

Co-design and the Early Intervention Investment Framework

GUIDANCE PAPER

Introduction

The Department of Treasury and Finance (DTF) looks forward to more Early Intervention Investment Framework (EIIF) initiatives that are co-designed between government departments and the social service sector.

There is a growing awareness of the benefits of involving service providers in policy design. The Productivity Commission highlights that co-designed programs between government and social service agencies are particularly good at solving 'wicked problems' or long-standing social issues, through greater creativity, application of expertise and innovation.¹

The benefits of including lived experience and client voice in policy design are also well advocated, and their inclusion is a growing priority across many Victorian Government portfolio areas such as family violence and mental health.²

As the collective evidence base on 'what works' grows across social service portfolios, the potential gains for collaboration between government and service providers on policy ideas have never been stronger.

In recent years, there have been some strong examples of effective co-design in early intervention leading to successful outcomes. An example of this is Sacred Heart Mission's Journey to Social Inclusion program. This was developed through a co-design

process and is now one of Victoria's most effective programs targeting chronic homelessness. Its expansion in the *2024-25 Budget* reflects its strong program outcomes.

The Government's Partnerships Addressing Disadvantage program also benefits from co-design, involving close partnerships between government, service providers and investors. The results of these have helped build the knowledge base of EIIF's outcomes-based focus.

'Organisations, people with lived experiences and practitioners hold different kinds of knowledge, all of which are vital to designing effective services and improving outcomes and better early intervention services.'

Source: Victorian Council of Social Service, 2023, *Collaboration on the Early Intervention Investment Framework*

The level of intensity, timing and engagement between organisations and departments will vary on a case-by-case basis. For example, the preferred approach may reflect the maturity of the department and organisation relationship, and the stage of program design.

This guidance paper seeks to provide a way forward for those conversations to take place.

¹ Productivity Commission, 2010, *Contribution of the Not-for-Profit Sector*, Promoting productivity and social innovation, p 239.

² Department of Health, 2022, *Mental health lived experience engagement framework*; Family Safety Victoria, 2022, *Family Violence Lived Experience Strategy*

EIIF context

The focus of this paper is on co-design of EIIF proposals. The Treasurer is the policy owner of EIIF and the Department of Treasury and Finance works with the sector and government departments to drive EIIF's objectives.

The Victorian Government introduced EIIF in the 2021-22 Budget – becoming the first Australian jurisdiction to systematically embed early intervention into its budget process.

Recognising the importance of early intervention, the Victorian Government has invested \$2.7 billion in early intervention to address problems before they escalate.

Measuring impact is central to EIIF and helps the Government understand the benefits delivered for service users in sectors such as justice, education, health and community services through:

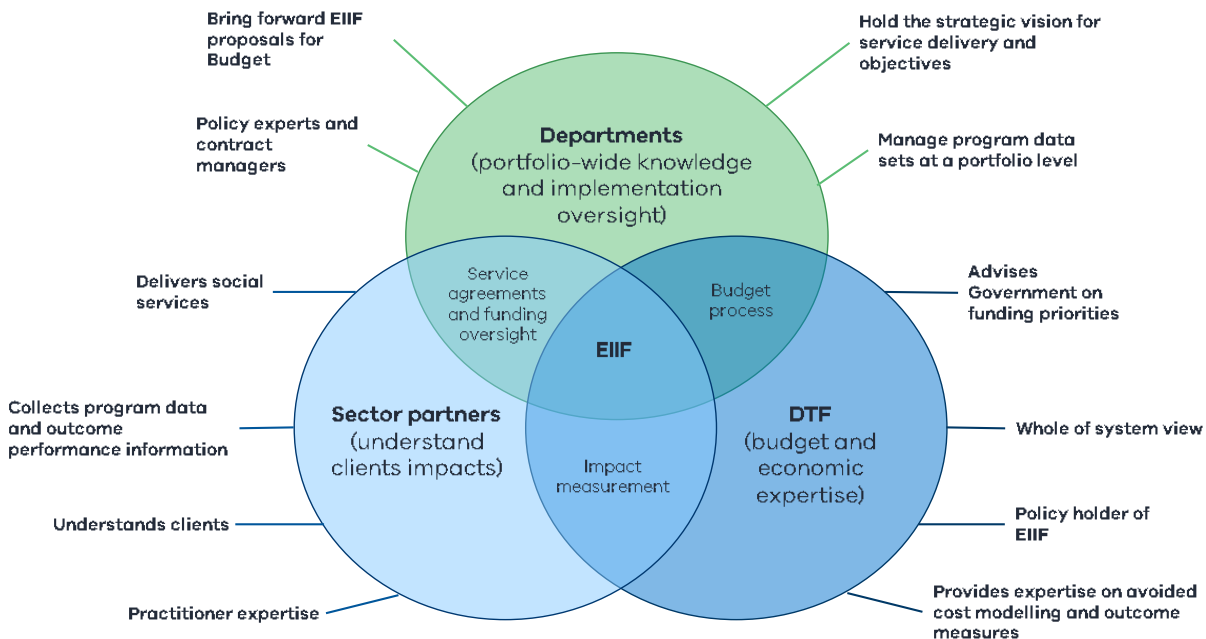
- defined outcome measures that seek to demonstrate improvement in the lived experience of service users or the service system
- impact on demand for future acute services by quantifying the expected reduction in future acute service usage compared to current trends.

