Submission on The Productivity Commission's Draft Report:

More effective social services

Submitted by:

WAVES Trust

Community Waitakere

Man Alive

Family Works Northern

Vision West Community Trust

MPHS Community Trust

Family Action

ChangeWorks

Violence Free Waitakere

Pat Watson (Community Development Broker and Coach)

Contact:

Charlotte Moore

WAVES Trust

PO Box 12-1450

Henderson

Auckland 0650

P: 09 838 4834

charlotte@waves.org.nz

Charlie Moore

Community Waitakere

PO Box 21068

Henderson

Auckland 0650

P: 09 838 7904

charlie@communitywaitakere.org.nz

Thank you for the opportunity to present our submission on the Productivity Commission's Draft Report on *More Effective Social Services*.

Background

Who we are

This collaborative submission has been developed by WAVES Trust and Community Waitakere and draws upon input from a wide range of local social and community service providers. Collectively, our networks, clients, staff and governance, represent a key stakeholder group in the social services sector in West Auckland.

Our process

We came together locally to consider the Commission's intent to find and recommend measures that might improve the so-called efficiency and effectiveness of the social services system expressed in the Commission's Issues Paper, *More Effective Social Services.* We recognised this opportunity as an important one and met as a group to follow a process of debating the various questions and sharing experiences and evidence which speak to identifiable themes of the inquiry. Our final submission on the Commissions Issues Paper has been peer reviewed by many who share a keen interest in strengths-based, community-focussed approaches to appraising the social sector.

Following the release of the Draft Report we again discussed our response as a group and developed our response to this draft collaboratively. We were also pleased to have the opportunity to meet with the Commission to further share our views. This final submission is based on the views we expressed at this meeting.

Our community

In West Auckland we face challenges of poverty, family violence, housing shortages and dis-engagement of significant numbers of people. We also have wonderful and hopeful examples of community action, we have committed and skilled staff in a wide range of agencies and a history of working well together to make a positive difference.

Significant social, economic and demographic trends in West Auckland include great ethnic diversity, including Maori and Pacific peoples and ongoing growth in Asian populations. We have significant populations of young people and high incidences of social and economic deprivation in some areas.

Thriving, resilient and connected communities do not happen by accident. There is a need for thoughtful and intentional investment and the development of respectful relationships that are sustained over time. This is especially the case in our local communities that may have the least existing resources, and the highest level of need for a wide range of social support.

Executive summary

We would like to take the opportunity to thank the Productivity Commission for the opportunity to provide feedback on the Draft Report *More Effective Social Services*. The document is thorough and has clearly incorporated feedback given by various interest groups, including our own, on the Issues Paper.

We, like the Commission, note that there have been many attempts made over recent decades to address some of the gaps in our social services system. These gaps include fragmentation of agencies and services, and a lack of clarity around whether such services are making a discernible difference in people's lives. Like the Commission, we would like to see a system for contracting social services that supports a focus on outcomes rather than outputs, robust accountabilities, innovation and thriving, resilient communities. The size of the Commission's Draft Report suggests that overcoming some of these challenges and achieving better outcomes will not be straightforward.

We are also aware that there is a precedent for government administrations to seek bold, innovative solutions to social problems but in doing so 'cherry picking' isolated recommendations from reports such as this without reference to the broader systems changes that are proposed. Innovation is important; we should all be seeking to learn, develop and adapt our services in line with the evolving needs of our communities. To do this we need to understand what works through good evaluation. However we also need to understand what *hasn't worked* and *why*. It may not be because the service or agency is not effective, but because that service wasn't adequately resourced to achieve the outcomes it set out to. Or it may be that the events in the wider environment such as economic downturn or housing shortages create increased levels of need in our communities. Change for the sake of change can be as damaging as doing nothing at all, and it is important that there is a robust process out in place to transition towards new ways of working rather than the expectation of quick wins.

