

Q 1	What are the most important social, economic and demographic trends that will change the social services landscape in New Zealand?
	<ul style="list-style-type: none"> ■ There is considerable accessible information available on the social, economic and demographic trends for New Zealand. For example: -socioeconomic divide -ageing population (service users and workforce) -impoverished families/whanau (child abuse and neglect, housing, unemployment, chronic health issues, family violence) ■ This readily available information should already be informing the social services sector; that it is not is indicative of one of the primary underlying issues. This continuous and seemingly repetitive process of collecting and analysing data but failing to act on the information is itself a trend and issue that unwittingly shapes and impacts negatively on social sector outcomes.

Q 2	How important are volunteers to the provision of social services?
	<ul style="list-style-type: none"> ■ Volunteers are crucial; they are a barometer for community health and wellbeing. ■ The volunteer role is arguably the least valued and least respected relative to its critical importance in social service provision. They provide informal and responsive community-based support that complements the work of paid social service professionals ■ In 2001 a comprehensive and well-regarded report on the role of the community and voluntary sector noted <i>“A vibrant and responsive community sector is an essential element of a strong civil society”</i> ■ In 2002 economist Suzanne Snively noted <i>“...whilst referred to as the “third sector”, this sector is as vital a contributor to the economy as the private and public sector”</i> (<i>“Measuring Added Value in the Not-For-Profit Sector”</i>)

Q 3	What role do iwi play in the funding and provision of social services and what further role could they play?
	<ul style="list-style-type: none"> ■ The over-representation of Maori in the negative social statistics, their difficulty in accessing/engaging with mainstream services and their poor outcomes from universal provision means that iwi have a significant role to play in the future design, funding and provision of social services. ■ The role has to be context dependent to fit particular community need, reflect iwi capacity and capability and fit with the intent of the Treaty of Waitangi. ■ The emphasis should be on creating partnering opportunities and strengthening what is already working such as wider application of the principles of Whanau Ora; an approach that is still not available in our region.

Q 4	What contribution do social enterprises make to providing social services and improving social outcomes in New Zealand?
	<ul style="list-style-type: none"> ■ Where the primary purpose of social enterprise is as a business for the common or public good then they have a key role to play in the social service sector. ■ Social enterprise could be <u>one</u> vehicle for re-shaping “outcomes driven” social service provision; it is not <u>the</u> solution.

Q 5	What are the opportunities for, or barriers to, social-services partnerships between private business, not-for-profit social service providers and government?
	<ul style="list-style-type: none"> ■ Opportunities: <ul style="list-style-type: none"> -partnerships that can focus collective effort on strengthening and enhancing what is already working -developing new understanding of issues/needs that are informed through more respectful and equal relationships across all sectors ■ Barriers <ul style="list-style-type: none"> -there is a systemic reluctance to embrace opportunities reflecting the patch protection inherent in the government and community sector silos and in the social service professions. -the undervaluing and underestimating of the intellect and knowledge of the community sector by the bureaucracy.

Q 6	What scope is there for increased private investment to fund social services? What approaches would encourage more private investment?
	<ul style="list-style-type: none"> ■ Private investment that is motivated by the public good and <ul style="list-style-type: none"> -yields long term benefits of less dependency and a more equal, healthy, educated society -delivers short and medium term benefits using a localised community-development approach -is responsive to immediate need by targeting population groups (eg. vulnerable children) -invests in the infrastructure of good social service delivery (eg. training and development)

Q 7	What capabilities and services are Maori providers better able to provide?
	<ul style="list-style-type: none"> ■ The default principle should be “by Maori for Maori”; however to be effective this must take local and community context into account re capability and capacity etc. (as for Qn 3) ■ Note, many social service users identify with more than one ethnicity thus the emphasis should be on Provider capability and responsiveness not solely on their organisational status as a Maori or mainstream Provider. ■ Leadership in Whanau Ora as a way of working that government is looking to expand into other areas part of their social investment focus. <i>(Bill English Nov. 2014)</i>

Q 8	Why are private for-profit providers significantly involved in providing some types of social services and not others?
	<ul style="list-style-type: none"> ■ Self-explanatory, there is no commercial incentive for a “for profit” provider to be involved in the provision of a “non-profitable” service. Perhaps the question is why/how are some services “profitable” when others are not. ■ “Profitable” services often reflect <ul style="list-style-type: none"> -how services are funded such as the increasingly popular “fee for service” funding models. Unfortunately these can encourage “cherry-picking” because the “outcomes” are more difficult to achieve within fixed timeframes. The consequence being that the more complex and challenging cases are referred to the “not for profit” sector to manage. -a more programmatic response that has short-term interventions with quick turn-around timeframes and where performance measurement is inputs/outputs driven rather than on sustainable outcomes -social service areas where there is significant and longer term funding (eg.residential care)

