



auckland north community  
and development

New Zealand Productivity Commission

## More effective social services: Issues paper - October 2014

### Submission of Professor Michael Belgrave

My name is Michael Peter Belgrave. I am a member of the Board of Auckland North Community and Development. I am a professor of history at Massey University and have had an extensive involvement in social policy research and social service development since my appointment to the University in 1993. I played a major role in the development of the social workers in schools service, which was initially piloted from Massey University at Albany and I worked with the Ministry of Social Development to generalise and evaluate the program as it was introduced to New Zealand schools. I am one of the authors of *Social Policy in Aotearoa New Zealand*, published by Oxford University Press and currently in its fourth edition. I was a consultant to the New Zealand Treasury in its 40 Year Long-Term Fiscal Position study, released in 2013.

### Discussion

#### 1 The scope of the paper

The commission's terms of reference focus on the need to improve outcomes for New Zealanders from social services which are funded by government. It then goes on to limit the focus of its investigation to the contracting regime, rather than placing the social service sector in a broader setting, which would include aspects of social service delivery and community support, subject to government funding, but not necessarily limited to the contracting regime. If government's objective is to improve outcomes for New Zealanders by better social service spending, it has responsibilities which go beyond just contracting agencies.

To ensure that the sector functions effectively, that New Zealanders, both as individuals and within communities, have better social outcomes, government needs to do more than simply revise the commissioning and purchasing of social services. A broader approach would include ensuring that social services are based on adequate research into social and individual needs, effective piloting and innovation not just in contracting, but in service delivery, in programs, and evaluation and in professional practice. Government also has to take a much bigger responsibility for workforce development, both for professionals and those otherwise employed in the sector and for volunteers. It seemed particularly surprising that a commission examining productivity is focused entirely on the relationship between government and contracting agencies, ignoring the more general need for a well-educated, highly performing, reflective and self-evaluating workforce. The commission should consider this in much greater detail as it develops its draft document in 2015.

The issues document also treats local government as a very minor player in the sector, as funder, provider or coordinator of services, but it needs to explore how local government can play a much greater role in achieving social wellbeing objectives. Although more is expected of the private sector in the document, much more needs to be said about how businesses can be more and benefit from being more socially responsible. Safe and supportive workplaces which are integrated with their communities contribute to social well-being, reduce the need for some social service interventions. Government has used schools and hospitals as sites for social service delivery, sometimes, as in social workers in schools, not simply to support healthcare or education. Similar relationships with large businesses may also allow for greater levels of social service integration and awareness of social needs.

*Recommendation 1: That the draft broaden the approach to productivity to include activities of government beyond the contracting of agencies which will increase productivity, including government responsibilities for program development and evaluation, research, and especially workforce training and professional development, particularly as it relates to the roles of volunteers. The role of local government and business should also be taken into account.*

## **2 Definition of social services**

The issues document also seems vague on what social services are and how to judge their success. The emphasis is on better outcomes for individuals is a worthy objective in itself, but one that ignores the need to develop vibrant, well resourced, well-informed, responsive, integrated and participatory communities. The issues document needs to be clearer that a more efficient social service sector is one where communities are supported by adequately resourced, professionally informed, integrated and cooperating social services.

*Recommendation 2: The definition of effective social services should be broadened to include the well-being of communities as well as individuals.*

## **3 Poverty and incomes**

The issue of funding social services was excluded from the terms of reference of the commission's report, but despite this there needs to be some recognition that while social services can be made more efficient, with savings to government, a high level of social service support is the cost of social inequality, and that there is a need for increases in the cost of social services at times of economic adversity. One of the major reasons why adult New Zealanders are better off in work is because of the low incomes of those reliant on benefits. Despite this relationship between social services and poverty, a well-functioning and wealthy society still requires social services, although the needs and the responses to them may be different.

*Recommendation 3: The draft needs to recognise that social services are an essential part of a well-functioning and wealthy society as well as an important tool in reducing the effects of poverty and are likely to cost more for government at times of greater economic adversity, particularly when social services are being used as a substitute for increasing benefits for those in low incomes.*

## **4 Diversity within the social service sector**

In the background analysis provided to the issues document, there is a lack of definition of social services, with at times police, education and health being lumped together as part of government's commitment to social service expenditure. Such a broad approach undermines rather than

acknowledges the level of diversity within the social service sector itself. Genuine social services need to be substantially differentiated from police and education and much of the health sector to ensure that they are better served by contracting regimes. Social services attached to healthcare are often quite different from other social services in the professional workforce they use and in their ability to provide evidence-based interventions. At the other extreme, community development social services, early intervention and preventative services are much more difficult to evaluate and their modes of professional delivery can be quite different. There is a significant risk in understating the diversity of the social service sector, differences in agencies, approaches and methods, size and client bases, which require a highly customised approach to contracting and other forms of government support.

