

CHAPTER 4

THE COMMUNITY FUNDING AGENCY

4.1 ESTABLISHMENT

4.1.1 DSW reviewed

A review of the DSW in 1991 led to major changes to its structure in 1992. The decision to split the department into separate business units was modelled on similar changes previously made to ‘most State-Owned Enterprises’, which had resulted in ‘dramatic’ efficiency gains.¹

The restructured department is made up of a corporate office, which includes the Social Policy Agency; an information technology unit (Tritec); and three operating business units: the New Zealand Children and Young Persons Service, the New Zealand Income Support Service, and the New Zealand Community Funding Agency:

NZCFA has 137 staff. There is a small Head Office, responsible for the provision of support services including making payments, and a policy operations group responsible for planning, developing operational policy and communications. There are 8 Area Teams covering the whole of New Zealand, 4 in the Northern Region under the Regional Manager . . . and 4 Teams which constitute a Southern Region under [a] Regional Manager . . .²

4.1.2 Funder of community social services

The CFA is responsible for ‘allocating resources and support to community groups and organisations working in the area of social services delivery’.³ Since it began operating in May 1992, the agency has allocated over \$90 million annually to voluntary organisations providing social and welfare services. To this end, it contracts with the organisations whose services it funds, and it approves and monitors the standards of service providers:

NZCFA’s role is to administer the resources at its disposal as fairly and equitably as possible to meet identified and prioritised social and welfare need. While NZCFA is a substantial funder, it does not hold full and final responsibility for the outcome. The

1. Document c1(b)(1), para 53
2. Document c1(2), para 5
3. Document c1(1), para 3

outcome is determined by a number of factors, for example: the community itself, and the mixture of other sources of support and resource available.⁴

The corporate plan for the 1994–95 year forecast that the agency would spend \$92.815 million in the purchase of services and \$10.869 million in operating costs.⁵ The general manager at the time of the hearing, Ann Clark, reported that funding to the social and welfare service sector increased in both the 1993–94 and the 1994–95 years: in 1993–94, there was an increase of \$3 million to the family–whanau resource development programme; in 1994–95, there was a total increase of \$8.3 million spread across seven programmes.⁶

4.1.3 Not full funding

The funding allocated by the agency by no means covers the costs incurred by community groups in providing social and welfare services. On average, the agency funds services to the extent of 25 percent of their cost.⁷ It funds particular services to a level that is usually between 10 and 90 percent of their cost. Full funding is rare and is done only on the basis of a ‘one-off’, short-term, injection of funds.⁸

‘At best’, the agency provides 40 percent of the total funding base of the community organisations that provide social and welfare services.⁹ The balance comes from such sources as the Lotteries Board, philanthropic trusts, business interests, and public donations.

The Audit Office has described the agency as being a rationer of Government moneys to the community. As such, it is said to be in a difficult position because ‘Those funded will expect it as their due, and those from whom funding is withdrawn or not provided, will consider themselves aggrieved.’¹⁰

4.2 PHILOSOPHY BEHIND THE CFA

4.2.1 ‘Service development’ not ‘community development’

One of the key objectives of the CFA has been to change the philosophy behind Government funding of social and welfare services from community development to

4. Document c1(6), para 86; see doc c1(2), paras 4, 6, 13

5. Document c1(b)(7), para 35

6. Document c1(2), para 66. Before joining the department in January 1992, Ms Clark had been the general manager (branch operations and support) of the Housing Corporation of New Zealand, a position for which she was recruited from the United Kingdom in 1989. With the qualifications of a BSc (hons), a diploma in urban and regional studies, and a diploma in housing management, and as an elected fellow of the Chartered Institute of Housing, Ms Clark had ‘extensive managerial experience in a number of positions in the UK’, where she had also worked as a volunteer in a number of voluntary welfare organisations, including Housing Advice and Advocacy, Refuge, and the Child Poverty Action Group (ibid, para 1).

