaborate</td>
</tr>
<tr>
<td>Empower</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inform</th>
<th>One way ‘push’ or ‘pull’ communication to provide information relating to the perceived needs and/or responsibilities of stakeholders</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consult</td>
<td>Limited two-way engagement: organisation asks questions, stakeholders answer.</td>
</tr>
<tr>
<td>Involve</td>
<td>Two-way or multi-way engagement: learning on all sides but stakeholders and organisations act independently.</td>
</tr>
<tr>
<td>Collaborate</td>
<td>Two-way or multi-way engagement: joint learning, decision making and actions.</td>
</tr>
<tr>
<td>Empower</td>
<td>New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in governance.</td>
</tr>
</tbody>
</table>

(Adapted from the AccountAbility AA100 Stakeholder Engagement Standard 2011)

The International Association for Public Participation public participation spectrum (IAP2 International Federation, 2014). uses the levels as a way of describing the increasing level of influence or impact stakeholders can have in an engagement process. Government agencies can use the levels to explore options to deepen engagement in procurement processes and maximise the benefit of a wider discussion. Potential participants may use the level of influence on offer to decide whether and how to participate.

Stakeholder analysis can also be undertaken to specifically map stakeholders against the levels of engagement/influence. The Aha! Consulting Stakeholder Mapping model (below) allows for separate lists for ‘impact’ stakeholders and ‘influence/interest’ stakeholders to be mapped in terms of their level of engagement or influence and provides a number of useful prompts of potential stakeholders that can be considered.
Methods of Engagement

The government agency should choose the most appropriate method(s) to reach key stakeholders and achieve the purpose of the engagement process, bearing in mind that the stakeholders may have their own views about their preferred engagement methods.

A stakeholder engagement process may consist of multiple methods delivered at a variety of levels to multiple stakeholder groups and include ongoing interactions.

Government agencies should give consideration to the appropriate personnel to undertake the facilitation of an engagement process based on skills and knowledge. The facilitator should ideally have the authority to make decisions on behalf of the government agency, be a good communicator, and be able to negotiate effectively and manage conflicting views or priorities. In the case of sensitive matters, or where necessary, government agencies may consider using an external facilitator.
The methods of engagement included below are provided as examples, along with relevant considerations to inform the decision making process:

<table>
<thead>
<tr>
<th>Method</th>
<th>Benefits</th>
<th>Limitations</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Inform</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fact sheets</td>
<td>• Able to reach a large number of stakeholders in a simple, efficient way</td>
<td>• May not be accessible to people with visual impairment or low literacy levels</td>
<td>Should be tailored to the relevant needs of the recipients.</td>
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<tr>
<td></td>
<td>• Can be targeted to a particular stakeholder group and developed into</td>
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<tr>
<td></td>
<td>languages other than English</td>
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<tr>
<td></td>
<td>• Able to reach a large number of stakeholders.</td>
<td>• Written material may not be accessible to people with visual impairment or low literacy levels</td>
<td>Method and content should be tailored to the stakeholder group.</td>
</tr>
<tr>
<td></td>
<td>• Can be targeted to specific stakeholder groups</td>
<td>• Does not facilitate two way communication</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Easily adapted</td>
<td></td>
<td></td>
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<tr>
<td>Information sharing</td>
<td>• Straightforward</td>
<td>• Difficult to gather qualitative information</td>
<td>Always include open-ended questions and space for fuller comments.</td>
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<tr>
<td></td>
<td>• Focussed and specific</td>
<td>• Answers may be irrelevant</td>
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<tr>
<td></td>
<td>• Can gauge a large number of opinions</td>
<td>• Delivery methods can affect results</td>
<td></td>
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<tr>
<td></td>
<td>• Easily adapted</td>
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<td></td>
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<tr>
<td><strong>Consult</strong></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Survey</td>
<td>• Quick and cheap</td>
<td>• May be too brief for people to provide their full opinions</td>
<td></td>
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<tr>
<td></td>
<td>• Provides a snapshot of opinions at a certain time</td>
<td>• Results may be influenced if questions are worded incorrectly</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Straightforward and accurate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opinion polls</td>
<td>• Discussing complex issues, analysing competing options and generating</td>
<td>• Time required to organise</td>
<td>Facilitation is crucial.</td>
</tr>
<tr>
<td></td>
<td>ideas</td>
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<tr>
<td></td>
<td>• Encourages joint working and problem solving</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Workshops</td>
<td>• Builds ownership of results</td>
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<td>• Time required to organise</td>
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<td>• Cost, especially if external facilitation is required</td>
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<td>• Need to get stakeholders in the same place at the same time</td>
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<tr>
<td>Method</td>
<td>Benefits</td>
<td>Limitations</td>
<td>Notes</td>
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<tr>
<td>Expert panel</td>
<td>• Focus intently on a specific subject &lt;br&gt;• Produce in-depth analysis &lt;br&gt;• Experts can often be objective</td>
<td>• The process needs to be carefully focussed &lt;br&gt;• Breadth may be limited &lt;br&gt;• May be too ‘exclusive’</td>
<td>If the group is large, facilitation will be necessary.</td>
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<td>Public meetings</td>
<td>• Opportunity for stakeholders to raise issues and ask questions &lt;br&gt;• Opportunity to gather support for new ideas and build relationships &lt;br&gt;• Communicate with large groups</td>
<td>• Risk of vocal or pushy people taking over</td>
<td>Requires facilitation</td>
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<tr>
<td>Interviews</td>
<td>• Best way to obtain qualitative information from an individual &lt;br&gt;• Can produce highly accurate results &lt;br&gt;• Adds a personal dimension</td>
<td>• Necessitates sensitivity &lt;br&gt;• Large numbers are required to ensure accurate results &lt;br&gt;• Careful preparation necessary &lt;br&gt;• Little dialogue between stakeholders</td>
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<tr>
<td>Web 2.0</td>
<td>• Useful for diverse and extensive input &lt;br&gt;• Enable access to views and ability to provide feedback &lt;br&gt;• Measuring website statistics can also track stakeholder interest</td>
<td>• Participation limited to those with access to IT &lt;br&gt;• Can be expensive to develop and maintain</td>
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<tr>
<td>Action Research</td>
<td>• Provides good qualitative data &lt;br&gt;• Is inclusive &lt;br&gt;• Is flexible and responsible and has the ability to support problem solving and solution testing as the process evolves</td>
<td>• Difficult to gather qualitative information &lt;br&gt;• Answers may be irrelevant &lt;br&gt;• Delivery methods can affect results</td>
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**Involve**

DEPARTMENT OF FINANCE  
STAKEHOLDER ENGAGEMENT GUIDELINES  
November 2015
<table>
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<tr>
<th><strong>Method</strong></th>
<th><strong>Benefits</strong></th>
<th><strong>Limitations</strong></th>
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</table>
| **Advisory committees**     | • Value a wide range of technical and local expert knowledge  
  • Support a range of engagement processes (i.e. research)  
  • Enables information to be distributed to different stakeholder groups | • May be too brief for people to provide their full opinions  
  • Results may be influenced if questions are worded incorrectly |                                                                         |
| **Open space technology**   | • Allows a bottom-up agenda to emerge  
  • Inspires ownership and action  
  • Enables new alliances to form  
  • Ensures follow-up reflects the wishes of those who have high interest or might be impacted by outcomes | • May not be accessible to people with visual impairment or low literacy levels | Facilitation may be required                                              |
| **Future search conference**| • Can drive stakeholder and government action  
  • Involves a broad range of relevant stakeholders  
  • Develops stakeholder support and agreement | • The process needs to be carefully focussed  
  • Breadth may be limited  
  • May be too ‘exclusive’ |                                                                         |
| **Participatory editing**   | • Builds ownership  
  • Reflects their informed views and contributes to the quality of a document/proposal etc. | • Need to consider of the stakeholder’s organisational structures and resources  
  • May attract criticism if final result is not reflective of input |                                                                         |
| **Stakeholder visioning**   | • Large numbers and diverse stakeholders can be involved  
  • Relationship building exercise  
  • Utilises the expertise and knowledge of stakeholders  
  • Generates forward planning | • Requires a number of facilitators  
  • Generates a lot of information and data for collation & analysis  
  • Requires careful documentation and clarity of purpose to ensure sound links to concrete outcomes | Stakeholder visioning can be expanded to accommodate a wide variety of people, i.e. younger people |
<table>
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<tr>
<th>Method</th>
<th>Benefits</th>
<th>Limitations</th>
<th>Notes</th>
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</table>
| **Co-design**  | Utilise the skills and expertise of stakeholders to jointly create products and services. | • Diverse contribution  
• Builds relationships and increases commitment  
• Enables experimentation          | • The process needs to be carefully focussed. |

(Source: Government of Victoria, 2011. Stakeholder Engagement Framework.)
Risk and issue management

Once a government agency has determined the approach to stakeholder engagement, they should undertake risk and issues analysis for the process. Each agency will have its own process and documentation for this analysis and the FaCS Risk Workbook is available on the Department of Finance, Government Procurement website.

