

Overview

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What are the necessary preconditions for exploring alternative approaches to addressing social need?

In this section, there are four eminent contributors, bringing unique perspectives to addressing complex social problems. Each is concerned with citizen and client-controlled provision and consumer-directed care, using a variety of approaches, some of which are disruptive, others collaborative. All the perspectives offer innovation through cross-sector collaboration and public engagement.

The chapters share several themes.

The first is the need for evidence-based success and the challenges of substantiating policy success over time. Short-term decision-making that coincides with an electoral cycle or, indeed, a change of government makes it very difficult to develop key performance indicators of enduring success. Australia has strong examples, such as the Communities for Children program, which has endured over four governments and has demonstrated the strength of long-term investment. Ann Nevile's Chapter 12, using the example of disability employment services, advocates a person-centred approach. Nevile highlights that the current contracting regime for disability employment continues to constrain the capacity of agencies to deliver flexible, individualised services for those with disability, particularly those who want to work in open employment.

While personalisation of services allows service users to exercise some degree of choice and control in the new National Disability Insurance Scheme, and in aged care and health care, that sense of control is

something that still eludes most jobseekers. Nevile challenges us to consider how best to address information asymmetry and design a funding model that is an enabler rather than a constraint.

Creaming, parking and churning clients are all risk-selection practices built into the disability employment funding model. Nevile examines the challenges of the licensing and accreditation processes, and how difficult it is to both enter and exit this market. The regulatory burden is heavy and the transaction costs of compliance are significant. How much should government regulate employment service providers? Nevile calls for a new approach to the payments system in this important policy area—one that will reward interim milestones towards achieving outcomes. Such an approach will encourage innovation and new partnerships. It provides opportunities for client choice and higher expectations being met, and it would enable pathways to be developed that lead people into the open employment market.

The second theme developed is how best to quantify and qualify what we mean by ‘value for money’. Do we consider the concept of ‘best value’ as something that involves not just least cost, but also ‘public benefit’? This is an important argument when dealing with early intervention and prevention programs: how do we quantify the opportunity cost of *not* intervening? Here, alliance contracting is examined by Cassandra Wilkinson (Chapter 13), who draws on the experience of the New Zealand health alliances to demonstrate how effective alliances are in preventative health and in dealing with complex social problems—such as drug dependency, mental health and homelessness—through a foyer approach. She highlights that alliances share risks and rewards, and that government must fund and understand the nuances of such an approach, rather than burdening the model with massive administrative costs and poorly defined program delivery and outcomes. Alliances can help to reduce fragmentation of services, but this model is necessarily expensive because of its intensive intervention, and there is not a one-size-fits-all solution. Wilkinson argues that there is an evidence deficit about outcomes and a need for strong evidence tools to be developed. Her call is for governments to announce funding in the language of ‘results’ rather than ‘effort’.

The third theme is acknowledging that there are competing vested and political interests in the complex environment, where the challenges being addressed are perceived and defined in different ways by stakeholders and policy actors. Melina Morrison and Cliff Mills (Chapter 14) explore how the concept of mutuality is disrupting the status quo. They describe how mutuality is growing in Australia as an alternative approach to a market-based economy. The role that mutuals and cooperatives can play in the future of public services is explored, as employee share ownership and cooperatives emerge as innovative ways to address concerns about energy, waste and food quality. Mutuality is powerful in promoting localism through local coops, farmers' markets and cottage industries. Morrison explores how these approaches are highly professional, but also draw on community capacity building and volunteerism, building social inclusion and innovation. International experience highlights how cooperatives are playing a growing part in the future of public services.

A fourth recurring theme is focused on managing risk in public policy: shifting risk from government, responding to policy or programmatic failure, delivering efficiencies, dealing with competitive neutrality and how that impacts on service providers. Here we are able to consider transactional costs and shifting administrative burdens from the public to the private or non-governmental sectors, and how public accountability is managed. Catherine Needham pursues this issue in Chapter 15 about the boundaries of budgets: why and how should individuals make spending choices about their health and social care? As the state shifts from being a purchaser or provider of services, Needham highlights the challenges for government, service providers and citizens.

Each of the contributors identifies opportunities for innovation and recognises the importance of having champions for change within government and bureaucracies, teasing out how compliance regimes stifle the opportunities that can exist for driving social change agendas. Needham also encourages her readers to consider the implications of thin markets and underfunding, which can mean that while ostensibly there may be a choice of providers, citizens have limited choice over outcomes.

THE THREE SECTOR SOLUTION

All four chapters call for putting citizens at the centre of policy frameworks, focusing on what these policies are seeking to achieve and highlighting the importance of building relationships in a value chain. Finally, there is a shared emphasis on developing a strong narrative and a shared understanding of what these approaches really mean. Morrison describes this as understanding who 'we' are and who 'they' are in the service mix.

This text is taken from *The Three Sector Solution: Delivering public policy in collaboration with not-for-profits and business*, edited by John Butcher and David Gilchrist, published 2016 by ANU Press, The Australian National University, Canberra, Australia.