

The New Zealand Productivity Commission inquiry into

More Effective Social Services

SUBMISSION FROM THE OFFICE OF THE CHILDREN'S COMMISSIONER



MANAAKITIA A TĀTOU TAMARIKI

**Children's
Commissioner**

Improving the quality and accessibility of social services for vulnerable children is crucial

Part 1: Submission Summary

Thank you for the opportunity to respond to the New Zealand Productivity Commission issues paper *More Effective Social Services*.

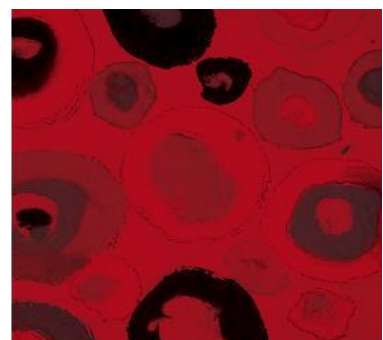
The Children's Commissioner has a statutory responsibility to advocate for children's interests, rights and welfare, and to report on any matter that relates to the welfare of children. The Office of the Children's Commissioner advocates for the best interests of all children and young people in New Zealand and looks to ensure all of their rights are respected and upheld.

In taking a child-centred view, we have chosen to focus on two of the questions posed in the *More Effective Social Services* issues paper: question 1, "What are the important social, economic, and demographic trends that will change the social services landscape in New Zealand?"; and question 18, "How could the views of clients and their families be better included in the design and delivery of social services?".

KEY MESSAGES OF THIS RESPONSE

We emphasise three messages in this submission:

- > Child poverty is a significant social and economic issue, which if left unaddressed, will have major economic and social ramifications; changes to social services should therefore tackle child poverty head on.
- > Design and delivery of social services is enhanced by meaningful consultation with children and young people; our office has expertise in this area and can help.
- > Removing barriers to access should be a key goal of any changes to service design and delivery; in practice this is likely to involve more client-centered and collective approaches.



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Part 2: Response to the Issues Paper

What are the important social, economic and demographic trends that will change the social services landscape in New Zealand?

New Zealand has some key challenges now and ahead which will affect the social services landscape.

Demographically, New Zealand's ageing population will have wider ramifications within the labour market. New Zealand is fast approaching the end of its excess labour supply, with the ratio of entrants to exits forecasted to be one-to-one by 2025. We are already in the 'decade of decline' in local supply of labour market needs. 32 of New Zealand's 67 Territorial Authorities have reached the 1 to 1 ratio already, and around 20 percent of these regions have stopped growing or have declining populations.

These demographic changes will have major economic ramifications, with increasing costs of pensions and healthcare as more people retire and less enter the labour market. Social assistance spending is expected to increase by \$3.7 billion over the 2014-2018 period, the bulk of this going towards superannuation payments. This will present governments with the challenge of how to meet these costs and have 'new money' to invest in other important services.

Addressing these issues is hampered by persistent rates of child poverty. Currently 24% of children are living in poverty¹ and 17% live in a defined level of 'material hardship'². Child poverty imposes serious short and long term costs on children and society. The evidence shows that children who grow up in poverty, especially when severe and

persistent, are likely to have worse health outcomes, lower educational attainment, frequent unemployment and reduced lifetime earnings. The economic and social costs of this, represented by additional public expenditure on health, welfare benefits, lower productivity and criminal offending are estimated to be \$6-8 billion per annum. Child poverty is thus a significant burden on society and the economy.

To meet the challenges posed by an aging population and child poverty, New Zealand will need to invest more in its most vulnerable children. The challenge to the government will also be directing this money in the most productive places to achieve results.

Growing up in poverty or in unstable families are major factors in these negative outcomes. If the government wants to see its investment in children pay off, evidence shows that in the case of early childhood education, investing in the most vulnerable children at a young age has the greatest returns).

A long-term focus on root causes of difficult social problems will require addressing childhood deprivation head-on. We suggest that any changes to social service delivery arising from this inquiry should have the reduction of child poverty and/or material deprivation as a key objective, and include targets and timeframes for delivering against this objective.