Q 9	<p>How successful have recent government initiatives been in improving commissioning and purchasing of social services? What have been the drivers of success, or barriers to success, of these initiatives</p> <ul style="list-style-type: none"> ■ Drivers of success The intent of the Social Sector Forum to commission and purchase more integrated services is a positive but with only limited success evident to date. ■ Barriers to success -Streamlined contracting with NGOs, High Trust Agreements and Integrated Contracting while steps in the right direction are insufficient to break down the ingrained systemic barriers. There needs to be more informed understanding of how the design and purchasing of services impact on service delivery. This is especially so where information systems built for accountability and contract reporting are effectively dictating professional practice, where the practitioner delivers what is to be measured rather than what is needed by those we support and care for. <p>-Likewise the introduction of fee for service models may show some measurable improvements in the short term but long term will limit the choice and scope of provision. This model will attract Providers of large organisations that can carry the financial risk or small inexperienced Providers chasing funding who will inevitably fall over when outcomes are not delivered in the required timeframe and they are penalised financially.</p> <p>-Government commissioning and purchasing services need to widen their lens that is presently limited to the funding aspect of their role. They must bring a more informed and comprehensive understanding of the drivers of success for improving social sector outcomes to their negotiating and decision-making.</p> <p>-One of the biggest barriers to success is the fundamental and longstanding lack of trust that the community has in the government commissioning and purchasing processes. Much of it stemming from the undervaluing of community contribution and constant need to “prove” worth and value. This was a key finding in the report from the -“Communities and Government- Potential for Partnership” Report of the Community and Voluntary Sector Working Party 2001 and little has changed. Quotes from the report re the relationship between the community sector and government. “We found deep levels of frustration, mistrust, cynicism, anger and burnout...” “ Government does not appear to trust the community sector” “ We have learnt not to trust. They hold all the cards. They are not really interested in what we say”</p>
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Q 10	<p>Are there other innovations in commissioning and contracting in New Zealand that the Commission should explore? What lessons could the Commission draw from these innovations?</p> <ul style="list-style-type: none"> ■ OYWT Co-Funded Contract for Integrated Service Delivery In 1999 The Otago Youth Wellness Trust (OYWT) negotiated the first cross-sector, outcomes-focused contract for an integrated service in New Zealand. The contract was for a community-based wraparound service for young people aged 11-18 years with multiple and complex needs. The original agreement was for a term of three years, it was co-funded by health, welfare and police and there have been four renewals since with various funders joining and withdrawing depending on the policy and funding priorities of the time. In later years it was converted to a “High Trust” contract. <p>The lack of tagged funding for integrated services has presented many challenges for the co-funders and OYWT particularly when some Funders withdrew from the Agreement because of their own baseline funding pressures. However, there is no doubt that overall the co-funding approach has been successful and has produced outstanding outcomes for individual young people and the wider community.</p>
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	<p>OYWT has 15 years experience of innovative service delivery using this wraparound model that is very similar to the integrated model now being created by the Children’s Action Teams. Yet despite our alignment with this key government policy our funding and contracting status is in jeopardy because the current contracting systems do not recognise, value nor fund community-based service integration.</p> <p>■ “Funding for Outcomes” Project The Funding for Outcomes contracting approach was set up in 2004, led by Dr Ann Pomeroy of the Ministry of Social Development as part of a desire to deal with fragmented service delivery. <i>“...to speed up progress in developing and implementing a more integrated approach to government contracting and community, iwi and Maori organisations.”</i></p> <p>It was intended as a new way of contracting between government and community providers that would better enable integrated service delivery and was also described as “a particularly valuable approach because it takes people beyond talk to action.” <i>(Funding For Outcomes: Dr Ann Pomeroy 2007)</i></p> <p>Funding for Outcomes used the Otago Youth Wellness Trust integrated contract as a prototype and it was the forerunner to the development of the Whanau Ora approach.</p> <p>■ Lessons for the Commission are -Since 1999, OYWT has been successful in designing, funding and delivering an integrated model of service delivery for young people with complex and multiple needs that is community-based, cost effective and transferable. -From 2004-2008 the Funding For Outcome Project delivered significant learning despite being ahead of its time. -In 2012, in response to the Social Sector Forum Briefing to the incoming government the OYWT penned a document “We Know Their Names” to draw attention to these funding and commissioning issues. -to ask why the work of OYWT is constantly jeopardised and the organisation even now in survival mode when it is</p> <ul style="list-style-type: none"> ● delivering what is wanted politically; ie. An integrated service approach ● uses an evidenced-based/practice-based evidenced wraparound model that is achieving successful outcomes ● targets vulnerable young people, a population that the government has identified as a priority ● cost effective and efficient, ● meeting accountability and audit requirements and has an impeccable record of no complaints or issues
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<p>Q 11</p>	<p>What other international examples of innovative approaches to social service commissioning and provision are worth examining to draw lessons for New Zealand?</p> <p>There are myriad examples of innovation internationally and locally worth considering providing that the focus is on learning lessons from them not on “importing” them without regard for the NZ environment and local context.</p> <p>Some examples that the Commission might examine include:</p> <p>■ UK: “A Better Return: Setting the foundations for intelligent commissioning to achieve value for money.” (National Programme for Third Sector Commissioning January 2009:Cabinet Office of the Third Sector)</p> <p>■ USA: “Final Report for Community solutions for Opportunity Youth” (The White House Council for Community Solutions: June 2012)</p> <p>■ Canada:</p>
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	<p><i>“The Integration Imperative: reshaping the delivery of human and social services”</i> KPMG INTERNATIONAL and The Mowat Centre 2013 <i>The Mowat Centre is an independent public policy research center located at the School of Public Policy and Governance at the University of Toronto. The Mowat Centre is Ontario’s non-partisan, evidence-based voice on public policy. It undertakes collaborative applied policy research, proposes innovative research-driven recommendations and engages in public dialogue on Canada’s most important national issues</i></p> <p>■ NZ: <i>“Communities and Government- Potential for Partnership”</i> Report of the Community and Voluntary Sector Working Party 2001 A comprehensive 200+ page report that concluded that a substantial change in funding delivery practice and underlying relationships is required”</p> <p><i>“Funding for Outcomes “</i> Cross-government Project 2004-2008 An approach to contracting enabling bi-lateral contracts to be brought together into one contract with a focus on collaboration and results.</p> <p><i>“A contract Framework for Collaborative Funding of Outcomes-Based Services”</i> Otago Youth Wellness Trust; including the Funding Allocation System Template developed by PricewaterhouseCoopers Report commissioned by Department Child, Youth and Family Services 2005</p>
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<p>Q 12</p>	<p>What are the barriers to learning from international experience in social services commissioning? What are the barriers and risks in applying the lessons in New Zealand?</p>
	<p>■ The wholesale importation of services and programmes from overseas with no regard for the New Zealand environment creates a barrier when strict adherence to the implementation and fidelity of the programme being commissioned becomes the sole focus at the expense of the learning gleaned from what works and what does not work</p> <p>■ The risks include</p> <ul style="list-style-type: none"> -adopting social service programmes and approaches because they are “evidence-based” without regard for local context. When these programmes fail to produce outcomes the local Provider is inevitably blamed. -distorting practice; either the Provider protects their organisation by conforming to the programme regardless of client need or the Provider retains the client-focus and compromises the fidelity of the programme. -cost of programme churn as a result of constant introduction/change from one programme to another depending on what is “in vogue”. -constant pre-occupation with finding the quick fix at the expense of services that are already working and should be invested in.

