

# **Part 4: Service delivery**

The Dialogue's original workshop in 2011 focused on 'citizens-centred services'. The resulting symposium of papers, published in a special issue of the *Australian Journal of Public Administration* (Volume 71, Issue 3), presented a very positive view of developments in all three jurisdictions. The PRC's remarkable reshaping of the relationship among the state, the market and the community over the previous three decades of economic liberalisation included the rising use of citizens' satisfaction surveys, increased citizen participation in local government decision-making and a greater role for non-government organisations. In the continuing absence of formal democratic processes, 'social accountability' was nonetheless seen to be emerging in Mainland China. Taiwan also was looking for more 'downwards and outwards' accountability to complement its formal 'upwards accountability' through elected officials, for example through regular citizens' surveys and new public management (NPM)-style performance management to improve responsiveness to clients. The growing interest in the idea of citizens-centred services in Australia aimed to complement and supplement upwards accountability in order to improve responsiveness not only to the needs of citizens, but also to their preferences. The agenda included experiments in 'co-design' and 'co-production' and offering more choice over services and providers, as well as more systematic consultation, but governments were reluctant to test public responses, let alone publish the results.

The chapters in this section suggest there remains a relatively positive outlook about continuing improvement in service delivery across the three jurisdictions, but the challenges involved are also given greater emphasis. The chapters explore in more detail particular areas of service delivery, including health and aged care. The increasing importance of digital technology is also demonstrated, reinforcing the picture presented at the Dialogue's 2019 workshop on taking advantage of technology (a symposium of papers arising from that workshop was published in the *Asia Pacific Journal of Public Administration* (Volume 42, Issue 4)). Notwithstanding the differences in political, economic and social circumstances, the chapters reveal considerable cross-border influences including NPM and post-NPM developments and the major role of new technology in guiding many reforms. However, there was a large rhetoric–reality gap: governments often preached client-focused philosophies (their strategies implemented and assessed primarily by professional bureaucrats) but in practice were rarely prepared to actually empower clients in formulating their needs and care provisions.

**Liang Ma** reviews China's reforms of administrative services for individuals and businesses (such as registrations and licenses). Like those pursued by Australian governments (such as Services NSW), these take advantage of digital technology to offer fully integrated services that can be accessed simply and conveniently (accessible one-stop shops). Ma highlights how the reforms under Xi Jinping and Li Keqiang reflect aspects of both NPM and post-NPM developments elsewhere, though they also involve considerable indigenous experiments and innovations and seem to go further than has so far been accepted in Australia. Compared to previous reforms in China, these have much firmer top-level design, which governments then implement.

**Gordon de Brouwer** sets out the service delivery reform agenda of Australia's Commonwealth (national) government, noting that most service delivery is by the state and territory governments. For three decades, the Commonwealth has taken steps to reduce complexity in its services to make them more convenient for citizens and to improve outcomes, without necessarily involving them directly. The agenda now involves investing even more in digital technology, exploring ways to better link Commonwealth and state/territory service delivery and building close collaboration with the community. It requires the national government and its public service to give higher priority to service delivery rather than just to policy, and to strengthen its capabilities in digital technology and the use of big data. De Brouwer also describes the impact of the COVID-19 pandemic including how it confirmed the importance of data across and beyond government and, for the most part, involved close collaboration between the Commonwealth and the states and territories. Among the challenges for the next stage of reform is to sustain such collaboration, to ensure technology works and data are secure and safe, and to retain strong political support.

**Ian Scott** and **Ting Gong** explore the balancing of vertical and horizontal structures and processes for efficient delivery of services that meet people's needs in one of China's quasi-autonomous provinces. Rather than look to abolish 'silos', they suggest the use of coordination mechanisms which preserve the efficiency and accountability advantages of silos. They examine Hong Kong practice, including examples of serious failures of agencies to coordinate, identifying the need for coordination at the service delivery level as well as at the top, and the role of monitoring agencies such as Hong Kong's integrated call centre, which provides a one-stop shop for enquiries and complaints. Their conclusion is that silos can engage in effective horizontal coordination if the conditions are right and practitioners make the necessary investment of time and resources.

**Bingqin Li** reviews the chequered history of aged care reform in China since the economic opening-up changes ended the role of collectives and state-owned enterprises providing comprehensive social support to workers and their families. Various models have been tried over the years, with limited success, as broader societal changes—smaller families, ageing population, urbanisation and the separation of many workers and their families from their parents—have made it difficult for the elderly to rely on their children and grandchildren for support. From government-led investments to reliance on the market to involving social organisations, the models struggled to sustain the services needed. There was insufficient ongoing government support, the market concentrated on the wealthy, local governments needed to develop collaborative relationships with NGOs and the elderly did not always trust the social organisations. More recently, since 2016, the government has set clearer goals for the development of an old age care system with a mix of home-based, community-based and institutions-based services. While supply is still far from being sufficient to meet needs, and many live in states of neglect, by 2020 some progress had been made. The model has community service centres functioning as a platform for linking resources and the different services. The 2021–2025 plan aims to go further, synthesising home care, community care and residential care integrated with health and medical care and promoting ‘smart old aged care’; it is also to be linked to a multilevel and multi-pillar pension insurance scheme. The scale of the reform agenda presents major challenges: clarifying the concept of ‘community’; making the provision of community services attractive to business; developing governance systems that engage with business, NGOs and communities; ensuring the model is affordable to both government and the elderly; and finding the necessary workforce. Ultimately, for the care system to function well, it is important to find a coherent overall framework with state subsidies based on assessments of care needs and ability for users to pay, leaving a clearer role for the market and social organisations to deliver services. While there are currently experiments in long-term care insurance, to what extent this might help is yet to be seen.