Our Office has done extensive work on the issue of child poverty and deprivation, including commissioning an Expert Advisory Group to produce a comprehensive report on solutions to child poverty in 2012. As a result

¹ This measure is based on households with children living on or less than 60% of the median household income – see E. Craig et al. 'Child Poverty Monitor 2014 Technical Report'. Dunedin. New Zealand Child & Youth Epidemiology Service, University of Otago

² See www.childpoverty.co.nz

of this work, we have identified four groups of children for whom investment in effective services will have the greatest impact:

- > Very young children (pre-birth to age 5) – greatest return on investment;
- > Maori and Pasifika children – greatest inequalities;
- > Children in sole-parent families – greatest need for support;
- > Children in severe and persistent poverty – greatest harm done.

We suggest keeping these groups in mind when making recommendations about the commissioning and delivery of social services as a result of this inquiry.

Ensuring all children are thriving and able to contribute to an innovative economy is a key part of the solution. Investing in children now will improve future productivity in the economy, ensure skilled labour roles are filled, and reduce the burden that child poverty puts on public expenditure.

How could the views of clients and their families be better included in the design and delivery of social services?

Our Office has a statutory mandate to advocate for children's interests, rights and welfare. As a part of this, we strive to include the views and voices of children in all we do.

Why consult Children?

If policies and services are to be successful in making things better for children and young people, then decision makers need to understand if their policies will be appropriate. There is an important policy purpose to engaging with children, as it gives us the opportunity to:

- > understand the issues and concerns that children identify as important
- > learn how policies and the provision of services impact on children's lives
- > gain valuable insights into how we can better meet their needs.

The OCC's View

Our view is that children are not consulted enough when it comes to commissioning and delivering services for them.

We have found from our engagement with children and young people that they provide real insight into how social services and legislation will affect them.

There needs to be more intentional focus within the government social service sector to promote the inclusion of children's voices in policy and delivery.

Even with the best intentions, policy advisors will struggle to design and deliver services that work without consulting the intended recipients.

Including children's views is often seen as an add-on or nice to have; with little influence on the planning process. Consequently, services can have unintended negative impacts on children.

It is important that the views of affected children and families are taken into account when the services in question are directly targeted at them.

How the OCC includes children

The Office of the Children's Commissioner has considerable expertise at gathering children's views. Our Young People's Advisory Group (YPAG), made up of 12 members aged 13-18, provides us with information and perspectives from a youth perspective that inform our work. Most recently, members of the YPAG helped inform the CYF modernisation project by providing feedback of their experiences in CYF care. As of next year, the YPAG will be replaced by a network of students in schools throughout New Zealand who we will communicate with on an ongoing basis. As this network is strengthened it will provide us with an excellent tool for engaging with young people.

We can support agencies to plan and carry out children's consultation, and in some circumstances we may be able to do this on behalf of other agencies. Please contact us for more information about including children's voices in service design and delivery.

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Addressing the design and delivery of services

One of the major issues inhibiting the views of clients and families is the way social services are commissioned and purchased. As outlined on pages 11-12 in the *Issues Paper*, there are a variety of ways the government directly or indirectly designs and commissions social services:

- > *Central government commissioning and delivery*: that is, government agencies identify population needs and the best services to meet these needs, and directly supply the services to clients.
- > *Central government commissioning and delivery by a non-government provider*: that is, government agencies identify population needs and the best series to meet these needs, but contract out service delivery to non-government providers.
- > *Central government devolves commissioning and contracting decisions*: that is, the government sets broad outcomes but devolves responsibility for commissioning and contracting to a body that is closer (e.g. geographically or culturally) to clients.
- > *Client-directed budgets*: that is, give clients (or their representatives) the means and freedom to choose the combination of approved services that best meets their needs.
- > *Grants from central government to non-government providers*: that is, monetary payments to non-government service providers (often non-for-profit organisations), designed to support an organisation or activity rather than buy a service.