<p>Q 13</p>	<p>Where and when have attempts to integrate services been successful or unsuccessful? Why?</p>
	<p>■ See Qn 10 for background.</p> <p>■ Co-Funded Contract for an Integrated Service. In 1999 the Otago Youth Wellness Trust negotiated the first co-funded contract in NZ for integrated service provision. We have been successful in retaining the co-funding framework in spite of numerous challenges and changes in funding and contracting processes. We have also been successful in contributing to positive outcomes for vulnerable young people in our community as both the individual and wider community outcomes attest.</p> <p>■ Funding For Outcomes Project In 2004 the Funding For Outcomes project was set-up under the leadership of Dr Ann Pomeroy at MSD. Its aim was to develop a contract framework for integrated services. Funding For Outcomes was successful but arguably ahead of its time and the government</p>

	<p>sector contracting and purchasing systems were not ready to embrace the fundamental shift in thinking required. Indeed one of the biggest challenges for the Funding for Outcomes project was changing the contracting culture of their own colleagues.</p> <p><i>“Getting some of our government colleagues to have a more open mind and to think first about the clients and what they need.”</i></p> <p><i>“Getting our government colleagues to think differently about how they go about contracting with social service providers....and that processes are not set in concrete”</i> (Funding For Outcomes: Dr Ann Pomeroy 2007)</p>
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<p>Q 14</p>	<p>What needs to happen for further attempts at service integration to be credible with providers?</p>
	<ul style="list-style-type: none"> ■ See QN 10 and 13 ■ In summary, service integration must be fit for purpose. That is Providers must be engaged in the design, funding and service delivery development and the integrated model must reflect local community context and individual client need. ■ Government policy and contracting must be committed to the principle of service integration, possess the intellect and skill to negotiate and interpret outcomes-focused contracts and understand the difference between contribution and attribution with regards measuring performance.

<p>Q 15</p>	<p>Which social services are best suited to client-directed budgets? What would be the benefit of client-directed budgets over existing models of service delivery? What steps would move the service in this direction?</p>
	<ul style="list-style-type: none"> ■ Whole of family/whanau oriented services where there is intensive community-based support available and a shared vision that sustainable long term change is the overarching goal. The client-directed budget must be sufficient to support this as a long term investment.

<p>Q 16</p>	<p>Which social services do not lend themselves to client-directed budgets? What risks do client-directed budgets create? How could these risks be managed?</p>
	<ul style="list-style-type: none"> ■ Social services funded for vulnerable young people/children where the family/whanau does not have the capability/capacity for ensuring the wellbeing of children is paramount. ■ Client-directed budgets that are insufficient or not long term enough to sustain change may create risks for the stakeholders. ■ The risk could be managed by ensuring community-based support to work alongside people on client-directed budgets and to share the risk with all stakeholders, including funders.

<p>Q 17</p>	<p>What examples are there of contract specifications that make culturally appropriate delivery easy or more difficult?</p>
	<ul style="list-style-type: none"> ■ defining what is culturally appropriate delivery through inappropriate stereotyping ■ failing to acknowledge the increasingly common client practice of identifying as being of dual/multiple ethnicity ■ compromising service quality for “cultural appropriateness” without regard for client voice and choice ■ contract specifications that take no account of local capacity/capability for defining and delivering culturally appropriate social services.

Q 18	How could the views of clients and their families be better included in the design and delivery of social services?
	<ul style="list-style-type: none"> ■ “Voice and choice” must be a core principle of all social service design, purchasing and delivery. If we continue to design, fund and deliver services without the views of the clients and their families the services will continue to fail them. ■ The views of clients and families/whanau are expressed everyday in their interactions with Providers; we need practitioners and organisational leadership to have the awareness to respond whenever and however clients are “expressing” their views be it through words, actions or inactions. ■ Formal feedback and evaluation with transparent processes for how this data is collected and analysed to better inform social service provision.