7. Document c1(1), para 8

8. Transcript 4.3, p 22

9. Document c1(6), para 85

10. Quoted in doc c1(5), para 5

service development, and to design and implement policies and procedures that establish a new basis for dealings between service providers and the agency.

4.2.2 Service development described

The CFA's northern regional manager at the time of the hearings, Wendy Reid, described the difference in this way:

. . . NZCFA looks to see a service established which will meet a need which has been prioritised by NZCFA . . . We are advised in that prioritising process by the community. This approach is quite different to a community development model which would see NZCFA in the role of resource provider, that is funding the aspirations presented by the community with little or no element of state control.¹¹

Ms Clark elaborated:

They're not unrelated concepts but we always look at anything with the word 'development' in it and say 'is it developing a service we need', and if the answer's 'yes' to that then we can consider funding. If it's not, then we would not fund it. So we would not fund somebody who was a community development worker whose job it was to go around everybody making sure they were happy. We would not fund that because there is no discernible output which fits with our NDOC structure.¹²

(1) *The agency decides what services required*

The work undertaken by the agency is based on 'vested interest', which means the agency develops or maintains services to meet a need that it has prioritised, acting on behalf of the Government, in the current funding year.¹³ Ms Reid summarised the advantages of this approach:

For all the complexities and difficulties resourcing agencies such as NZCFA face, I am convinced that resourcing of social and welfare service delivery on prioritised need as the sole primary focus, administered by an objective non-provider third party, is the only way forward for community based social and welfare service delivery. The relative distance this puts between funder and provider makes it more likely that fairness will be achieved; and that a balance will be found for conflicting interests which exist in all communities. It also allows government to develop a professional focus on the interface

11. Document c1(6), para 133. At the time of the hearings, Ms Reid had recently been awarded a State Services Commission senior management fellowship to attend Monash University. Since 1987, she held 'a range of management positions, initially at the Manukau branch of the Housing Corporation as Manager of Human Resources and Manager of the Client Services New Business Unit, and then later in the national position as Divisional Manager Community Housing'. In 1990, Ms Reid was seconded for three months to the Royal New Zealand Foundation for the Blind to assist in setting up its management and human resource systems. Before 1987, Ms Reid worked as a volunteer, trainer, and manager with community groups in New Zealand and obtained a certificate in community work from Manukau Polytechnic, where she was employed for a time as a tutor in the Community Studies Department. Ms Reid's other work experience includes a period of staff training and development in Papua New Guinea and an earlier career in nursing (doc c1(6), paras 2-5). Some time after the hearing of this claim, Ms Reid was appointed general manager of the agency.

12. Transcript 4.2, p 77

13. Document c1(6), para 133

between the voluntary welfare sector and Government, and gives both the opportunity to accumulate considerable expertise in this specialised field of service delivery.¹⁴

(2) The agency decides who will provide service

In its service development role, and in its contracting generally, the agency does not invite providers to tender for the provision of needed services. A tendering system, it was explained, assumes that full, not partial, funding is available and that potential providers are sufficiently sophisticated to submit a tender and develop costs of service delivery. It also assumes that the service can be specified.¹⁵ Because none of those assumptions can be made about the social welfare service sector, the agency's practice in developing new services is to determine, on the basis of the information gathered about the choice of services already available to consumers, either to develop the provision of the service from a new provider or to invite selected existing providers to submit proposals to provide the service:

Sometimes this means establishing an entirely new group. Sometimes it means encouraging an existing group to change or enhance its service, by providing information about changing service trends and the current and future funding priorities of NZCFA.¹⁶

(3) Iwi and non-iwi invited to provide services

The general manager explained that:

In this regard NZCFA has contracted with iwi where iwi have decided to become involved in social service delivery. It is recognised however that in urban areas, there are needs for service from Maori people who do not exercise mana whenua and NZCFA has consistently contracted with both iwi and pan tribal groups to ensure coverage of services, choice of service for Maori and quality services.¹⁷