This submission reiterates a number of points made in our previous submission on the Issues Paper, in particular our support for community development approaches being incorporated into the design and delivery of social services in Aotearoa. We have identified a number of areas that we would like to consider briefly:

- Taking a Community Development Approach to Contracting for Social Services
- The role of Government as a 'systems steward'
- What role should there be for Role of Local Government?
- Funding
- Supporting a capable workforce
- Prevention & early intervention
- Areas of concern

These are outlined briefly below.

Taking a community development approach to contracting for social services

The draft report significantly identifies community development as an important part of the mix in responding to social issues. It is our view however, that the role of the community in responding to complex and difficult social issues continues to be undervalued and that an effective and sustainable approach to positive change is not recognised. As we have noted in our draft submission there is an inherent tension between community development approaches that deal with multiple issues, and typically cross boundaries and the need for contracts to be tightly specified.

It was interesting to note in your Draft Report that civil and political rights, safety, social connectedness and cultural identity were all identified as social outcomes (pg. 22), yet these outcomes are rarely included or acknowledged by government in contracts (or indeed within other funding arrangements). Advocacy, which is also identified in this context as a service is often actively discouraged. These outcomes are very congruent with the aims of community organisations and a community development approach.

Associated with the issues identified above we argue that it is important for government to be clear about why it is keen to commission the delivery of social services by community organisations. There is an 'added value' that arises from community ownership of responses to community issues and challenges, and initiatives that are community led are more likely to be welcomed by those receiving support and to be bolstered by voluntary commitment and contribution. Such an approach however is dependent on government agencies understanding this context, of working respectfully with community partners and not imposing a narrow contracting model that may be better suited to private 'for profit' companies.

We support the findings of the 'Outcome Plus' report published by NZ Council of Christian Social Services, May, 2015.

> "There are huge benefits in having a local organisation, who know their local community. The staff are local, they're embedded in that community and have that local knowledge and all that extra value. If you contract out to the big providers, particularly off shore, then those groups know nothing about the local community, and you lose that localism." (p.8)

The role of Government as a 'systems steward'

We support in principle a more purposeful role for government as a system steward, and the supporting role of an office within one of the central government agencies (F5.6, R5.3). It would be important that the role of the office was clearly articulated and that it was demonstrably independent of both the large delivery and commissioning agencies such as the Ministry of Social Development. A long term and systems approach would be critically important, as would a close working relationship with relevant Ministers.

A key issue with such an office is the risk that it will quickly become an isolated and disconnected unit that simply replicates past approaches and is totally dominated by senior, well experienced but unfortunately blinkered public servants. Stewardship of the 'social services system' requires strong and diverse connections to that system. It is critically important that an institution such as the proposed office is well informed through a range of channels, and not solely through organisational hierarchies and bureaucracies.

What role should there be for Local Government?

The Draft Report makes it clear that devolution of responsibilities for social services to Local Government is not supported (F5.2). While we agree that responsibility for commissioning or delivery of social services does not generally sit comfortably with the role of Local Government in New Zealand this does not mean that Local Government is not vitally important to the social outcomes that government as well as the community seeks. Local government has significant influence over the environment in which social services are delivered. This influence is especially apparent in relation to issues such as housing, the provision of community facilities, urban design and planning, sport and recreation facilities and support for neighbourhood development.

There is currently a very significant lost opportunity for positive alignment between the core business of local government and central government's interests in social policy. There needs to be better interaction and engagement between central and local government around meeting the needs of specific populations (as well as more generally). This issue assumes even more importance if we are seeking a less centralised model.

See also our comments above in relation to support for community development that has traditionally been supported by local government (R6.12).

Funding

The underfunding of services contracted by government was a significant area of concern for those agencies who contributed to this submission, and we were pleased to see some of these issues addressed in the Draft Report's recommendations. In particular we support the recommendation for

government to fully fund those services which it fully specifies (R6.9), and that funding for these services should be set at a level that allows providers to make a sustainable return on resources, and to invest in training, systems and tools (R6.10). There have been previous initiatives intended to recognise the importance of 'fully funding' services and making explicit the link between this and sustainability in the community sector, but as is often the case, these initiatives have not themselves been sustained, or implemented as part of a coherent overall strategy[1].

