

Submission to Productivity Commission: More effective social services

2 December, 2014

Thank you for the opportunity to submit on this important issue.

Our short submission centres on the role of the community and voluntary sector in social service provision and on the relationship between NGOs and the state. Rather than addressing the questions set by the Productivity Commission, we have focused on a small number of key topics which reflect our area of expertise.

We would be happy to meet with the commission to discuss in detail the broad points we raise in this brief written submission.

About the submitters

Dr Charles Sedgwick is a researcher who has worked at both the University of Canterbury and Victoria University of Wellington during his career. Dr Sandra Grey is a senior lecturer in Social Policy and Sociology at Victoria University of Wellington. We have been collaborating on research into the community and voluntary sector since 2007 and on the tertiary education sector over the past two years.

The importance of examining existing research

While the Commission acknowledges the role of the social service provider sector and desires 'an understanding of social service commissioning and delivery in New Zealand (Productivity Commission (2014) 'Cut to the Chase', Issues Paper) we are concerned that the full *Issues Paper* released in October 2014 has made little attempt to review the existing literature on the social service sector in NZ. There is a short review of changes in government involvement in social service provision and the replacement of state responsibility for the delivery of social services by using the community and voluntary sector (New Zealand Planning Council, 1987, p.42 cited in Smith, 1996,p.7), however no real analysis.

There is much to be learnt from both academic literature and research on the community and voluntary sector by the sector which speaks often to their concerns about effectiveness and inhibiting factors to realising this aim. Since the late 1990 with the 'Third Way' shift the sector umbrella groups and other entities have made a conscientious attempt to record the problems and needs of the sector.

We would in particular recommend that the Productivity Commission take into full consideration the following reports:

- Report of the Community-Government Relationship Steering Group (2002) *He Waka Kotuia – Joining Together on a Shared Journey*, Ministry of Social Policy/Te Manatu Whakahiato Ora , Wellington
- Social Development Partners (2013) 'Community Dialogues' and 'Challenges' (Volunteering NZ, NZCOS, Community Research and Social Development Partners), www.socialdevelopment.or.nz/featured/issues-trends-and-groups

- CommVoices (2014) 'Communities Count 2' Pre-election Briefing (www.socialdevelopment.org.nz/featured/issues-trends-and-grps/)
- CommVoices (2014) State of the Sector Survey ,2014 Snapshot <http://www.communityresearch.org.nz/research/state-of-the-sector-survey-2014-snapshot/>
- Communities and Government – Potential for Partnership (2001)
- <http://www.mosp.govt.nz/voluntary/workingpartyreport.shtml>
- Office for the Community and Voluntary Sector (2005 and 2008) 'Briefing to the incoming Minister', Wellington: Ministry of Social Development.
- Social Sector Forum (2011) 'Briefing to the incoming government', retrieved from <http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/corproate/bims/social-secto-forum-2012>.

It is also important for a review of this kind to fully rehearse the state's trajectory of trying to produce the results it wants from the community and voluntary sector. This could be done by completing a thorough literature review or annotated bibliography which would include reports such as:

Closing the gaps (2000)

Local Service Mapping (2002)

Pathways to Partnership (2003)

Community Response Fund (2009)

High Trust contracts (2010)

Whānau Ora (2010)

Social Sector Trials (2011)

Welfare Reform and Youth service Contracts (2012)

Our own research with the community and voluntary sector (which can be found at <http://www.victoria.ac.nz/sacs/pdf-files/Fears-constraints-and-contracts-Grey-and-Sedgwick-2014.pdf> and <http://igps.victoria.ac.nz/publications/files/91e4d1ad9d7.pdf>) may provide information of use to this inquiry and we would be prepared to meet with the Commission to discuss our anonymised data sets in more detail.

The approach of this commission

We have some critiques of the very process being used by the Productivity Commission. While we support open government processes, it seems many of the questions posed in the issues paper would be best answered through rigorous evaluation research that is carried out by government departments or commissioned by the government. In particular the questions relating to changes in social service procurement/commissioning policies (including Questions, 9,10, 11, 12,13, 27, 28, 29, 32, 33, 35, 37, 38, 39, 40, 42, 45, 49,51, 54).

Our own research would suggest that many social service providers will feel constrained in openly answering some of the questions set out in the research (See Grey and Sedgwick 2013a, 2013b). Whether it is intended or not, our research shows that the current environment in which the community and voluntary sector operates is one of low trust. The community and voluntary sector does not see its expertise and knowledge being taken seriously.

Added to this we question whether providers will feel able to exercise any critical evaluation since very few of the questions are framed in a way which allows this.

Looking for productivity

While the Commission is adamant (p.9) that it does not want to talk about funds made available to providers it could usefully explore the additional contextual input derived both from the local existence of an NGO, its longevity, connectedness and networks which could be additional aspects to Q 41, 43, 34, 35. The Commission does say they are focusing on 'community wellbeing through the provision of social care, health care, education and training, employment services and community services' (Productivity Commission, 2014,p.7). (Please note: we would urge you to add housing to this list).

The Commission notes it is looking for "contracting models that promote good outcomes for individuals, communities, and the population as a whole" (p. 7). In this respect it is crucial that the Commission consider the impact of community and voluntary sector providers beyond what they are 'contracted' to provide. The organisations which make up the community and voluntary sector are the 'glue' holding many communities together.

The Commission does acknowledge the 'cost' if volunteers weren't doing the work they do every day - \$600 million a year wage bill (p. 25), however, there is much more than the replacement cost of labour that must be considered. There is the capacity building in communities which comes from volunteer engagement for example. How will the Productivity Commission be looking into these 'non-financial' benefits?

We would suggest that one way of establishing the extent of what the community and voluntary sector provides would be to ask about the ratio of actual government funding to additional necessary funding. That is how much extra is really needed to ensure that providers can cover their infrastructural costs or meet the compliance costs of taking state contracts.

Effective and accountable

Accountability is a question raised repeatedly in the issues paper. The question is: accountable to whom? The Commission seems to pose accountability as being only to government but there are other accountabilities such as the local community, citizens, clients and more that must be taken into account. How will the multiple accountabilities of the community and voluntary sector be taken into account?

There is the notable absence of a question that tries to tap the question of conditions under which effectiveness or quality of service may or may not be possible. For example the social context in which providers must operate may be becoming easier and this may impact on their ability to achieve positive results or making a difference.

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