

Submission To The Productivity Commission Inquiry On More Effective Social Services

DECEMBER 2014

Wakefield House
Level 4
90 The Terrace
Wellington 6011
PO Box 5872, Wellington 6145

CareNZ 
Manaaki Aotearoa

ADDICTION TREATMENT AND RECOVERY

More Effective Social Services – Issues Paper

Submission by CareNZ (December 2014)

Introduction

CareNZ is a leader in the provision of services and interventions for people experiencing problems with alcohol and other drugs, with a range of community and prison based services in 17 sites across New Zealand. Our services range from low threshold advice, information and advocacy based services, to assessment and care co-ordination, counselling, group therapy, and high care residential services including therapeutic communities. CareNZ is the operating arm of NSAD (New Zealand Society on Alcohol and Drugs).

We employ a variety of support workers, social workers and counsellors. Last year, our 150 staff assisted over 7,000 New Zealanders.

CareNZ is a member of NCAT (National Council on Addiction Treatment) and Platform Trust, a national umbrella organisation for NGO's working in the mental health and addiction sector. Our Chief Executive is a member of the Board of both NCAT and Platform Trust. We have also been engaged in cross sector discussions regarding the paper and have been encouraged by some of the debate.

Context

At CareNZ we are very much aware that “the times are changing”.

We recognise that “doing good” is no longer good enough. In recent years many NGO's have been working towards an outcomes framework, CareNZ is one such organisation. The importance of demonstrating the value and impact of our services at an individual, whanau and community level is critical. We also acknowledge that there have been, over the years many, initiatives and services that have been highly effective.

Internationally, social service agencies are being required to do more for less, do it better and at the same time demonstrate and evidence the impact/effectiveness of their work.

The way the social services sector does business is inevitably changing. Government and society as a whole are faced with a number of complex problems. These cannot be solved by government or agencies acting alone, complex problems require multi-agency solutions. It is essential that we work together effectively in order to achieve a collective impact.

The language in the sector and funding arrangements have been changing over the years. Funders of services are now more clearly viewed as the customer purchasing services on behalf of our clients, the beneficiary of the services we provide.

In financial terms we acknowledge that there is not a limitless source of funding and that government needs to prioritise its investment and spend in services. We also recognise the imperative of ensuring that organisations operate efficiently and are

cost-effective. Streamlining our business processes, greater use of technologies and economies of scale have all been critically important for CareNZ.

The needs of our service users, consumers or clients and the context in which we work with them are also changing. Models of intervention now focus on 'working with', rather than 'doing to'. Society is changing, including family structures, living arrangements and work opportunities. We are also communicating differently e.g. through social media. Increasing emphasis is now being placed on improving the responsiveness and accessibility of services.

Alcohol and drug treatment services form a relatively small part of the social services sector but the harms caused by problematic use of drugs and alcohol in our country are widespread. 90% of people who experience mental health and/or addiction problems receive services in the community. The National Council on Addiction Treatment has estimated that there are approximately 38,000 DHB funded places but that actual demand would be in the region of 150,000.

There have been a number of initiatives over the years designed to address some of the issues raised in the discussion paper. The Commission's review provides an opportunity to work together to ensure that our social services continue to be effective now and in the future.

Response Questions

The Commission has laid out in its discussion document a comprehensive range of questions. We believe that there are a number of key issues that emerge, we have therefore structured our response around these themes.

Key Issues:

1. Responding to changing needs and listening to service users

The discussion document highlights the importance of looking at the social services system as a whole.

A correlation exists between alcohol and drug use and many of the critical social issues facing our country e.g. child poverty, family violence and crime. Addressing these problems effectively cannot be done in isolation, it requires government agencies and social services to work with each other and across sectors.

There have been some significant and fundamental shifts in both "how" we deliver services and in the focus of our work. For example reducing barriers to engagement with services by taking services to the client (satellite and outreach services); and "Equally Well" (position paper published by Te Pou) highlighting the importance of a well-being agenda within mental health and addiction services.

In the design and delivery of social services it is essential that the service user's voice is heard. At CareNZ we have developed clear pathways for service user input and feedback, including the more traditional feedback mechanisms as well as service user forums at a local, regional and national level with a direct service user report to

the CEO. We are moving towards a co-design process in the development of our new services.

These changes and shifts require different skill sets in individual staff as well as a new set of organisational capabilities.

It is important that within the system service users have a choice of provider.

2. Sustainable services

Many social service organisations have had a long term commitment to the communities in which they work. Change does not always happen quickly. Providers of services need to be robust and committed to the long-haul. It isn't helpful when new initiatives or providers effectively parachute in and out of communities quickly. Services need to be sustainable and funding often needs to be long term or with a clearly defined exit strategy.