We also support the recognition that government funding for community development should be through the provision of grants for that purpose (R6.12). However, we note that funding for community development (from central government) is currently extremely limited. As discussed earlier in this submission, we are strongly of the view that social services, narrowly defined, will never of themselves be sufficient to achieve the outcomes sought. Communities that are rich in social and cultural capital provide an environment where informal support mechanisms are readily apparent and where 'prevention' and 'early intervention' occur without as much need for government intervention.

There is a further area of funding that requires specific consideration and which is significantly undervalued. This is funding support specifically for the provision of coordination and support for integrated services. This also often becomes linked with sustainable support for umbrella organisations. There is currently strong interest in the potential of methodologies such as Collective Impact to make a positive difference in responding to complex and longstanding social issues. These initiatives however are absolutely dependent on effective and intentional coordination that is well resourced, is located in an organisation that is 'neutral', and has its' own agreed accountabilities and transparency. Numerous initiatives that have attempted to gain leverage through collaboration and coordination have failed simply due to a failure to take the processes involved seriously and resource them accordingly. This work cannot be seen simply as an 'add on' that people undertake as they can.

Prevention & early intervention

The Draft Report notes that the Commission considers a well-functioning social services system would "target public funding towards areas with the highest net benefit to New Zealand" (Cut to the Chase). We fully endorse an approach to social service delivery that supports prevention and early intervention as a mechanism to reduce the long term costs not only to tax payers, but, more importantly, to those individuals and whanau who suffer unnecessary and adverse outcomes due to a lack of resources, and services which are 'too little, too late'.

The Draft Report also notes that "shifting social-services investment towards prevention rather than "picking up the pieces" entails a period where fiscal costs rise before they fall. Funding these costs will not be easy in a period of fiscal constraint" (Draft Report pg. 82). Our concern however, is that a focus on prevention and early intervention seems to be at odds with the current administration's

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[1] For example MSD's initiative Pathways to Partnership

focus on 'vulnerability' and increasingly targeted services. This is evident in the Ministry of Social Development's recently released Community Investment Strategy, which has targeted funding towards supporting vulnerable children, supporting vulnerable young people and supporting adult victims and survivors.

At its broadest level, effective prevention involves reducing the levels of social exclusion experienced by many within our communities through the provision of robust and adequate universal services, rather than services targeted exclusively towards those considered to be 'vulnerable'. While those whanau and individuals who have multiple and highly complex needs are clearly in need of significant support, there is also a risk that they can become stigmatised by such labels. Prevention involves society viewing access to things such as safe, warm and healthy homes as a 'right' rather than a 'need', and focussing political attention and funding accordingly. Supporting a community development approach is fundamental in addressing social exclusion, and building thriving, resilient and independent individuals and whanau.

Supporting a capable workforce

The Draft Report acknowledges the important role played by volunteers as part of the community workforce (R5.2). However, we would also like to draw attention to the need for contracts with community organisations that support a professional and capable *paid* workforce. While we value the role of volunteers in supporting organisations in delivering services to their communities we have already raised some concern in our initial submission that government sees organisations that rely heavily on volunteers as a 'cheap' option to deliver services that should be provided by professionals. Given the constraints created in many instances by the failure of government to adequately compensate agencies for the services they are providing, wages in the community sector are frequently significantly lower than equivalent positions in government or private for-profit entities. This makes it very difficult for community organisations to recruit, train and retain high quality staff. Any service is only as good as the people delivering it – therefore contracts that support fair wages and ongoing professional development is critical in supporting good outcomes.

We also have concerns that volunteers should not be exempted from legislation that is aimed at protecting children, for example the Vulnerable Children's Act. This legislation currently exempts volunteers from new requirements to police check staff every three years. We feel that in this instance, such an exemption risks unsuitable adults having access to children, rather than being an example of regulation "crowding out" volunteers as suggested in the above recommendation. However, this is further complicated by government attempts to recoup the costs of police checks which in turn places barriers to best practice for community organisations.

