

# Promises, Promises

*Sandra Grey and Charles Sedgwick*

“The system isn’t working – it’s broken and the life outcomes for children in care are absolutely abysmal,” says the Minister of Social Development referring to the Interim Report and the Expert Panel Final Report on CYFs. ‘Broken’ means in this case that CYFs has been restructured 14 times since 1998 and is still not working (Interim Report, 2015, p.5). Interestingly the structural conditions are not dissimilar to the experience of the third sector subjected to at least 11 policy reviews and changes since 1998 to which they have had to respond (Treasury, 2013, p3).

Another sense of the ‘broken’ is the cost of CYFs at \$498m (2014-15) of which \$397m (\$150m (approx.) in 2002 and a high of \$700m in 2010) is operating costs with the 58% consumed by personnel (Interim Report , 2015, p. 75). Added to this are all of the contracted services. In 2014-15 CYFs had a deficit of \$7.7m which is expected to increase to \$11.2m for 2015-16. The forecast deficit for 2016-17 is between \$28 and \$38m (Interim Report 2015, p. 77).

According to the Minister we will have a ‘radical overhaul’ of CYFs that will result in a new entity, ‘child centered’ with a ‘new operating system’ and a ‘single point of accountability’ with a rights based ‘Independent Advocacy Organisation for Youth which will all have ‘high aspirations and be focused on the ‘long term wellbeing of children.’ According to Tolley the envisioned model of the new entity or agency will be ‘operating much like ACC<sup>1</sup> - accessing needs and direct purchasing services (Nine to Noon, 7 April 2016 RNZ).

When asked ‘What do you believe this will mean for the involvement of NGOs and community providers. Do you expect to see the scale of the role of external providers growing and growing perhaps exponentially?’ Tolley replied, ‘It has to, because this is not something that government can do on its own (The Interim Report said we needed ‘loving families’ p.5). ‘A social investment approach using actuarial valuations and evidence of what works will identify - the best way of targeting early interventions [or in another place] - the highest needs and risks...to ensure that these children receive the care and support they need, when they need it’ (Tolley, 2016).

As for spending, Tolley suggested what was available would be re-directed (\$821 m) and more (\$524 m) would be needed but its use will be a ‘bit more focused and certainly better organised and better coordinated - it will need more money – the social investment philosophy tells us that we will need to invest more, earlier on in

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<sup>1</sup> This could either be alarming or enlightened. ACC was the model for the adoption of the ‘investment approach’ in terms of a funding model which used an actuarial approach to manage ‘Government’s forward liability’ (Chapple, 2013 p.57). If you reduce forward liability then do you necessarily ‘maximize economic and social outcomes’ –only if there are desirable, full time, reasonably paid jobs? Which poses the question in this case – Are the reforms/interventions really about long term savings on welfare ? The enlightened aspect could refer to ACC’s attitude to and treatment of the NGO sector which according to anecdotal evidence has improved markedly.

the process'. Tolley had previously made the point that according to CYFs and NGOS half their time was spent in negotiating with agencies which all had differing criteria about what meets the needs for services'.

One would hope that this spells a fresh start for the relationship between at least a section of the NGO sector and a new 'entity' within the state. One could be forgiven however for being skeptical. The nine years following the 1999 election of a 'Third way' type Labour coalition government was full of the rhetoric of 'networks', 'partnership', and 'stakeholder involvement.' It seemed that there was a space for civil society which in the words of the then PM Helen Clark was to alter the state of 'a somewhat cynical and disillusioned people who hardly dare to believe that things might change' (Clark, 2000). Steve Maharey, the first Minister of the Community and Voluntary Sector according to He Waka Kotuia (2002, p.9) 'acknowledged the importance of community, voluntary and iwi and Māori organisations in contributing to the health of our country. He responded to their distress and anger by initiating a relationship-building process to improve central government's relationship with the sector'.

