



Response to the Draft Productivity Commission Report on More Effective Social Services

June 2015

Introduction

Barnardos appreciates the significant amount of work, thought and consultation that has gone into the writing of the Productivity Commissions draft Report on More Effective Social Services.

We have valued the opportunity to be part of the consultation process and thank the Commission for taking account of the views and ideas that we have shared to date.

The draft report is comprehensive and covers a wide variety of issues. It is a valuable contribution to the on-going conversations across the sector on how we can all do better to improve the lives of children, families and communities.

Set out below is our response to some of the key messages within the draft report. We have purposely sought to keep our response short and to focus on 8 points of feedback and clarification.

If you would like to discuss any part of this response or require any further information please contact:

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Our Response: Eight key points

1. Barnardos welcomes the draft report.

We are pleased to see a comprehensive review of options and approaches to social services that:

- consciously looks at the whole system
- has a strong focus on stewardship
- identifies the need for, and complexities associated with, devolution
- recognises that that commissioning is skilled and nuanced and that there is no one way, one model or one tool that is always the right one to use
- clearly articulates that improving the social services system is about more than just improving contracting and procurement arrangements – culture, architecture, leadership, learning, communication all matter .
- recognises the urgent need for better infrastructure and supporting data systems

2. We support the call for significant change.

Many of the changes that the draft report outlines and recommends are significant and substantial in size. Barnardos recognises that what is being proposed will require fundamental and deeply challenging change from both government and organisations like ours. We support this approach. While acknowledging that adjusting to significantly different structural, cultural and funding arrangements will be hard, Barnardos like other NGOs is open to this challenge. We agree that the current system does not deliver what it needs to for children, families and communities. And the pattern that has occurred over that last 20 years of continual review and band-aid responses makes delivering quality, sustainable services within a coherent business model almost impossible for social service organisations.

3. We appreciate the focus on implementation and we would welcome stronger recommendations on this

Barnardos support for the draft report, and our willingness to engage on the issues it raises – even those that will be challenging for us – is driven in large part by the focus that the draft report gives to careful, skilful implementation. Throughout the report there is strong and clear acknowledgement that change takes time and needs to be done carefully, systematically and in consultation. This is a marathon – not a sprint.

While we appreciate that this message is clearly throughout the report, we would welcome clear and strong recommendations about the implementation process itself. Based on our experiences over the last 15 years, we are sceptical that careful and thoughtful implementation will actually occur in practice. We welcome engaging in a significant change process where the overall goal is to do it in a way that ‘acts as a hospice for old system while being a midwife for the new’. We are nervous that random parts of the draft report will be implemented with no overall plan or direction. For example we are concerned about:

- slavish application of one or two new models - without intelligent nuancing and learning
- random ‘dollops’ of client focused contracting or decentralisation without enough long-term certainly for organisations to develop a realistic business plan around their delivery

We would welcome explicit recommendations around the sorts of time and levels of investment needed for careful implementation – including time and investment to create a vision; undertake a sustained investment in people (skills) and processes (systems); and then introduce new funding and contracting systems that are aligned with the vision.

4. We would welcome a clearer articulation of issues that need to be considered when deciding on services models and approaches

Barnardos welcomes the draft report's call to look more widely at options and approaches to commissioning and funding social services. Barnardos is not ideologically 'for' or 'against' any of these approaches. Our support or opposition to any approach depends on the context and details of implementation. At this stage, we support with the overall messages of the draft report which we read as:

- Remember that there are lots of options – not just one or two blunt tools
- Think, take time, gather information, consult widely before deciding which tool to use in any situation; be fully aware of potential dangers of any option as well as possible benefits.
- Take small steps and constantly learn; be willing to change and adjust systems and processes overtime as we see what real world application of an option looks like; slavish application of any idea should be avoided.

If this sort of approach is followed, then we are open to having conversations and fully exploring a range of new structures and funding approaches.