Q 19	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?
	<p>Our experience is that very few decisions are now made locally. It appears that local funding and contracting staff have little or no influence and are simply implementing centralised or at best regionalised decision-making. There is no evidence that service delivery is being informed by local data and information. Despite the rhetoric of rewarding innovation, integration and collaboration, baseline funding cuts remain our reality with scant opportunity or incentive for improvement. In essence, it is less important where the decision is made than it is that it be the RIGHT decision for the community; when poor decisions are imposed the integrity and credibility of delivery is compromised.</p> <p>Example: South Dunedin Social Sector Trials</p> <p>The South Dunedin Social Sector Trials is a good example of a national initiative that has been designed centrally without knowledge of the local context. It may well be that the Trials have been successful in other locations but this is an example of the cookie cutter approach missing its target, largely because it failed to acknowledge the work and outcomes already being delivered for the target group. The consequence is that the whole process lacks integrity. As it is currently configured the South Dunedin Trial cannot achieve any of the outcomes that have been imposed but because of its political status the local community is discouraged from challenging what is acknowledged as being an absurd situation. This is made worse when outcomes are attributed to the Trial with no recognition for the long term contribution of others in the community.</p>

Q 20	Are there examples where government contracts restrict the ability of social service providers to innovate? Or where contracts that are too specific result in poor outcomes for clients?
	<ul style="list-style-type: none"> ■ Yes, arguably most of them in our experience, primarily because the wellbeing of the client and family/whanau is not truly central to the contract outcomes. For example <ul style="list-style-type: none"> -the restrictions inherent in using a generic population-based contracting framework for delivering individualised outcomes for a target group with complex needs. -highly prescriptive and inflexible service specifications that stifle innovation, deliver poor outcomes and unwittingly increase risk because they do not reflect actual need.. -“cookie” cutter interventions and programmes that are introduced nationally without due regard for their relevance to local context. -the cumulative effect of the above is to divert resource away from the services where it will deliver most benefit to shoring up programmes and initiatives that promise a quick fix or one-size fits all solution.

Q 21	How can the benefits of flexible service delivery be achieved without undermining government accountability?
	<ul style="list-style-type: none"> ■ Government accountability is already being undermined by the poor outcomes currently delivered as a result of inflexible service delivery. As the intent of flexible service delivery is to improve social service outcomes then achieving this will increase not undermine government accountability ■ To achieve service flexibility all stakeholders must be involved in and “own” the process of design, purchasing and delivery of service responses.

Q 22	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?
	<ul style="list-style-type: none"> ■ The Otago Youth Wellness Trust (OYWT) was one of the first four national High Trust Agreements that replaced the original co-funded contracts. Our original co-funded contract for an integrated service was negotiated in 1999 and became the prototype for the government <i>Funding for Outcomes Project</i> of the mid-2000s. ■ Our experience as a Provider is that the High Trust Agreement has no status within the government sector beyond political rhetoric. This includes the funders and contractors who are signatories to the Agreement. The High Trust Agreement is viewed more as a “political” vehicle than as something of real value. In our case, as a relational contract it has been successful only because OYWT is committed to the principle of integration being inclusive of design and funding as well as service delivery. Our recent experience of a contract meeting where funders arrived with separate reporting templates makes a mockery of the process. The intent may be genuine but it is not High Trust in its execution. ■ High Trust/relational/integrated/cross-sector agreements no matter their title will only be successful when all stakeholders understand and commit long term to the principle of integration and that the whole is greater than the sum of the parts.

Q 23	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?
	<ul style="list-style-type: none"> ■ Limited and anecdotal knowledge suggests yes because their relational approach is more inclusive of all parties although ultimately they are governed by the same master.

Q 24	Are there examples of where government agencies are too dependent on particular providers? Are there examples of providers being too dependent on government funding? Does this dependency cause problems? What measures could reduce dependency?
	<ul style="list-style-type: none"> ■ Inevitably there will be a degree of co-dependency because NZ is a small country with unique demographic and geographic challenges and variation of need. However factors such as economies of scale, service viability and sustainability have to be taken into account before defining a Provider /Funder relationship as dependent, it may well be the most pragmatic and appropriate for the community it serves. ■ Of more concern is not that Providers are too dependent but that government funders feel pressured to create competition or other options to drive down cost and ensure there is “choice”, sometimes at the cost of losing a good provider. ■ Where it is proven to be working well for all stakeholders then the monopsony/monopoly model should be accepted as being just as robust and relevant for government/community sector provision as it is for government/government sector provision.

Q 25	<p>What are the opportunities for and barriers to using information technology and data to improve the efficiency and effectiveness of social service delivery?</p>
	<ul style="list-style-type: none"> ■ OYWT recently completed an MSD-funded review identifying opportunities for using information technology to improve delivery of its integrated service for young people; findings included <ul style="list-style-type: none"> -Client-related <i>(eg. one to one communication through IT, enabling and improving access to other services, timely recording of notes, real time assessments etc)</i> -Contracting/reporting <i>(simplifying contracting and reporting, amending/modifying service contracts, identifying and tracking trends and issues, sharing cross-sector information)</i> -Organisational effectiveness/efficiency <i>(Case management/financial management /HR processes/planning and administrative systems etc)</i> -Communications/PR <i>(Website/Client information/Fundraising)</i> -Evaluation <i>(Client feedback/formal evaluation)</i> ■ Barriers <ul style="list-style-type: none"> -Cost of information technology (hardware/software and operational costs) <p>While we were appreciative of the MSD funded review of our IT capability and future needs the exercise illustrated much of what is wrong with how the social sector operates. Having invested in assessing our IT capability and capacity there are no resources to implement the plan for improvement.</p> <ul style="list-style-type: none"> -2nd Digital divide <i>(providing the hardware/software is not enough, we also need training and development to use it efficiently and effectively)</i> -Using IT to “measure” inputs/outputs/outcomes <i>(this can unwittingly have the effect of shaping practice to deliver what is measurable not what is needed)</i> -imposition of “one- size fits all” IT systems <i>(Unwieldy , inflexible systems that stifle innovation and shackle creativity)</i>