The result was the sector "...being asked to perform an enhanced role not only in the delivery of 'public services' but also in a restructuring of the state-societal relationship ....moving it away from its core mission , commercialising the sector's operations and compromising its autonomy (Evans and Shields 2006, p.2) and in effect precluding a political and advocacy role.

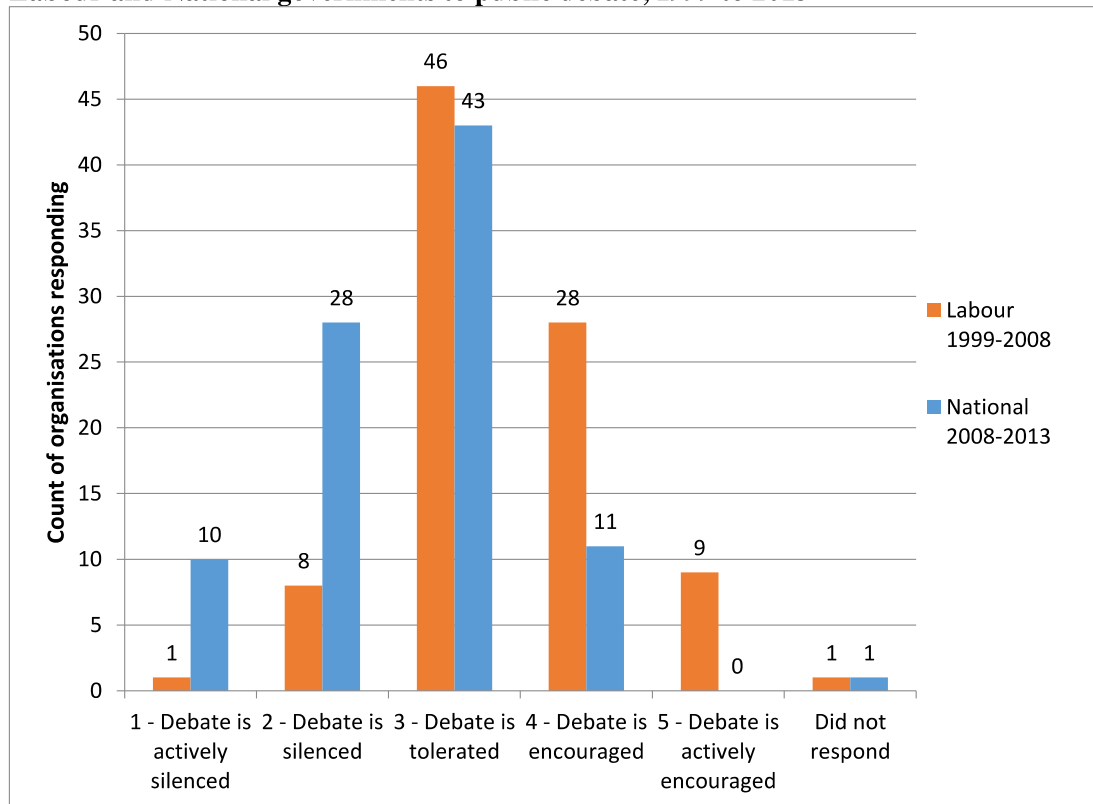
But the reality is far from one of openness and genuine partnership. In 2008-09 we surveyed a sample of organisations in the NGO sector in New Zealand to test the extent they were able to engage in democratic decision making. The survey bridged the Labour-led period in government from 1999 to 2008 and the beginning of the National-led time in office.

The reality for the sector, evident in the survey results, was that they were operating in a time when their opinions were ignored by the government, their voice mostly either silenced or merely tolerated in public debates. The predominant feeling was one of having little influence over politicians. The world of the community and voluntary sector had become one of providing technical and administrative capacity, and compliance in a funding environment dominated by contracts. They were neither respected nor trusted and were subjected the government mantra of 'getting value for money'.