We would support a clearer articulation of some of the issues that need to be taken into account when considering different approaches and service models. In particular:

- a. ***Ensuring that cost is not the sole or primary driver of all decisions.*** In our view there is currently a pervasive assumption and supporting culture that drives towards 'cheap' services first and foremost - rather than towards the right level of service for the right level of investment. If we really want to tackle hard, entrenched, complex, multidimensional social issues with families and communities, then we need to be open to considering options that are not 'the cheapest' or 'the quickest'. In our view there is a strongly held assumption within the current system that NGOs should always be able to provide a service more cheaply than government. If getting services on the cheap is the only driver of relationships between government and NGOs then much of the value that can be gained through working in a genuine, honest partnership is lost. Government needs to be able to articulate what it wants and values from the community and NGO sector, other than cheap and easy services.
- b. ***Ensuring that the practical realities (including staff skills and organisational infrastructure) are seen and counted.*** The service models and approaches outlined in chapter six all have advantages and disadvantages as do the investment and insurance approaches and client choice and empowerment approaches in chapters nine and eleven. Each of these approaches has the potential to deliver positive results for children, families and communities within the right context. However, without additional investment of both time and money, organisations like ours will not be able to sustainably manage having the infrastructure required to deliver on too many of these approaches at once. Each of these approaches needs to be supported by slightly different systems of client engagement, reporting, oversight, risk management, accounting and budgeting etc. Managing diverse approaches to the funding delivery and accountability of social services across a small population, a large number of providers, and in a very tight fiscal

environment will be a significant challenge. The practical, on-the-ground delivery realities of these approaches needs to be accounted for.

- c. ***Ensuring that there is an appropriate risk balance.*** Oversight of the system as a whole needs to include looking out for which parts of the system are bearing the most risk. We are concerned, that without careful consideration and oversight, implementation of new service models and approaches will shift too great a responsibility for managing risk onto individual providers. We would value more guidance within the final report on steps that can be taken to ensure that the overall balance of risk is shared appropriately across the system as a whole.
- d. ***Mitigating against the risk of 'cherry picking'.*** The social services system needs to be able to better serve those children, families and communities who are in greatest need. We are concerned that, without careful management, some of the approaches outlined will create incentives for providers to find and capture easier to work with families and communities. Providers that want to make a difference for very vulnerable families and communities need to be supported to invest in and retain skilled staff, systems and infrastructure that support long-term learning, which allow for learning about what doesn't work as well as what does and for the successful approaches to be implemented. One of the messages we get most often from vulnerable communities and families is that to make a difference we have to be committed to them for the long-haul and be willing to stay even when things don't work and are really tough. If too big an incentive is created for getting 'in and out' quickly, and only staying with clients who show early signs of success, then we are concerned that those who need support the most may miss out. The potential benefits of a successful 'commission, review, commission' model should not be diminished by an overwhelming desire to simply do things quickly.

5. We would welcome clear recommendations on how to stabilise the NFP sector while at the same time creating incentives for change

Barnardos agrees with the draft report that momentum and change is necessary. Staying the same is not an option. We are keen to progress and are not looking to merely protect what already exists. However even if there is careful and considered implementation, it needs to be recognised that the NFP sector is not starting from a zero or stable base. There is significant stress, strain and mistrust in the sector. The NFP sector has been reforming, paring back and dealing with uncertainty for so long now that there is no fat in the system. Participating in the marathon of change is going to be difficult when we are starting from a point of resource constraint induced fatigue. We would welcome more explicit recognition in the final report of this context:

- We appreciate the strong focus on change that is throughout the draft report. However there are immediate structural, cultural and funding issues that are creating crises within the NGO sector (as evidenced by the recent closure of Relationships Aotearoa, and the mistrust, miscommunication and complexities that appear to have revealed themselves through the closure process). Urgent attention needs to be given to stabilising what we have now, so that we can build from it. We would welcome more discussion within the final report on the question of how to hold or supported the NFP sector through the time that it will take to complete a thoughtful and considered change process.
- Over the last few years bare bones funding has impacted on more than just the ability of the sector to innovate. It has impacted on the NFP sector's resilience and may make organisations resistant to approaches that feel like even more uncertainty and disruption. We would welcome the Productivity Commissions views and direct recommendations on practical steps that can be taken to avoid organisations lurching through the next few years in a constant sense of either 'stuckness' or crisis.

- There seems to be a long standing culture within the wider sector that NFPs exist to provide services on the cheap. Conversations are difficult and regularly get stuck when this basic assumption goes unchallenged. It would be useful if the final report can help guide a new type of conversation.