Q 26	<p>What factors should determine whether the government provides a service directly or uses non-government providers? What existing services might be better provided by adopting a different approach?</p>
	<ul style="list-style-type: none"> ■ This assumes the government retains responsibility for ensuring essential universal services (health, education, justice etc) are provided. ■ As for Qn 24 factors such as community demographic, geographic region, economies of scale, sustainability, strengths and assets of a community, specific population needs should determine the capability and capacity for community versus government delivery. ■ Identifying which services could benefit from a different approach will vary from community to community. The government focus should be on developing a flexible approach that maximises the capacity and capability of every community to lead, partner, supplement and/or provide social services that best fit their needs rather than trying to identify service(s) by type on a one-size fits all basis for national roll-out.

Q 27	<p>Which social services have improved as a result of contestability?</p>
	<ul style="list-style-type: none"> ■ Social services are continuously improving and attempting to attribute this to contestability alone risks minimising the contribution of others, particularly where there has been strong community involvement and support outside of the contestable funding process. ■ In many communities competition and contestability have had the opposite effect and have destroyed the positive relationships and partnerships that naturally and informally existed between Providers developed over many years.

Q 28	What are the characteristics of social services where contestability is most beneficial or detrimental to service provision?
	<ul style="list-style-type: none"> ■ Where there is genuine need for choice and economies of scale support a contestable model ■ As a general principle contestability should not be viewed as the solution for improving social service delivery. Successful NGOs are already cost-effective and efficient with the capability of delivering quality services. Contestability should be focussed on improving outcomes and less on spending hours competing for relatively small amounts of funding. ■ The constant demand placed on organisations to compete for every \$ of funding, whether from government or the community, is a waste of precious resource and energy. Indeed the cost of processing and administering some of the many contestable service grants must at times exceed the amount of funding being distributed. This is particularly frustrating when much of the information being sought is repetitive and already on record.

Q 29	For which services in which parts of New Zealand is the scope for contestability limited by low population density?
	<ul style="list-style-type: none"> ■ There will be many examples in rural NZ and in provincial towns where the declining population is impacting on social service provision, which in turn leads to more and more centralisation of services encouraging even more decline in local provision. In this scenario, partnership between and across all sectors, rather than contestability, is essential to retain quality and responsive services for those most vulnerable in every community.

Q 30	Is there evidence that contestability leads to worse outcomes by working against cooperation?
	<ul style="list-style-type: none"> ■ Yes, there is much evidence of how contestability has contributed to the breakdown in cooperation and collaboration since the introduction of the competitive model. As a result the focus is often less on client outcomes and more on survival of the organisation.

Q 31	What measures would reduce the cost to service providers of participating in contestable processes?
	<ul style="list-style-type: none"> ■ Integration: Integration would yield benefits for all stakeholders where the service is for clients with multiple and complex need who require an individualised response for them as a whole person. The siloed and piecemeal purchasing/commissioning approach currently used actually fragments services. At its worst Providers are then told to collaborate in effect to re-join the fragmented services into a “whole” that is meaningful for the client; all at the cost of the Provider (and client). ■ Local commissioning: National commissioning and purchasing for local services is neither cost-effective nor efficient because the “one-size fits all” approach does not work where services for the most vulnerable in a community need to be individualised or at the very least adapted to fit local context. This relies on local knowledge to inform the contestable process, beginning with an assessment of capability and capacity and whether a contestable process is feasible. ■ Partnerships: Cross-sector partnerships beginning with the design and funding of services would often produce better outcomes than the present “contestable” approach that discourages creativity and innovation. It would also remove the need for resources and energy spent on “collaboration” which is frequently just a response to the fragmentation created by the system in the first place.

Q 32	What additional information could tender processes use that would improve the quality of government purchasing decisions?
	<ul style="list-style-type: none"> ■ More transparency and recognition of the value of local knowledge and relationships and how that contributes to better outcomes. Our experience is that it can be difficult to reconcile what was required from the RFP with the final outcome; especially if it was a national tender process for a local service. ■ Rebuilding community trust and belief in the integrity of government tendering processes.

Q 33	What changes to commissioning and contracting could encourage improved services and outcomes where contestability is not currently delivering such improvements?
	<ul style="list-style-type: none"> ■ Development of a design, purchasing and delivery framework for service integration that is inclusive of all stakeholders. It would have a shared vision, agreed outcomes and collective accountability. ■ Relational contracting approach ■ A local commissioning rather than traditional national funding model ■ Contracting and funding roles that require more analytical capability and the ability to apply more informed and robust rigour to funding and contracting decisions. ■ Eliminate or reduce the number of contestable funds for small grants and one-off initiatives that consume so much resource when there is already pressure on baseline service funding

Q 34	For what services is it most important to provide a relatively seamless transition for clients between providers?
	<ul style="list-style-type: none"> ■ Any social service where there is vulnerability, complexity and long term need and where trust is critical for building a relationship and securing client engagement to achieve positive outcomes.