While no details of the agency's service development in West Auckland were given, the Tai Tokerau area manager made it clear that iwi organisations there were being encouraged to develop services in two areas of need: residential care services for youth in need of care and protection and services targeting Maori with disabilities. To this end, the agency had convened hui at which all 15 iwi organisations in the area were present.¹⁸

(4) Procedures vary throughout country

The agency's early practice of requesting proposals from existing providers to provide a new service had varied throughout the country because it was in its developmental stages:

14. Document c1(6), para 232

15. Document c1(2), para 76

16. Document c1(6), para 132

17. Document c1(2), para 54

18. Document c1(7), paras 6, 10

As we have done in the agency a lot, what we have done is we have encouraged teams to try innovative things first and then we evaluate them, identify the best practice and then the following year put them into our procedures handbook. This is really, essentially, what is going on with this particular part of our work. Requests for proposals were issued by a number of teams last year in a number of ways so there was no one way to do it . . . it was variable throughout the country because it was a developing thing.¹⁹

(5) Various kinds of help offered

Ms Reid described how the agency works with community groups as it undertakes its service development role:

The Agency works to develop services by giving establishment funding, funding for feasibility studies, and by supporting and guiding voluntary organisations with information about how to set up their service and who is available to help them. Groups are frequently referred to the Link centres of the Department of Internal Affairs for assistance with establishing legal structures, writing job descriptions, etc or they may be introduced to other providers who have experience in the particular area where support is required. In addition, many Outreach Workers carry information leaflets and examples of documentation in pro forma form collected in the course of their work, which are made available to groups.

To avoid conflict of interest, Agency staff are careful to avoid actual hands on involvement in the day to day establishment or ongoing operations of a service. Their role is to support and facilitate, it stops short of active participation.²⁰

(6) Services funded – not providers

An example was provided, involving Te Whanau o Waipareira Trust, to illustrate how the agency's service development role impacts upon its relationship with the trust:

NZCFA focusses *on services – not organisations*. On this basis, Te Whanau o Waipareira is viewed by NZCFA as providing care services; youth services; whanau development services; anger management and parenting programmes; budgeting services; and community housing services. The NZCFA does not have a responsibility to fund the organisation itself, only to contribute a portion of the costs of those services for which NZCFA has funding responsibility. [Emphasis in original.]²¹

During the hearings, the agency defended its service development role, observing that community development was the responsibility of the Department of Internal Affairs. However, little evidence was presented on how the two departments interact, except in relation to funding of community groups under the Community Organisations Grants Scheme and the Lotteries Board, both administered by the Department of Internal Affairs (see sec 6.4.4).²²

19. Transcript 4.3, p 68

20. Document c1(6), paras 134, 135

21. Ibid, para 167

22. Ibid, para 45

4.2.3 Community development described

By contrast with the service development approach of the CFA, community development was defined as:

a model of working with the substantial networks that support people in their own social structure. It is about enabling people to identify the issues and problems they experience collectively; to decide upon a programme of action that will address these; and to identify the resources and skills necessary to implement that programme. The goal of such a model is that the community will eventually assume control over all aspects of its development.²³

(1) A disorganised response to demands

Crown counsel summarised the agency's view of the community development model of social welfare, which was in place before the agency was created, by saying that:

individual communities could demand resources and services which could be inconsistent with the needs of other communities. . . . It is this disorganised reaction to individual demands which the services planning process of the NZCFA seeks to move away from.²⁴

(2) Conflicts of interest

From his own experience, Patrick Kelly, an outreach worker for the CFA,²⁵ expressed the view that a 'true' community development model is incompatible with the role of an employee of a Government department. In response to questions, he spoke in terms of dancing to two different tunes, which, if not synchronised, could leave the employee falling on his or her face. He explained that what the Government wants its social service agencies to achieve may not always correspond to what a community wants, either in the specifics or in the manner or timing of its achievement. The difficulty therefore arose because a Government employee is 'dancing to the tune of Government', but under the community development model, the community 'calls the shots'.²⁶

Referring to the 1980s, when community services staff of the department were encouraged to provide direct assistance to community organisations, including by being active members of those organisations, Mr Kelly commented that staff in the previous northern region had identified a potential conflict of interest in their role and a decision was taken that they were not to be members of executive committees of such organisations.²⁷

23. Document c1(9), para 8

24. Document E7, para 104

25. With 15 years' experience as a departmental social worker in the Takapuna office before 1992, Mr Kelly was senior social worker in that office's community services team prior to the formation of the CFA (doc c1(9), para 2).