More information on EIIF can be found on the DTF website: www.dtf.vic.gov.au/funds-programs-and-policies/early-intervention-investment-framework

Collaboration is central to EIIF

Genuine partnership across departments, DTF and service delivery organisations will improve the quality of EIIF proposals. Each area has a significant role to play.

Figure 1: Key partners in co-design



Source: Department of Treasury and Finance

Co-design has the benefit of embedding service delivery experience into policy design as well as enabling stronger use of outcome metrics. Service delivery agencies usually have more 'buy-in' when invited into policy design discussion, enabling better informed outcome measurement identification and collection.

CFECFW observed in its paper EIIF: Client Outcomes Measurement that service providers have a lot to offer through their ability to collect and use outcome data to ascertain the value of the work they do.

Engaging service providers through co-design is an effective way for departments to get in on the ground floor and understand what is possible in outcome measurement.

'EIIIF offers a valuable opportunity to promote co-design given its focus on outcomes measurement at the bid development stage.'

Source: Centre for Excellence in Children and Family Welfare, 2024, EIIIF: Client Outcomes Measurement, page 16.

We note some of the most robust and insightful outcome measures for programs funded through the EIIIF have stemmed from co-designed initiatives. This includes *Tackling Rough Sleeping – Journey to Social Inclusion* as part of the 2021-22 Budget, which is tracking clients housing stability, rough sleeping episodes, days spent in emergency departments, police incidents, social inclusion and mental health – giving the Government significant breadth of information to show how well the program is helping its clients.

The Government is supporting strengthened outcome measurement in the social services sector through the Empowerment Fund. The Empowerment Fund seeks to address barriers the sector faces in relation to data and evaluation capability, and will enable greater sharing of useful evaluation findings and improved data collection and management processes.

Over time we anticipate this capability uplift will translate into better informed policy, planning and delivery through co-design.

Barriers exist that inhibit co-design

On 28 November 2023, the Treasurer launched the inaugural *Early Intervention and Social Investment Summit*, where a number of parties spoke about the importance of collaboration and co-design and the powerful impact this can have when managed well.

One of the sessions focused on barriers which inhibit successful engagement between organisations and departments. Recognition of these barriers helps to frame what might be possible and enables each party to consider the best engagement path and the key timing points.

Figure 2: Summary of identified barriers

Government has to ensure selection and partnership processes are fair to all organisations

The confidential budget process means it is hard to collaborate and/or embed co-design into program development.

It can be difficult for the sector to know when and who in a department to begin engaging with, let alone across departments on cross portfolio issues.

Time and resourcing commitment is required from all parties, and this can be difficult to undertake early in the process when the level of authority which exists for the concept is unknown.

There may be procurement or probity concerns from departments engaging independently and directly with specific providers.

Providers don't know the broader context of what departments might be considering or developing.

It can be challenging to embed the voice of service users into program design – for example, when someone is in crisis.

Collaboration and co-design take time

Funding flexibility and access to quality data is required for co-design.

Department staff can be reluctant to engage directly with service providers.

Source: Department of Treasury and Finance; Early Intervention and Social Investment Summit 2023.

