



Submission on: More Effective Social Services Issues Paper

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Productivity Commission

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Mirror Counselling was established in 1991 to provide counselling services to children and young people. The service has expanded considerably since then. In 2000 The Mirror Youth Day Programme was established to provide a day programme for youth with moderate to severe alcohol & drug issues. Early in 2014 Mirror Counselling successfully tendered for the Youth Exemplar Contract providing enhanced & dedicated services to youth aged from 12-22 years with alcohol, drug & co-existing problems.

We are pleased to have the opportunity to participate in this inquiry and have selected the questions relevant to our organisation to comment on.

Q9 How successful have recent government initiatives been in improving commissioning and purchasing of social services? What have been the drivers of success, or the barriers to success, of these initiatives?

Success has been achieved with longer contracting terms providing increased service sustainability which allows for development. However a barrier has been changes in contracts managers and different approaches, knowledge and relational skills. Expertise can impact on provider/contractor outcomes.

Q16 Which social services do not lend themselves to client-directed budgets? What risks do client-directed budgets create? How could these risks be managed?

Case management approaches do not lend themselves to client-directed budgets. It is difficult to assess the amount of work required for children and young people as there is often multiple system input. Liaison of multi complex systems including whanau is required, which is time consuming and difficult to measure.

Q19 Are there examples of service delivery decisions that are best made locally? Or centrally? What are the consequences of not making decisions at the appropriate level?

The gap is in the joining up of local and central service delivery decisions. Often centralized service delivery decisions can be rolled out on top of local service delivery initiatives and programmes, putting good service initiatives at risk which can cause frustration and disillusionment. A national programme can have the best intentions but misses or cuts across local planning. However, if there is briefing and feedback loops provided, often the community is more prepared and willing to work cooperatively.

Q22 What is the experience of providers and purchasing agencies with high-trust contracts? Under what circumstances are more relational contracts most likely to be successful or unsuccessful? Why?

Receiving funding at the start of the contracting term allows for better service planning and sustainability. Under high-trust contracts, the reporting requirements were meant to decrease, however our experience of high-trust contracts has seen an increase in reporting, and in some case a double up in reporting requirements. We report to MSD, SDHB & MOH which each have different timeframes and requirements. The MOH & SDHB contracts do not have templates for narrative reporting making it very difficult to provide the required information. Our organisation now uses many more resources than before to complete the required reporting.

There is also no Cost Pressure funding increase built-in to our budgets and as a result our service has had to place limits on salary increases and general outgoings over the last three years.

Q23 Do Crown entities and non-government commissioning agencies have more flexibility to design and manage contracts that work better for all parties? Are there examples of where devolved commissioning has led to better outcomes?

Crown entities are very limited in their contracting skills, generally manage small budgets and don't seem to have the infrastructure in place for contracting. Reporting processes are rushed and there is no auditing process in place. These contracts seem to be administered on a who knows who basis.

Q27 Which social services have improved as a result of contestability?

A contestable process gives a clear pathway for decision making based on a team or panel decision which makes it a credible process. However, there has to be a level playing field. Some providers have more resources than others, giving them advantages in a contestable process, however this does not necessarily mean they are the best provider to deliver a particular service.

Q28 What are the characteristics of social services where contestability is most beneficial or detrimental to service provision?

It can be challenging when a provider is expected to work collaboratively with other services when there is a competitive contracting process. However the most appropriate and organised service should be awarded a contract.

Q30 Is there evidence that contestability is leading to worse outcomes by working against cooperation?

Contestability has at times led to conflict between providers, which shouldn't happen if people are being professional. It is unhelpful to experience negative feedback about a contracting process when the correct process has been followed. Cooperation should continue regardless of who successfully tenders for the contract.

Q31 What measures would reduce the cost to service providers of participating in contestable processes?

Time frames to be clear and fixed and information provided about any change in processes.

Q33 What changes to commissioning and contracting could encourage improved services and outcomes where contestability is not currently delivering such improvements?

Better consultation even though it may not change the outcome. Often the community providers think they know what is best and want contracts but just keep doing the same thing. Innovation and change comes from new initiatives.