In addition, in recent years, new more collective forms of social service design and delivery have been developed that are showing promising results in tackling complex social problems. An example of this is the Collective Impact approach, which involves developing a shared vision and plan amongst key stakeholders including clients, providers, and governments, to tackle a particular social challenge. These are just beginning to be used in New Zealand.

It is not clear at present what drives government decision making about which of these approaches to use for which services. As a consequence, the default approach taken is often a 'top-down' one: either central government commissions and delivers

services, or commissions them and contracts non-government providers to deliver them. Unfortunately, this process has often shown not to involve clients and families in the planning / consultation process.

This highlights the importance for government and providers to engage with people to deliver a service that meets their needs and works for them. In essence, this is about inverting the funding hierarchy from government/funders at the top, to people and communities taking the lead on designing services that fit around their lives and needs. Such an approach will probably require a greater focus on client-centred services than there currently is.

Removing barriers – taking a 'client perspective'

There is certainly a place for government-driven service design and delivery, particularly to ensure the universal provision of core services such as education and healthcare. In many cases however, service design and delivery could be improved if there was a more intentional focus on addressing barriers to accessing services, especially those that will affect children.

An essential part of any successful service is to ensure maximum take-up. We know that some people face barriers that make it harder for them to access services – especially Maori and Pasifika and those on low incomes. This not only affects the individual but the overall efficiency of government resources. People living in the most deprived areas are 1.44 times more likely to have unmet needs than those living in the least deprived areas³. Other common barriers for people not accessing services are the difficulty of transportation, securing a timely appointment and costs. It is common to hear that people in disadvantaged circumstances are simply unaware that they are entitled to a particular service that would greatly benefit them.

A greater focus should be placed on identifying barriers to accessing social services, from the client perspective.

This information should be used to decide how to purchase and deliver services.

³ The Treasury (2014), 'Briefing to the Incoming Minister (Health)', <http://www.treasury.govt.nz/publications/briefings/2014-health/>

A report by the Auckland City Mission on its Family 100 Project⁴ focuses on the voices of people who rely on social services in their daily lives. Many find that dealing with support services is complicated and confusing; humiliating when having to ask for help and retell their situation constantly; and feeling that their time isn't valued by employees in the system.

It is crucial then that service providers (i.e. government, NGOs, community groups) identify the barriers people may have accessing services and remove them. Service design should consider feedback from clients regarding the identified barriers, and carefully chose which model of service provision to pursue based on that information (whether it be government-led tender, NGO contract, client-directed etc).

⁴ Family 100 (2014), 'Speaking for Ourselves'
http://www.aucklandcitymission.org.nz/research_site_info.html?mID=95

Conclusion

The Office of the Children's Commissioner wishes to emphasise three key messages in this submission.

CHILD POVERTY WILL HAVE MAJOR ECONOMIC AND SOCIAL RAMIFICATIONS.

A long-term focus on the root causes of vulnerability will require addressing poverty and deprivation directly, both in the design and delivery of social services, and in all government policy. Improving social service delivery has a wider benefit than to the social services sector alone. Just as employment and economic settings impact on social outcomes, getting social services right for children will have long term fiscal and economic benefits for New Zealand.

SERVICE DESIGN AND DELIVERY IS ENHANCED BY MEANINGFUL CONSULTATION WITH CHILDREN AND YOUNG PEOPLE.

Children and young people know what works for them and their families. They have well-informed opinions and ideas. Consulting them can elicit valuable information and lead to better designed and delivered services and policies, with fewer unintended negative consequences. The Office of the Children's

Commissioner can provide expertise and assistance to agencies wishing to improve their engagement with children and young people.

REMOVING BARRIERS TO ACCESS SHOULD BE A KEY GOAL OF ANY CHANGES TO SOCIAL SERVICE DESIGN AND DELIVERY.

The current services landscape creates numerous barriers that prevent vulnerable and at-risk children and their families from accessing much needed social services. Service design and delivery should be focused on removing these barriers, and this can best be achieved by taking the client perspective on board. In practice this will likely require making more use of client-centered and collective approaches to commissioning and delivering services.

Thank you for taking the time to consider this response from the Office of the Children's Commissioner.

Please do not hesitate to contact us should you require further information

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