Typical risks and issues in a procurement environment include:

- Limited capacity of participants;
- Unrealistic expectations;
- Stakeholder tensions;
- Power imbalances amongst participants;
- Power struggles amongst participants;
- Inability to obtain agreement/consensus;
- Political imperatives; and
- Unwillingness to contribute solutions.

The government agency should develop relevant risk and issues management strategies prior to commencing an engagement process.

The Western Australian Government publication Working Together: Involving Community and Stakeholders in Decision-making, (Government of Western Australia, 2006) includes extensive guidance on managing risk and issues in community participation initiatives that also applies to the community services procurement context.
STEP 3: IMPLEMENTING STAKEHOLDER ENGAGEMENT

Following the preparation, planning and decision making activities outlined in steps one and two, the government agency will be in a good position to commence the engagement process.

Implementation usually involves a series of four steps (activation, education, scoping/deliberation and decision making); however specific tasks will depend on the chosen method of engagement. These steps are particularly important when engaging with linguistically or culturally diverse groups.

1. **Activation** involves getting people interested and connected to the project.

2. **Education** involves ensuring that people are working from a shared or similar knowledge. Work in this area is essential where capacity building is required to deliver a successful engagement. In this situation, participants will need plain-English documentation and activities that can be completed comfortably within the time available.

3. **Scoping/Deliberation** involves implementing a process to scope approaches, options or models.

4. **Decision-making** involves identifying the favoured preferences, priorities and strategies.

Government agencies are encouraged to plan and articulate how these steps will be undertaken in each engagement.

The Western Australian Government publication Working Together: Involving Community and Stakeholders in Decision-making, (Government of Western Australia, 2006) includes extensive guidance on implementing community participation initiatives, which also applies to the community services procurement context.

**Stakeholder Engagement in Practice**

In addition to enacting the Communication Strategy and Stakeholder Engagement Plan, consideration should be given to the following activities when undertaking a stakeholder engagement:

- Explain the purpose of the engagement;
- Outline the scope of the engagement (including negotiable and non-negotiable matters);
- Outline any ground rules;
- Provide a glossary of terms, if required;
- Disclose relevant information; and
- Pre-empt and or manage any ‘live’ issues.
Where engagement takes place in a workshop setting:

- Circulate agendas and relevant information in advance;
- Maintain the direction of the session;
- Allow all members to speak/participate/contribute; and
- Document the discussions.

The government agency is obliged to capture and record feedback from a stakeholder engagement process accurately. This task can be contracted out as required.

**Analysing Findings**

Once the engagement process has been completed, the government agency will analyse the findings. Acknowledging and addressing all findings is important and an action plan can be developed to provide direction for this process.

It is possible that the findings may be somewhat inconsistent with the operational or strategic goals of the government agency in which case, further consideration needs to be given to the procurement strategy before service design can progress.

Acknowledging that it can take time to finalise a procurement strategy and obtain internal approvals, stakeholders should be kept up to date with the government agency’s progress.

**Feedback**

Providing feedback to stakeholders is essential and contributes to developing trust. Stakeholders have invested time and energy in their engagements with government agencies and it is important to inform them of how their input has influenced decision making (or not). Feedback could also be sought from stakeholders on the engagement process and used to inform future stakeholder engagement planning.

Stakeholder engagement is likely to produce questions or identify views on many issues, so it is important for the government agency to respond to stakeholders regarding any matters that are ‘out of their control’ or unable to be addressed within the purpose of the procurement. The government agency can refer queries to other relevant parties, where possible.

Feedback should be recorded and the stakeholder engagement methods and findings outlined within relevant procurement documentation.

**Evaluation and Lessons Learnt**

The government agency should evaluate the success of the process, ideally using the criteria agreed at the beginning of the engagement. While the outcome or intentions of the process may be different to what was anticipated, the government agency should be able to conclude that the process was conducted effectively and
ethically and stakeholders were satisfied. Any learning from the process can then be used to inform and/or improve future engagement processes.