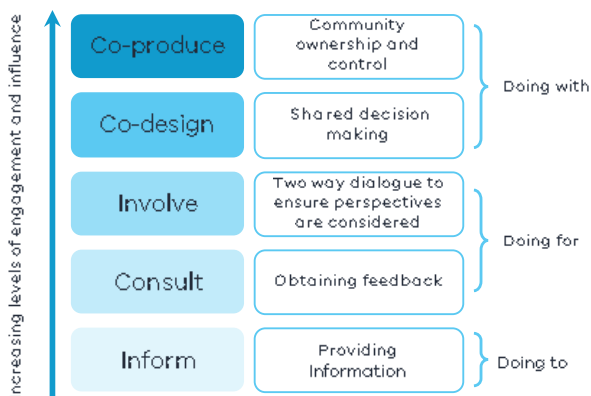
There aren't simple answers to these issues. However, the shared evidence base that underpins EIIF proposals provides an opportunity to facilitate productive engagement between organisations in the sector and departments. See 'The way forward' on page 6 for details of how this can be done.

Engagement can take place along a continuum. The continuum shown in Figure 3 will vary depending on the barriers outlined above and the overall maturity of the relationship between the department and the sector.

In some instances, co-design or co-produce processes won't lead to the best outcomes, because the resources required and transaction costs will not be worthwhile. It is important to be thoughtful about the approach to employ for each project based on the costs versus the expected benefits.

It is also important to recognise that the relevant Minister will have final accountability for priorities and proposals that sit within their portfolio.

Figure 3: The ladder of participation



Source: Victorian Council of Social Service, 2024, *Collaboration on the Early Intervention Investment Framework*, Adapted from: New Economics Foundation, *Coproduction in mental health: A literature review*, page 4.

Tips on EIIF proposal co-design

The questions and prompts below have been adapted from VCOSS's paper *Collaboration on the Early Intervention Investment Framework* and may be useful for both departments and organisations when considering co-design.

The questions and prompts aim to help:

- define the scope of the issue to be addressed
- identify stakeholders who will need to be involved
- plan the overall shape of the project and the required engagement activities
- prepare meaningful outcome metrics.

The length of time and resources required to undertake a co-design process will depend on the scope and complexity of the issue being explored.

Define the scope

Consider the following questions when defining the scope of the co-design process:

- What is the issue that is to be addressed?
- Why has this been identified as a priority?
- What do we already know about this issue?
- What evidence and data are available?
- What is out of scope?

Identify stakeholders

Consider the following questions when identifying key stakeholders:

- Who is impacted by this issue? Are there groups who are disproportionately affected?
- What organisations are currently working with these groups or communities?
- Are there relevant peak bodies, service users or lived experience advocates or groups who should be involved?
- Are there experts (policy, practice, academics) who have demonstrated interest and knowledge in this area?
- Are there other areas of government (state, Commonwealth and local) which might intersect with this issue?
- How will stakeholders be invited and/or selected to participate?
- What will the stakeholders need to enable their participation, including data and information sharing arrangements, as well as culturally sensitive approaches when engaging with Aboriginal Victorians and Aboriginal Controlled Community Organisations (ACCOs)?

Plan engagement

The approach shown in Figure 4 is commonly used to design solutions to complex problems. There are five stages:

1. **Align** – Understanding the desired future state.
2. **Discover** – Understanding the problem.
3. **Define** – Defining the problem.
4. **Develop** – Developing possible solutions.
5. **Deliver** – Choosing and refining the solution.

Figure 4: Engagement defining questions

Stage	Aim	Questions to explore with stakeholders
Align	Have a shared understanding of scope and vision for the future	<ul style="list-style-type: none"> • What do stakeholders understand the issue to be? Why do they think it's important to address? • What perspectives, knowledge and skills does each stakeholder bring? • How is this issue currently being responded to? What is working well and what are the gaps?
Discover	Deeply understand the issue and its root causes.	<ul style="list-style-type: none"> • How is this issue experienced by people and communities? • What are the potential causes and consequences? • How does it intersect with other issues?
Define	Narrow in on the specific problem to be solved.	<ul style="list-style-type: none"> • What is the most important aspect (root cause) of this issue to be tackled right now? • Where do we think early intervention could have the biggest impact?
Develop	Innovate and identify potential solutions.	<ul style="list-style-type: none"> • What are the potential leverage points in people's journeys which could have resulted in better outcomes? • What are good practice models which seek to address this issue (either here or in other jurisdictions)? • What are community or individual strengths which could be built on?
Deliver	Choose and refine the solutions.	<ul style="list-style-type: none"> • What ideas/models are feasible and desirable given the context and resources available? • What ideas do we think will have the biggest impact given the evidence available? • How might the model need to be adapted or further developed to be culturally appropriate and fit the local context? • What would success look like and how would we measure it?

