



New Zealand Society on  
Alcohol & Drug Dependence

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## **Submission to the New Zealand Productivity Commission Issues Paper on More Effective Social Services.**

NSAD is a charitable trust that provides services and advocates for people with alcohol and drug dependency. NSAD is sixty years old and has been at the forefront of many innovations in service delivery and in advocacy for policy changes over the course of its existence. Today NSAD owns a major NGO service provider for addiction treatment (Care NZ) and also works with families affected by addiction.

NSAD wishes to make a small number of points relating to developing more effective social services within New Zealand.

### **1. Modify contracting to reduce fragmentation**

The current system of funding/contracting providers of social services drives fragmentation of provision, leading to inefficiency. Government agencies maintain multiple small and very small contracts. These contracts contribute to a plethora of small providers that are unable to build the scale required for good organisational infrastructure (governance, quality systems, workforce development, measurement, service analysis etc).

Small contracts have high overhead-to-value ratios and the tendency is to simply roll them over. We believe government needs to rationalise its funding into a smaller number of better focused and designed contracts.

We believe that the ideal service delivery model is one where there is the scale, sophistication and structure to support quality systems. The model should also encourage delivery teams that have strong roots in local communities, understand local issues and build long term relationships. Current funding and contracting systems do not appear to support consolidation of providers and the development of new models. We note that there are some innovative social service provider models overseas that reflect franchise systems, where there is a well-developed core to the service model, but delivered by local organisations.

## **2. Contract from the foundation of a clear vision, not compliance**

We believe that many social service contracts have at their core a culture of compliance, rather than a clear vision. A lack of shared vision for individuals, whanau and communities across Government agencies, leads many contracts to focus on mid-level compliance-driven outputs. This focus necessarily means that it is hard to then structure meaningful outcome based activity or for providers to align their actions with a clearly understood vision. This dynamic also drives fragmentation and an innovation-adverse system. The culture of compliance may be enhanced by a focus on the economic argument of an intervention, without a balancing social or citizen-centric vision. A challenge to Government is to devise a simple set of measures that would reflect a “vision” approach, as opposed to a “compliance” approach.

## **3. Improve productivity through action at the interface**

We believe there is considerable value by focusing on the inter-sectoral zones, which fall between the “core business” foci of government agencies. Examples of these zones are areas such as: Justice/addictions; health/ education; mental health/ employment. Whilst there have been some notable investments into these inter-sectoral zones, many of these are recent and peripheral. More can be done by taking a person and family centric approach and identifying how to design the best solutions, without immediate reference to siloed funding streams. The Whanau Ora model provides a start to taking a person/whanau centric approach to social services, but the lessons are not flowing outside the Maori community. The current Social Bonds pilot also provides an opportunity to focus on the best value solutions to problems without the constraint of fit with funding boundary definitions.

## **4. Delivering services in homes - new models and workforce required**

A major wave of change to improve service efficiency is to shift the locality of service delivery from institutions and into people’s homes. We are seeing this occur across sectors. However, efficiency, service quality and service continuity for the client are being compromised by current service models – especially workforce specialisation. Current contracts, service models and an emphasis on specialisation is contributing to the “10 agency cars up the driveway” issue for high needs families, i.e. a procession of unco-ordinated specialist services. What is required is a new approach to home visiting workers through trained multi-skilled generalists, who are able to know the family and support and monitor across a ranges of areas. The generalists would be able to engage specialist help when required. A new generalist workforce is needed, with training for this role and agencies being prepared to accept one person representing the interests of multiple traditionally siloed areas of government.

## **5. Efficiencies around the hard tail**

In any normal distribution of individual and family characteristics there are significant outliers – or a “tail” of a small number of highly complex cases, such as the crime family, chronic user of emergency departments or the habitual truant.



Many of these people or families drive significant use of resources. Often there is an element of addiction associated with this hard tail. We ask whether new approaches to co-ordination and information sharing should be developed for this hard tail, as the families concerned are often associated with multiple agencies and service providers. Within this hard tail, agencies may be able to find better ways to achieve group effectiveness through improved co-ordination and understanding of each other's ability to enforce particular requirements or actions.

## **6. Information, insight, evidence and innovation**

One enduring question is how to build a more intelligent social services sector that is structured to innovate and evolve. We believe there are several layers to this issue, which are interlinked with some of our earlier points:

- We need provider organisations that are large enough to be able to work from a theoretical base, capture and process data on performance and seek insight from evaluation
- We need contracts that encourage adherence to evidence and best practice, but that also allow space for (and reward) innovation
- We need a better system of tracking indicators within and across providers and across sectors to be able to support learning, insight and feedback to improve the performance of clusters of providers
- All of this analysis needs to occur within a framework that provides greater clarity of purpose or vision for social service outcomes.

## **7. Productivity Commission Case study focus**

We note that the Commission is preparing four case studies to assist with the inquiry (employment, Whanau Ora, people with disabilities, home based care for older people). We propose that the Commission explore a fifth case which is the interface between addiction and the criminal justice system. We believe the Commission would find significant opportunity for understanding complex social needs with significant opportunities for improving service efficiency and the long term outcomes for a group that historically drives considerable cost to Government and families.

## **8. NSAD engagement**

NSAD would welcome an opportunity to engage with the Productivity Commission to discuss this submission; particularly to explore the development of a case study, as outline in Point 7 (above)

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