Q 35	Are there examples where the transition to a new provider was not well handled? What were the main factors that contributed to the poor handover?
	<ul style="list-style-type: none"> ■ There are numerous examples of where good provision has been replaced by lesser quality. Factors contributing to poor transitioning are often less about the handover of Provider(s) and more about the processes prior such as <ul style="list-style-type: none"> -non-transparent tendering processes -fixed term contracts for short term interventions -poorly-informed contracting staff with limited knowledge of the services and clients they are purchasing -the misperception of the need to create competition/choice/diversity to improve services that results in delivery of lesser quality

Q 36	What are the most important benefits of provider diversity? For which services is provider diversity greatest or most limited? What are the implications for the quality and effectiveness of services?
	<ul style="list-style-type: none"> ■ Provider diversity is beneficial where economies of scale and availability of quality staff and resources support it and the diversity is responsive to user need rather than the organisation being diverse for its own sake. ■ The focus should always be on Provider quality and effectiveness. Diversity or “choice” for choice sake that knowingly results in multiple Providers delivering poor quality services is unethical.

	<ul style="list-style-type: none"> ■ The monopsony/monopoly model is already established in New Zealand especially in government/government services because it is the most effective and efficient for many communities, such as those that are smaller and harder to reach. In these situations the contractor/provider relationship should be on continuously improving the quality of the service delivery rather than “constructing” diversity through competitive funding processes. ■ “Over-specialisation” can also masquerade as “diversity” where the experts and specialists capture the market resulting in services that are designed and funded to reflect professional interests (expertosis) rather than what the user needs.
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Q 37	How well do government agencies take account of the decision-making processes of different cultures when working with providers?
	<ul style="list-style-type: none"> ■ Varies from community to community and is dependent on the skills and relationships of the funders and providers. ■ The over-representation of people from different cultures as social service users suggests there is considerable scope for improvement in the decision making processes that affect them as clients and that a more knowledgeable approach would also benefit funders and providers.

Q 38	Do government agencies engage with the appropriate people, when they are commissioning a service?
	<ul style="list-style-type: none"> ■ No, frequently not especially where the service has been designed centrally for national roll-out. It is not uncommon for these initiatives to be dropped into communities to be delivered by national organisations with no local knowledge. ■ It is important that there is informed local knowledge and input into the commissioning of social services. Whatever process is used must be transparent and the design, purchase and delivery of every service must be able to be scrutinised so as to inform and improve future commissioning and decision-making.

Q 39	Are commissioning agencies making the best choices between working with providers specialising in services to particular groups, or specifying cultural competence as a general contractual requirement?
	<ul style="list-style-type: none"> ■ The social service statistics suggest not; the solution is to look at the needs of clients and family/whanau using the service and the capacity and capability within that community to provide a culturally competent response.

Q 40	How well do commissioning processes take account of the Treaty of Waitangi? Are there examples of agencies doing this well (or not so well)?
	<ul style="list-style-type: none"> ■ As noted previously, there is wide variation between communities. Whanau Ora is one example of a significant government policy where there needs to be a review of the commissioning process. Whanau Ora is not available in the Dunedin region meaning whanau in our community who do not engage with mainstream services and would benefit from a more culturally appropriate approach are being further denied.

Q 41	Which types of services have outcomes that are practical to observe and can be reliably attributed to the service?
	<ul style="list-style-type: none"> ■ Very few as the most vulnerable social service users have the most complex and multiple need. which by definition means they require an integrated approach that is best evaluated on the basis of contribution not attribution.

	<ul style="list-style-type: none"> ■ A single-issue/single service scenario may be more easily measured for service attribution but as above that is not the profile of need for the majority of social service users. Just as we do not want to over-pathologise or over-intervene neither should we reduce complexity and multiple issues into unique components, purely for the purposes of a measurement exercise. This reductionist methodology cannot reliably attribute outcomes that are achieved from an integrated approach.
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<p>Q 42</p>	<p>Are there examples of outcome-based contracts? How successful have these been?</p>
	<ul style="list-style-type: none"> ■ See Qns 10 and 13 ■ The Otago Youth Wellness Trust Co-Funded Agreement for an Integrated Wraparound Service <ul style="list-style-type: none"> -In 1999 OYWT negotiated the first cross-sector, outcomes-focussed contract in New Zealand. -It was for an integrated wraparound service for vulnerable young people that brought health, welfare, Police and education sectors to the table and enabled multiple funding streams to fund collectively agreed outcomes. -The contract has survived 15 years of challenge, change and sometimes loathing for its uniqueness and “outside of the box” thinking. -OYWT philosophy is to work with the whole young person in a family/whanau centred way making the integration imperative non-negotiable. -Our outcomes-focussed contracting model reflects our practice and it has been successful because OYWT understands why we need an integrated approach and what it means to practice in an integrated way. -Our failure has been our inability as a small community-based organisation to convince funding and contracting decision-makers of its value and potential for wider application.