We revisited our community and voluntary sector participants in 2013-14 to see what had changed under the National-led government. Groups still found themselves involved in government consultation processes but this participation turned out to be a poor indicator of democratic participation. Once one unpacked the government attitude to debate (which in ideal form includes a recognition and acknowledgement of NGO expertise, the capacity to listen to their voice and to allow them to influence policy) the situation appears very different. Figure 1 shows the results when participants were asked rank the two major political parties. Quite clearly the level of toleration of genuine public debate under National has decreased

and more groups found debate was being ‘silenced’ and ‘actively silenced’. The understanding of tolerance we noted had shifted from representing a lack of government interference in sector organisations. Now consultation was an opportunity to manage an organisation’s goals or at worst just smile at them and ignore their input since the decision has already been made. Even those who felt positive about involvement were realists about the extent of influence and knew it was unlikely to change policy.

**Figure 1: Community and voluntary sector organisations’ perceptions of the attitudes of Labour and National governments to public debate, 1999 to 2013**



Responses in 21013-14 also indicated that there was less tolerance of arguments against government policy. At worst such behavior could result in loss of funding and/or removal from government ‘consultative’ committees. At best organisations are pressured to change ones message and goals. Respondents who felt they were unsuccessful in getting their concerns heard increased from 4.3% under Labour to 39.8% under National. And those who felt that their dissent from policy was valued had halved from the first to second survey period.

Even if there is an excellent policy decision, an historic cynicism produced by the above immediately creeps in. Organisations wonder how implementation will take place and who will do it and whether the information will be shared between government agencies and how will policies affect their operation, and will they survive? A voice from the sector confirms the basis of this feeling:

*This particular government does not seem to listen or take into consideration any conflicting opinion or EVIDENCE contrary to its outlook. This is hugely*

*frustrating and very dangerous to our democratic process. If they continue to “high handedly” proceed with actions and policies without REAL consultation or regard to social or environmental consequences it will be a big turn off and people become disengaged with our democratic system. (Social service group)*

However, there are worse feelings than cynicism or skepticism and that is fear. This fear is generated from the NGOs position in society changing from once being an autonomous arm of a democratic civil society to becoming an arm of some entity or agency within government. Nowland-Foreman (1977, p.8) described their new position as ‘convenient conduits of public policy’. The Minister of Finance in 2011 called this relationship ‘shared responsibility’ and the Minister of Social Development said when explaining the ‘investing in services for outcomes’ policy that they had put in place High Trust Contracts and Innovation Funding ‘to encourage collaboration’ but also added ‘...I will discontinue contracts where providers have continued not to meet Government expectations’ <https://www.msd.govt.nz/about-msd-and-our-work/work-programmes/investing-in-services-for-outcomes/from-the-minister-for-social-development.html> . The respondents alerted us to a more definitive threats like ‘gag clauses in contracts which had increased from 12.9% of respondents in 2009 to 25.8% by 2014 and threats of funding loss. Funding is both the carrot and the stick, but if it becomes the basis of the sector’s being then, in the opinion of one NGO ‘there is a horrible irony that one has become exactly what the government said we were and you lose the sense of why were there in the first place’.

So how should the sector, which is most likely to be involved in the future of ‘New Zealand’s Children and their Families’ respond? One would be forgiven for assuming that their cynicism and skepticism might persist; that a time of welcome optimism over a new approach and policy on children and their families for the sector might be haunted by the realisation that they still reside in a situation inherited from the past, not chosen by themselves and in a socio-economic context unlikely to change. How much will ‘partnered responses’ in an area of obvious commitment and passion for the sector be matched by a new government unit’s capacity to allow the voice, autonomy and responsibility of NGOs to prevail in an environment of trust? So much of what will follow depends on implementation and one only hopes the Minister will enlist the help of the sector in a genuine way to ensure it is not a failed experiment or merely generated to provide welfare savings through an investment approach reliant only on actuarial valuations.]

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