**Jiwei Qian** analyses resource allocation in China’s health system since comprehensive financial reforms were introduced in 2009. While total health expenditure has increased dramatically since the SARS (severe acute respiratory syndrome) outbreak in 2003, and out-of-pocket expenditure has fallen from over 50 per cent to under 30 per cent of total health expenditures, there remain huge disparities between the capacity of grassroots primary care providers and the large hospitals in big cities. The amount of fiscal subsidy for primary care has increased significantly and social insurance now covers

over 90 per cent of the population, but there has been a proportional shift away from primary care and public health. Qian argues that this represents an unintended misallocation of resources which is adversely affecting access to effective and appropriate care, particularly in rural areas and smaller cities. The misallocation reflects the impact of the incentives for bureaucrats at different levels due to the performance evaluation system. The 14th Five-Year Plan issued in 2021 includes enhancing primary health care and public health institutions, and in May 2021 the National Administration for Disease Control and Prevention was established. But unless the incentives for bureaucrats are reviewed, Qian fears continued unintended consequences including misallocation of resources.

**Helen Liu** provides a fascinating case study of Taiwan's Safeguard Happiness Station project, revealing how its success was based on transitioning from a public-private partnership to a broader network governance arrangement. The project aims to provide timely assistance to needy teenagers and children. It involves a collaboration with convenience stores not only to provide emergency meals but to connect the children and their families to an extensive social safety net. The network involves schools, the High-Risk Family Service Management Centre (part of the Social Welfare Department), police, the Labour Affairs Department, convenience store chains (which have been encouraged to take up corporate social responsibility by the Education and Interior Ministries) and a private donor network. The case study demonstrates the potential benefits of networks with collaborative governance arrangements including the private and NGO sectors rather than more limited public-private partnership approaches.

**Mike Woods** examines how Australia's national government currently subsidises and regulates the delivery of aged care services by not-for-profit organisations and for-profit businesses within a quasi-competitive environment, and explores the government's responses to the challenges of managing sustainability of the system while ensuring consumer choice and control, delivering improved quality and safety and enhancing provider responsiveness. Australia's ageing population, particularly the increasing number of people over 80, is placing considerable financial pressure on the aged care system and raising significant workforce challenges, particularly because the elderly and their families do not want to pay for care. A Royal Commission into Aged Care Safety and Quality documented many cases of mistreatment and recommended in 2021 a great many initiatives likely to further impact the system's sustainability. Prior to 2012, the system was characterised by high levels of regulation in part to protect the government's

budgetary exposure but with the downside of giving selected providers privileged positions and limiting consumer choice. Reforms since 2012 have looked to replace supply-side controls and to introduce a competitive residential aged care market while also continuing to give more emphasis to non-residential care services. Particularly in light of the royal commission report, such an approach will need to meet a number of key principles including driving quality and safety outcomes that meet or exceed approved standards. Woods highlights the consequential challenges of fiscal and workforce sustainability and the need to increase the level of contributions from consumers, particularly those with high levels of wealth or income.

Key conclusions to draw from these chapters include:

- All jurisdictions are investing heavily to improve public services, the scale of the effort being particularly large in the PRC but also proving to be a continuing challenge in Australia despite many more decades of service delivery experience.
- New technology offers the opportunity for significant enhancements but the risks, including to the rights of citizens, need to be carefully managed (this may be attracting less attention in the PRC than in Australia, but even in Australia experience still reveals significant lapses).
- Notwithstanding the capacity of technology to deliver integrated services, government silos still have a role so long as there is sufficient investment in time and resources for coordination both on the ground and at the top.
- There are common challenges in establishing a clear and sustainable framework for providing aged care services, one that encompasses the respective roles of government, the market, civil society and the aged people themselves and their families. This challenge may be particularly acute in the PRC, as the shift from reliance on family support is more recent and boundaries between government, business and civil society are blurred under the party-state (more so under President Xi), but the challenge is also significant in Australia, as it grapples with the sustainability of its aged care system.
- There is a common desire for greater responsiveness to the needs and preferences of citizens, but a continuing gap between rhetoric and reality.

The issues raised in these chapters overlap extensively with those in the earlier sections: among governments, who has what responsibility for service delivery; how are services funded and their performance monitored; and what new capabilities are required in the civil service to ensure improved service delivery.

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