<p>Q 43</p>	<p>What is the best way to specify, measure and manage the performance of services where outcomes are not easy to observe or to attribute?</p>
	<ul style="list-style-type: none"> ■ This is one of the most important questions for the Commission to address because it is at once the potential enabler and the biggest barrier to improving social service outcomes. ■ It is essential that decision-makers first understand why some service outcomes are not easy to observe or attribute. The main reason being that the more complex and severe the need the more integrated the response has to be. Achieving outcomes and integrated responses do not lend themselves to single-issue specification and outcome measurement. ■ For integrated services to be successful all stakeholders must agree on a way forward that embraces the following <ul style="list-style-type: none"> -“measurement” based on the principle of contribution not attribution -outcomes that are individualised not population based -developmental evaluation that respects both qualitative and quantitative approaches -the meaning of “outcomes” is shared by all stakeholders and is evident in the design, purchasing and delivery of services -acceptance that long term outcomes are generally not achieved by short term programmes and brief intervention

<p>Q 44</p>	<p>Do government agencies and service providers collect the data required to make informed judgements about the effectiveness of programmes? How could data collection and analysis be improved?</p>
	<ul style="list-style-type: none"> ■ There will always be an argument for collecting more and better data. Unfortunately this too often becomes the end rather than means to an end. ■ There should be more investment on up-skilling analytical ability across the whole sector and development of the capacity/capability for transferring the information into effecting change

	<ul style="list-style-type: none"> ■ All funding and commissioning contracts should include mutually agreed methodology for measuring the effectiveness of service and programme outcomes; inclusive of qualitative and quantitative approaches. ■ The data and information analysis from that contract should be “owned” in partnership between the funder and provider with collective responsibility for outcomes and impact. At present too many of those in funding roles have little or no interest in evaluating “effectiveness” beyond accounting for the monies spent. ■ All stakeholders should have to evidence how they are using data and information to effect real change; too much energy is spent on reporting data with no obligation to use it to improve services and outcomes. Unfortunately as Providers we have had too many experiences of Funders not even reading our reports much less being prepared to discuss the findings/recommendations for improving services and client outcomes.
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Q 45	<p>What have been the benefits of government initiatives to streamline purchasing processes across agencies? Where could government make further improvements?</p>
	<p>The benefits of focusing on service integration are many and include:</p> <ul style="list-style-type: none"> ■ The opportunity to create a whole of systems framework for the design, purchase and delivery of integrated services that is transferable. ■ More responsive delivery focussed on client need, collective impact, better utilisation of resources and more sustainable outcomes. ■ reducing unnecessary costs such as the need for “collaboration”. There is much resource and energy being expended on encouraging Providers to collaborate to improve service outcomes. Unfortunately the driver for this is frequently the unintended consequence of poorly designed services and piecemeal funding contracts that create the disjointed and disconnected delivery that service integration would avoid.

Q 46	<p>Is there sufficient learning within the social services system? Is the information gathered reliable and correctly interpreted? Are the resulting changes timely and appropriate?</p>
	<ul style="list-style-type: none"> ■ It is time that the social sector (government and community) acknowledged that the data gathering approach has served our vulnerable in the community poorly and it behoves us to use the learning we have to begin to make the changes needed. ■ There is more than enough data and information available for there to be sufficient learning. Unfortunately there is insufficient knowledge amongst those in the system of what already exists and how that could be used to inform decision-making. ■ The endless rounds of “information-gathering” mean we are drowning in data, do not have enough analytical capability to use it and risk having even less capacity for translating the information into timely and appropriate change. ■ The information is already there, what is lacking is the will and the courage to use it.

Q 47	<p>Does the commissioning and purchasing system encourage bottom-up experimentation? Does the system reinforce successful approaches and encourage reform of less successful ones?</p>
	<p>No; the system does not encourage bottom-up experimentation, reinforce success or encourage reform because</p> <ul style="list-style-type: none"> ■ of the hierarchical and demonstrably unequal partnership between the commissioning/purchasing systems and the Provider, especially community-based Providers. ■ local and informed decision-making is almost non-existent and much of the centralised decision-making does not have local fit

	<ul style="list-style-type: none"> ■ there is very little flexibility within the system to use baseline/highly specified funding in creative and innovative ways and there is even less funding for experimentation especially in the current environment of “evidence-based” programmes. ■ in our experience there is no clear or transparent rationale for why some services, programmes and organisations are funded when others are not, even when the outcomes are demonstrably poor.
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Q 48	<p>Would an investment approach to social services spending lead to a better allocation of resources and better social outcomes? What are the current data gaps in taking such an approach? How might these be addressed?</p>
	<ul style="list-style-type: none"> ■ Yes providing it is client-centred, all stakeholders have input into development of the approach, the risk is shared and there is collective responsibility and accountability for outcomes. ■ No if it is not client-centred, is centrally-designed without local context, is short term where long term commitment is needed, risk is not shared and it is punitive re achieving outcomes.

Q 49	<p>How can data be more effectively used in the development of social service programmes? What types of services would benefit most?</p>
	<ul style="list-style-type: none"> ■ The social services sector is “drowning in data” already. What is most-needed and currently lacking is the analytical firepower to interpret and translate existing data into meaningful information which can be used to underpin the cultural change necessary for improving social outcomes. ■ While all social sector services would derive some benefit, the focus should be on supporting the development of service integration. Understanding the data and information needed to inform service integration is the single biggest challenge for commissioning and contracting; it is a completely different paradigm from the thinking of existing frameworks and processes.

Q 50	<p>What are the benefits, costs and risks associated with using data to inform the development of social service programmes? How could the risks be managed?</p>
	<ul style="list-style-type: none"> ■ Good data that is well analysed will lead to better and more informed decision-making and accountability for the benefit of all stakeholders. ■ The cost and risk is that data alone is not information and without context can lead to poor and un-informed decision-making of which there are numerous examples already. (Eg. PRIMHD and RBA when they become ends in themselves not the means to the end.) ■ It can also lead to poorly informed services/programmes continuing to be funded because so much was invested in the development there is reluctance to admit “failure”. ■ Managing the risk begins at the design phase ensuring that all stakeholders have input into what data is being used to inform service development and what will be collected to inform outcomes measurement and improve service delivery.