Part of the solution to sustainable services comes from the development of a comprehensive care system within the AOD sector treatment continuum. In developing these systems it is important to recognise the need for and role of specialist services as well as peer led services and volunteers. They are complimentary of each other and not an either/or.

It is also important to recognise that different services will be needed at different times depending on individual progress. Within mental health and addictions services clients will often remain 'in service' (although within different service types) for long periods.

The non-government sector is particularly adept at working with communities to develop wrap-around services and additional supports.

CareNZ believes that access to services should be based on need and not geography. Whilst services may not be provided in all localities, a pathway and access to these should be clear.

We are aware that a number of submissions have commented on a fragmented approach to funding. We welcome the Ministry of Health's development of a commissioning and outcomes framework for the mental health and addiction sector.

3. Sustainable organisations

As documented in Platform Trust's submission, funding for the same role or service in the mental health and addiction sector varies across the country. There is as much as a \$33,389 differential in FTE rates for AOD.

Many organisations effectively "top-up" government funding from philanthropic and other funding sources. We have seen overseas (e.g. the UK) where this becomes particularly unsustainable, with philanthropic trusts increasingly unwilling to effectively make up government funding for core services.

Where government is funding a service that is being delivered on its behalf, funding should be based on full cost recovery. This includes a contribution towards on-cost's, infrastructure and building organisational capabilities. Social service providers need to be able to invest in their organisations and workforce as any commercial business would. In the past, NGOs have had an advantage over commercial businesses, primarily tax based, however the costs of bringing organisations up to the desired standard, combined with funding pressures and public accountability, have eliminated this.

Workforce planning, including workforce development and succession planning, is essential if effective service delivery is to be maintained in the short and longer term. Providers need to be able to invest in and develop their workforce whilst also developing innovative solutions to address labour market shortages where they exist. In the addictions sector, there is a limited supply of new labour and the market is in increasingly short supply. This is particularly pronounced in relation to the Youth, Maori, Pacific and Asian workforce. This has the potential to undermine effectiveness.

Providers also need to be able to invest in technology.

Developing organisational capabilities is a critical success factor. As social service providers, we need to continue to consider which are needed in-house and which can be brought in or shared. There is increasing emphasis on sharing 'back office' functions, however we also need to recognise that many of these also carry commercial sensitivities.

Efficiencies in our operations and support services are essential, scale is becoming increasingly important.

Efficiencies and investment are challenging within a short term contracting cycle. Year to year contracts make planning difficult. Longer contracts must be considered, especially if providers are performing well and are able to demonstrate effectiveness.

Many organisations have numerous contracts across government departments and DHB's. Contract monitoring, reporting and auditing requirements vary and create additional burdens for providers and funders. We have noted that we are regularly being externally audited against similar standards for different contracts. Our experience is that single contracts for multiple delivery sites with one reporting framework/management process reduces costs and brings added value to the service delivery. We would support continued moves towards streamlined contracting, consistent terms, conditions and reporting frameworks as well as simplifying the auditing process.

4. Ensuring and evidencing effectiveness

Measuring and demonstrating the effectiveness of services is essential in terms of evidencing impact and demonstrating value to government as well as public accountability to the tax-payer.

There is an investment required to ensure capability at both a commissioning and funding level as well as within providers to support the further development of outcome-based reporting.

At CareNZ we have been working on developing a KPI framework to support improved reporting to our funders and other key stakeholders. These targets will support the delivery of a Results Based Accountability framework.

We support the development of "outcomes" as measures of effectiveness as they provide a clearer picture than inputs or volumes.

Funding Models

CareNZ has had some experience to date of different funding models, including milestone payment, payments by deliverables and payment by results.

While these provide a focus to delivery and can be useful in this respect, there are issues around attribution and quality of results, and influence of other factors. Such models also carry a greater level of financial risk, requiring the provider to 'carry' some of the cost of the service between milestone payments. These contracts are often more about punishing bad outcomes rather than encouraging good ones. This can be particularly challenging for smaller providers.

Commissioning frameworks which support the development of services with clear outcomes but leave the delivery mechanism to the provider are welcomed. We believe these create flexibility and opportunities for innovation.

We note that there has been considerable success from direct funding models from government, e.g. Prime Ministers Youth Action Plan, the suicide prevention plan and the methamphetamine action plan have been very successful.

Initiatives funded through these schemes have been able to be implemented quickly, responsive to changing needs and efficient in terms of reporting/contract management.

Further information on this submission is available from:

Kathryn Leafe
CEO
CareNZ

Email: Kathryn.L@carenz.co.nz