On some occasions, an engagement process may be ineffective. It is possible that some of the challenges could not be overcome or unexpected issues arose. In the first instance, the government agency can apply any lessons learnt and attempt to redesign the engagement process with consideration to stakeholder capacity and the methods. Where an engagement process continues to be ineffective despite repeated attempts, the government agency may need to reconsider the procurement strategy and/or strategic or operational goals and whether it is achievable without representation from key stakeholders.

PROGRESSING TO PROCUREMENT OF SERVICES

Following an engagement process, the government agency will have a clear understanding of the key service information to inform the procurement strategy. This will be reflected in relevant procurement documentation including the Business Case, Procurement Plan and Request document.

A number of options are available to maintain contact and share information with stakeholders during a procurement process, consistent with probity, such as:

- Releasing the Draft Request for comment;
- Issuing an Early Tender Advice;
- Conducting a Request briefing; and
- Negotiations (once Preferred Respondent status has been established).
REFERENCES


# APPENDIX 1: STAKEHOLDER ENGAGEMENT PLAN TEMPLATE

[Note that text in red indicates guidance and can be deleted when the document is complete.]

## Purpose:

What are you trying to achieve?

## Evaluation:

Clarify the engagement evaluation criteria, evaluation methodology and process for feedback of evaluation summary to participants

## Scope:

Clarify scope of engagement including negotiable and non-negotiable matters

## Outcomes being sought:

What is the expected outcome of the engagement process?

## Key Stakeholders:

Stakeholders should be identified as per the Stakeholder Identification and analysis process. What capacity building considerations are needed

## Communication strategy:

See Appendix 2. This may need its own document

## Timing of engagement:
Levels of Engagement/influence:
[What level of engagement/influence is appropriate for each stakeholder/stakeholder group in relation to the purpose of the engagement process?]

Method(s) of Engagement:
[What are the appropriate methods of engagement for each stakeholder/stakeholder group? Who will be the owner/s of the engagement process? Who will administer the process (coordination, invitations, scribe)? Who will facilitate the stakeholder engagement/s? Who will analyse the findings? Who will provide feedback to stakeholders?]. Where will stakeholder engagements take place? Are these locations inclusive of stakeholder’s needs and potential accessibility issues? Have bookings been made for meetings? What is a suitable number of participants for each stakeholder engagement? How will the rooms be arranged for participants?]. Schedule the evaluation process and devise the strategy for providing feedback to participants and stakeholders/stakeholder groups and capturing relevant lessons learnt.]

Risk and issues management:
[What are the potential risks relating to each engagement process? What issues need to be resolved? How will these risks and issues be managed?]}
APPENDIX 2: STAKEHOLDER COMMUNICATION STRATEGY TEMPLATE

[Note that text in red indicates guidance and can be deleted when the document is complete.]

[The Communication Strategy Template is provided with example content and requires editing in accordance with the government agency’s needs. Stakeholder information should be transferred from the Stakeholder Identification process. This template allows the identification of each stakeholder areas of interest/influence along with the key messages and content necessary to achieving the purpose of the stakeholder engagement].

A communication strategy should commence with the identification of relevant stakeholders/stakeholder groups and their areas of interest and influence, followed by the identification of information to be shared. Consideration should be given to the relevance and complexity of information shared to ensure it meets the needs of each stakeholder group.

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<thead>
<tr>
<th>Stakeholder Groups</th>
<th>Community Need</th>
<th>Community Outcome</th>
<th>Service Specification</th>
<th>Service Solutions</th>
<th>KPI's</th>
<th>Risks</th>
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<td>Stakeholder Group/s</td>
<td>Interest/Influence</td>
<td>Key Messages</td>
<td>Content</td>
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<td>Community Members</td>
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**Supporting Material to be Presented:**

[Outline any documentation that will be presented e.g. draft specification, proposed community outcome, trends, usage data etc].

**Limitations to Disclosure:**

[Include any information that is not appropriate to be shared].

**Negotiable and Non-Negotiable Matters:**

[It is likely that there will be matters that can-not be negotiated. It is important to determine these matters upfront and disclose to stakeholders where appropriate].
Risks:

[Are there any perceived or real risks in relation to the sharing of information?].