Areas of concern

In general we feel that the Commission has done a good job of attempting to capture what is a hugely complex social services landscape and to suggest various alternative models and approaches

that may be useful in achieving better outcomes. However, we would like to voice our concerns over some of the models discussed.

Client Directed Budgets

While we support clients having a voice and being empowered through the provision of social services (R11.1), we are cautious about approaches that promote client directed budgets, as this model raises a number of questions. First, the extent to which client 'choice' can be empowering depends on the abilities and capacity of those clients to navigate the complex social services landscape and successfully broker and access the services that can meet their needs. Given that many people, again as the draft report notes, have a multitude of needs, knowing how to prioritise, manage a budget and negotiate with providers would be a significant ask of many of the people we work with. There are also issues with many clients who do not recognise that they have particular needs, or who are unwilling to seek help to address their needs.

From a provider point of view, increasing pressures to "attract" clients is unlikely to lessen the competition between providers that is currently cited as a barrier to collaboration and integrated service delivery. It is also likely to disrupt inter-agency referral pathways that exist within communities. Furthermore, it is likely to increase costs for providers who would then need to 'market' their services to the public more aggressively.

Social Insurance Models

We found it difficult to see the benefits of introducing a multi-insurer model into the social services landscape. It was felt that the distribution of social services across the population is uneven and centres heavily on those who are particularly vulnerable and who frequently have, as recognised by this draft report, multiple and complex needs. Furthermore it is not difficult to predict which people would be likely to fall into the high use category. What would motivate private insurers to take on difficult clients and how would these people afford to pay premiums? It is hard to envisage how a scheme such as this could avoid increasing social inequalities rather than mitigating them. We see this as a move towards unnecessary and potentially damaging privatisation of services that every citizen should receive as required.

Conclusion

We would like to conclude our submission by again thanking the Commission for the opportunity to provide input into what we see as being an important piece of work. Improving the way in which social services are contracted for (and delivered) has enormous potential to improve the lives of individuals and whanau. We would also like to reiterate the following points:

Community organisations do not exist primarily as contracting delivery organisations for government. They do, of course offer a valuable contribution in this space, and can work in ways that core government agencies, or private 'for profit' entities cannot. However, there is often a

tension between the aspirations and priorities of community groups and government agencies. This tension needs to be navigated with open and respectful processes of engagement.

We should focus on citizens not customers. Narrowly conceived contracting arrangements have a tendency to frame the recipients of services as 'customers'. This assumes that recipients have a choice and some ability to influence the nature of the service they receive. Community groups generally prefer to operate on the basis that we are working with our fellow citizens that are needing support or are accessing a specific service as part of a broader collection of public services. We are all entitled to this support, depending on our circumstances. This is a collective undertaking where our community is organising its resources to support those who require it at any given time.

Community organisations have a role as advocates. Community organisations traditionally have an important role to speak for those who may not otherwise be heard and whose experience may not otherwise influence policy or practice. This role needs to be valued and not seen as a threat.

What is the 'theory of change'? Much of government contracting for social services appears to exist in a vacuum. It would be valuable for there to be explicit discussion and thinking about how it is envisaged that positive social change will occur (at an outcome level) through specific interventions. This would provide a clearer focus on the important connections between sectors and the way this impacts at a family or community level.

What is the role of Local Government? There is no discussion, or visibility of any role for local government as part of this Inquiry. Local Government (particularly in Auckland) makes a crucial contribution to community development and 'placemaking' at all levels. If we are to progress our collective responses to difficult 'social' challenges, local government needs to form part of our thinking at every level. Community and social infrastructure is far more influenced by local government than by social service delivery. It is this community context that will either improve or degrade the environment in which social issues emerge.

Thank you for the opportunity to contribute to this Inquiry.