Developing outcome measures

The following checklist can help both parties plan for effective EIF outcome measures.

Figure 5: Outcome measure preparation checklist

Meaningful outcome measures for early intervention and prevention projects:

- enable the economic and social value of the intervention to be quantified
- have at least one measure capturing reduced acute service usage or avoided costs
- have at least one measure capturing the change that occurs for service users
- represent outcomes rather than inputs or outputs
- are clearly definable and calculable, based on a validated methodology
- are practical and do not create a disproportionate data collection burden for providers, practitioners and analysts
- are useful and meaningful for providers and practitioners in understanding impact
- are culturally appropriate and respect the human rights, privacy and data sovereignty of service users

EIIF – Engagement approach and timing

It is not possible for an organisation to provide a proposal direct to DTF for funding under EIIF.

All funding through the EIIF goes through the State Budget process and requires a Minister (through their department) to submit a proposal for consideration.

The earlier in the process that engagement takes place, the more likely it is to influence the ultimate program design, with the ideal timeframe for engagement occurring between June and November each year.

It is also recognised that engagement is ideally not ‘one-off’ and that buy-in from all parties ideally occurs not only during the stages of program development (which may take much longer than the timeframe for initial engagement shown in Figure 6), but also as part of implementation and understanding impact.

Departments that prepare most EIIF proposals are:

- Department of Health
- Department of Families, Fairness and Housing
- Department of Justice and Community Safety
- Department of Education.

It is important to be realistic in the confines of a constrained fiscal environment and competing government priorities about what might be possible. Open lines of communication are key to navigating these challenges.

In large part, past successes with co-design under EIIF have built upon the foundations of established relationships or programs. While this is something to be mindful of, it certainly does not preclude new engagements or ideas.

Figure 6: Yearly budget process and consultation windows



Source: Department of Treasury and Finance

The way forward

For the sector

DTF are willing to help draw connections between organisations and our line departments where there is a clear link to EIIF.

In order to facilitate this, and help assist with navigating through department areas of responsibility, DTF can be contacted at earlyintervention@dtf.vic.gov.au.

For departments

DTF encourages departments to directly engage with organisations as part of program design.

If there are specific points of clarity required in terms of how co-design could be done for specific proposals, or the relationship to EIIF, departments should reach out to their DTF EIIF relationship managers or earlyintervention@dtf.vic.gov.au.

Cultural Safety Framework

The Victorian Government recognises the importance of encouraging Aboriginal self-determination within proposals.

DTF have partnered with the Victorian Aboriginal Child Care Agency to develop a Cultural Safety Framework guidance document to underpin the EIFF, in consultation with other ACCOs across each of the EIFF portfolios.

This was based on sector feedback which identified cultural safety as a fundamental component to providing effective and inclusive services to Aboriginal clients.

The Cultural Safety Framework guidance material intends to support departments to improve the design and implementation of EIFF programs, including through supporting culturally safe partnerships between departments and ACCOs.

The Cultural Safety Framework is expected to be implemented ahead of the 2025-26 Budget.

Further resources

This paper has been informed by the insights of the *Centre for Excellent in Children and Family Welfare* (CFEFCFW) and the *Victorian Council of Social Service* (VCOSS) through their respective pieces of commissioned work on EIFF collaboration.

The CFEFCFW report aims to strengthen collaboration between departments and child and family service providers on EIFF business cases, with a focus on the sector outcome measurement and data.

The report *EIFF: Client Outcomes Measurement*, Centre for Excellence in Children and Family Welfare, September 2023, is available here:

[EIFF Client Outcomes Measurement](#) (PDF 581.16 KB)

[EIFF Client Outcomes Measurement](#) (WORD 239.67 KB)

A summary of the practice considerations can be found here:

[EIFF Client Outcomes Measurement - Practice Considerations and Implications](#) (PDF 4.68 MB)

[EIFF Client Outcomes Measurement - Practice Considerations and Implications](#) (WORD 113.13 KB)

The VCOSS report provides a framework and principles to guide collaboration for early intervention between service providers and departments, and tools to support the process.

The report *Collaboration on the Early Intervention Investment Framework*, Victorian Council of Social Service, November 2023, is available here:

[Collaboration on the Early Intervention Investment Framework - Recommendations and toolkit](#) (PDF 863.28 KB)

[Collaboration on the Early Intervention Investment Framework - Recommendations and toolkit](#) (WORD 2.44 MB)