In our original submission, we used the image of an eco-system. The current eco-system has been significantly stressed over the last 20 years. In our view, careful attention and thought needs to be urgently given to how to sustainably manage what we already have: how should we go about protecting what is valued while at the same time creating a healthier and more productive system where what matters most has a greater chance of flourishing? Without this there is a significant risk of either 'desertification' (as we unconsciously wipe out skills, knowledge and experience that could be of significant value) or being 'overgrown with weeds' (too many cheap, small actions that are not meeting the real needs of families and communities).

The actions that government has been taking to date (continual reviews, new plans, and regularly changing one-off funding rounds) have not been effective in either stabilising the NFP sector nor building momentum for positive change. We welcome the Productivity Commissions guidance on alternative approaches.

6. We support the focus on stewardship and leadership and would welcome more consideration of how this can be achieved in a way that results in action and change - the ability to cut through red tape - not make more of it.

We agree with the draft report that good stewardship, strong thought leadership and processes that support a whole-of system focus are essential to support genuine reform and progress. We would welcome the establishment of an Office of Social Services if this is an entity that has the mana, credibility and culture required to support long-term, genuine, cross party change.

We are wary of stewardship systems being created which are costly and bureaucratic. This is because we are nervous that the main focus of government work (and the main beneficiary of time, money and attention) over the next few years becomes the mechanical process of setting up the Office of Social Services – with not enough attention being given to the increasingly urgent issues of front-line funding, capability and effectiveness. Our experiences and observations during the setting up the Children's Teams has made us cautious of the time and effort it takes to set up this sort of infrastructure. We would welcome recommendations that reduce the likelihood of bureaucratic action becoming the only/main focus of change in the short term.

To be effective any Office of Social Services would need the authority, independence and political support to positively lead and challenge all parts of the system. We would welcome greater guidance in the report on innovative approaches to establishing an effective Office. In our view, just creating a new office as part of an existing government department or agency will not deliver the results that the draft report is driving for. It is vital that the Office is established in such a way as to ensure that it is change agent which has the ability to creatively cut through 'old' conversations and red tape, not make more of it.

7. We support the focus on client choice and empowerment and would welcome further investigation of how this might also be applied to involuntary clients

We welcome the discussion in the draft report on client choice and empowerment. We recognise that there are risks that would need to be carefully managed, and that moving towards systems of greater client choice will create challenges to current power structures (including ours) that may be culturally hard to work through. However if the move towards client choice is driven by the desire to be truly responsive to what works best for clients (rather than cutting costs) we support this direction.

In our experience client choice can be a very effective ingredient of a sustainable change process within families. Research suggest that it is important that individuals and families - including those that require statutory intervention – are invited to take responsibility for themselves, their actions and their future choices. Choice about the ‘who’, ‘how’ and ‘what’ happens within a person or families life contributes to a sense of agency and empowerment for genuine change. Particularly for involuntary clients we need to be careful about what is being required as a “punishment” for past actions and what is being required as a restorative positive change process. We recommend that the Productivity Commission further investigate the work of researchers such as Chris Trotter and Andrew Turnell who articulate ways of engaging with (not doing to) mandatory clients in order to bring about substantive and long-term change.

8. We welcome the discussion on Treaty issues and would value greater support and guidance in creating effective, modern, Treaty-based relationships with Māori.

Barnardos support the draft reports articulation of the importance of enabling greater rangatiratanga within social services. Services that are developed and delivered by and for Māori are essential. Barnardos is clear that we are a mainstream organisation that operates within the Treaty framework. This requires us to continually work to increase and improve our organisational cultural intelligence and our ability to be responsive to Māori who may choose to use our services. We take this responsibility seriously and invest significant time and resources into our staff and infrastructure to support this work. At the same time, we would value greater guidance and supporting infrastructure within the sector as a whole to support us to work alongside Tikanga Māori organisations. It feels like we are collectively missing out on opportunities to work in genuine partnership – where we share and respect our different knowledge, resources and expertise - in order to make a bigger difference for Māori and non-Māori children, families and communities. It would be useful if the Productivity Commission was able to recommend options to support the whole system expand the conversations we have about creating effective, modern, Treaty relationships as part of the significant change processes that the report is outlining.