*Recommendation 4: The draft document to recognise the wide differences between social services, depending on the sector they service, the source of funding, their long short-term objectives for change and their size.*

## **5 Historical context**

The issues document provides a brief historical introduction to the development of the welfare state and relies on Kaplan to suggest that the welfare state developed in New Zealand because of the failure of private philanthropy, failing to acknowledge the long-standing state commitment to social well-being in New Zealand, in contrast to Kaplan's own United States experience. If the commission wanted to background adequately the issues facing New Zealand and its contracting regime, there should have been some coverage of the period 1984 to 1993, when the contracting regime was introduced as a means of devolving social services. Government in this period believed that state responsibility should be transferred to communities and at the very least social service delivery should be responsive to both community demands and market forces, in ways that accommodated communities demanding a greater say in their own well-being. This was particularly true in the delivery of services to Māori. The commission should ask itself whether these remain government's objectives in its contracting regime. At the time when contracting was greatly expanded as a means of delivering social, health and educational services, between 1991 and 1993, there was a lack of coherence to the sector, a multiplicity of agencies, major problems in negotiating timely and outcomes-based contracts (payments were largely for outputs) and serious concerns about the extent that social need was covered by the plethora of contracts involved. Since that time, much is improved, particularly in the practicalities of negotiating contracts. But problems of co-ordination, wrap around contracts and short term contracting remain. Seeing the current problems of the welfare state, including increasing rather than reducing expenditure, as the heritage of the mid-20<sup>th</sup> century fails to recognise the extent to which the current regime for the delivery of social services was created not in 1938 but from 1984.

*Recommendation 5: The draft should place current contracting regime within the context of its creation in the 1980s and 1990s, identifying the persistent problems that emerged as a result of the devolution of government services and recognising that many of these difficulties stemmed not from the origins of the welfare state in the mid twentieth century, but from government's determination to contain and even reduce that welfare state in the 1980s.*

## 6 Cooperation

Discussions among social service agencies on the issue of efficiency inevitably focus on the need for greater cooperation; between government departments, between agencies within government departments, between agencies, and between practitioners. While the term integration is dealt with within the issues document, the terms cooperation and community responsiveness are not. The term innovation is used regularly, but almost invariably to talk about government's response to contracting, not to talk about innovation in social practice, in community development, and the development of new programs and interventions. Greater efficiency must be tied to an environment where greater innovation in practice is encouraged and valued and this will not occur without government's encouragement or by an exclusively top-down approach to contracting. The issues document is very vague on where innovation is to be encouraged. The section on social enterprises, for instance, emphasises different forms of agency structure and funding, but not better programs or practice. Rather than reduce the number of small agencies, an integrated contracting regime would ensure that agencies worked together, smaller agencies are often been closer to their local communities, than the large not-for-profit contractors. An efficient social service sector must ensure that the knowledge and experience of frontline workers and volunteers becomes part of government's own perspective of the sector and its response to social need. Agency silos, government departments silos, the highly professionalised language of contracts and policy development: all these combine to block the transfer of frontline information to policymakers. Reflectivity, self-evaluation and high quality professional interventions require the participation of universities and other tertiary education providers who education practitioners for the sector and can provide innovation focussed research. More productive social service sector will harness the professional knowledge and expertise generated by communities and social service sector, both in identifying need, developing innovative responses to social problems and in evaluating the success. This can only be achieved by greater partnership and cooperation.

*Recommendation 6: That the social service sector be seen more from communities up rather than government down, recognising the knowledge experience and professional skills being applied in communities and integrating these community strengths with government's different knowledge and objectives.*

## Summary of recommendations

*Recommendation 1: That the draft broaden the approach to productivity to include activities of government beyond the contracting of agencies which will increase productivity, including government responsibilities for program development and evaluation, research, workforce training and professional development, particularly as it relates to the roles of volunteers. The role of local government and business should also be taken into greater account.*

*Recommendation 2: The draft's definition of effective social services should be broadened to include the well-being of communities as well as individuals.*

*Recommendation 3: The draft needs to recognise that social services are an essential part of a well-functioning and wealthy society as well as an important tool in reducing the effects of poverty.*

*Recommendation 4: The draft document to recognise the wide differences between social services, depending on the sector they service, the source of funding, their long short-term objectives for change and their size.*

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Professor Michael Belgrave  
School of Humanities  
Massey University Albany  
Private Bag 102-904  
Auckland  
[m.p.belgrave@massey.ac.nz](mailto:m.p.belgrave@massey.ac.nz)  
0274-958395