Q 51	<p>How do the organisational culture and leadership of government agencies affect the adoption of improved ways of commissioning and contracting? In what service areas is the impact of culture and leadership most evident?</p>
	<ul style="list-style-type: none"> ■ Leadership will be critical for effecting much-needed change in the government sector. The creation of the Social Sector Forum is a significant and positive development providing the to lead the cultural change required across the public sector for the success of key government initiatives such as the Vulnerable Children’s Act, widening the commissioning of a Whanau Ora approaches and the Social Sector Trials.

	<p><i>“we lead collective impact and exercise stewardship across the social sector”</i> (Social Sector Forum 2014: Briefing Paper)</p> <ul style="list-style-type: none"> ■ For the impact of the Social Sector Forum’s stewardship to be fully realised, especially at local level the following change needs to occur. <ul style="list-style-type: none"> -leadership and culture of government has to demonstrate both integrity and inclusiveness. -centralised policy and decision-making remains the dominant overarching culture and there are still too many examples of formulaic national policy being rolled out without regard for local relevance. -leadership at the highest level must walk the talk; when the rhetoric is at odds with the reality it creates distrust and a feeling of hopelessness within the community. -commissioning and contracting leadership needs to be informed and able to engage in challenging and transparent conversations with Providers who should not fear that disagreeing might impact on their funding. -government practice must change from a culture of busyness to a culture of business
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<p>Q 52</p>	<p>How do the organisational culture and leadership of providers affect the adoption of improved ways of supplying services? In what service areas is the impact of culture and leadership most evident?</p>
	<ul style="list-style-type: none"> ■ The leadership of social sector Providers is fundamental to effecting the change needed to improve and sustain outcomes especially in the implementation of “new” approaches such as integrated service delivery. ■ There is a vast body of research and literature that should be used to inform the development and retention of high performing social sector leaders. It must be recognised by all stakeholders that creating a successful Provider culture requires a different skill-set from that of the private and public sector. ■ It is critical that those in commissioning roles are aware of the qualities and skills required to lead a social sector organisation and that strong leadership in the sector is acknowledged not “punished” and equally that weak or ineffective leadership is not unduly rewarded because it offers least resistance.

<p>Q 53</p>	<p>What institutional arrangements or organisations feature help or hinder the uptake and success of innovative approaches to service delivery?</p>
	<ul style="list-style-type: none"> ■ Innovative approaches to social service delivery should reflect the strengths and the needs of individuals and the community and Funders/Providers alike must work in an inclusive way ■ While large international/national Providers, with corporate cultures may offer the Funder economies of scale and some surety their lack of local knowledge can stifle innovation and discourage flexibility. When large Provider organisations respond only to contracted specifications there is no incentive to work proactively or to have regard for community strengths and assets. ■ The current focus on measuring and reporting not only stifles innovation but actively hinders it. Despite the rhetoric, there is no systemic appetite within the contracting environment for innovative service delivery. ■ Accountability and performance measures that are ends in themselves rather than the means to an end. This is especially so for outcomes-based approaches where the value of a service delivery model is largely “evaluated” on whether it fit with the funders measuring tool when the real issue is that the measuring tool is not fit for purpose.

Q 54	Have recent amendments to the Public Finance Act 1989 made it easier to coordinate across government agencies? Are there any examples where they have helped to deliver better social services? What further measures could be effective?
	<ul style="list-style-type: none"> ■ The amendments are a positive step for enabling change. For real change to occur there must be an accompanying cultural shift in and across the government sector with less centralised control and more informed local decision-making.

Q 55	Are there important issues for the effective commissioning and contracting of social services that will be missed as a result of the commission’s selection of case studies?
	<ul style="list-style-type: none"> ■ For this process to have integrity and credibility The Productivity Commission must research and include findings from the extensive work that has already been done in this area, both nationally and internationally. Much of the considered and well-reasoned conclusions and recommendations contained in those documents has not been enacted simply because they were ahead of their time and the sector was neither open to nor interested in doing things differently. If this report is not to suffer the same fate then it is essential that the findings are well-researched, evidenced and the recommendations formed with the conviction that they will be adopted in part or in whole. <p>Some past work that could inform the Commission includes</p> <ul style="list-style-type: none"> - “Communities and Government- Potential for Partnership” Report of the Community and Voluntary Sector Working Party 2001 A comprehensive 200+ page report that concluded that a substantial change in funding delivery practice and underlying relationships is required” “Funding for Outcomes “: Cross-government Project 2004-2008 An approach to contracting enabling bi-lateral contracts to be brought together into one contract with a focus on collaboration and results. “A contract Framework for Collaborative Funding of Outcomes-Based Services” Otago Youth Wellness Trust; including the Funding Allocation System Template developed by PricewaterhouseCoopers Report commissioned by Department CYFs 2005 “We Know Their Names” Otago Youth Wellness Trust Paper for Social Sector Forum, 2012 “Measuring Added Value in the Not-For-Profit Sector” (Suzanne Snively 2002)

Q 56	Are you willing to meet with the Commission? Can you suggest other interested parties with whom the commission should consult?
	Yes- the Otago Youth Wellness Trust would be willing to meet with the Commission to share our experience of 15 years of community-based integrated social service provision.