26. Transcript 4.2, p 175

27. Document c1(9), oral comment made at para 11

4.2.4 Consistency sought in funding decisions

The agency's evidence stressed the value of consistent and transparent funding policies. The general manager of the agency stated that it became apparent from examining the funding distribution for 1992–93 that there were two anomalies in previous funding arrangements:

a strong relationship between the volume of funding on the one hand and on the other the strength of the former DSW community services team, or the advocacy skills of providers, which bore no relationship to the needs of the community, or the context of that community with another community.

The other issue identified was the ability and ease with which national groups, predominantly Pakeha groups, could make their case to Government and get special treatment.²⁸

4.2.5 Local knowledge valued

To overcome that second problem, the senior management team of the agency has tried to ensure that the agency and voluntary welfare organisations deal with each other at a local level.

A motivating factor for the agency's 'front line' and team-based operating style was referred to frequently by Crown witnesses. They emphasised that the devolution of funding authority to the area teams and sub-teams countered the possibility of service providers negotiating 'special deals'.

4.2.6 Behavioural changes required

The Director-General of Social Welfare explained that the new devolution policy:

has required some behavioural change on the part of the staff and providers, as historically there has been a practice internally of 'batting to the top' and externally of 'going over the heads of local staff'. . . . This [new] approach has been adopted to overcome historical practices which frequently saw local knowledge and experience over-ruled by bureaucrats for political and/or pragmatic reasons. This historical practice in my view inhibited the development of staff, reduced the levels of accountability of all parties, and resulted in ad hoc decisions being made by people unfamiliar with the local needs. At best this was a highly reactive process which lacked an overall context within which to make or test decisions. This is best demonstrated by the number of 'special deals' uncovered by the Agency since its establishment which bear no relation to overall need and/or equity.²⁹

28. Document C1(2), paras 50, 51

29. Document C1(1), para 9

4.3 ORGANISATION

4.3.1 Statutory and administrative framework

The general manager of the agency is appointed under the State Sector Act 1988, and is directly accountable to the Director-General of Social Welfare for expenditure of the CFA's budget and achievement of the goals set out in the agency's corporate plan.

The agency (in fact the whole department) regards its main client as being the Minister of Social Welfare, who approves the corporate plan; and through the Minister, the Cabinet, which sets the social goals for the department and decides its annual appropriation.

Those accountabilities, established by the Public Finance Act 1989 and the State Sector Act 1988, are monitored by the Government's control agencies. The State Services Commission and the Treasury ensure that the department complies with its purchase and performance agreements with the Minister, and Audit New Zealand reports on the efficient administration of the department. Te Puni Kokiri is responsible for monitoring the effectiveness of Government agencies in meeting Maori needs, but high priority has not been given to monitoring the CFA.

CFA witnesses made clear that they do not regard the agency as being directly accountable to service providers or the public, except through the Minister. The general manager described her relationship with the New Zealand public in these terms:

I am not directly accountable to the community but to the taxpayer through Government. I do accept, though, that there is a reciprocity in NZCFA's relationship with the community. Through Services Planning we undertake extensive consultation on need and priorities for social and welfare services. As part of our commitment to those we collect information from, we undertake to communicate this to Government so that they are fully informed on needs. The Government then makes choices on levels of funding for each NDOC and I am accountable for ensuring the appropriations are used consistently with the purpose they were appropriated for.³⁰

The fact that the agency's primary client is the Minister of Social Welfare was reflected in the general manager's terminology: service providers with whom the agency contracts were not referred to as agency clients and the people who use the services were described as clients of the service providers.³¹

The northern regional manager introduced the notion of the agency having 'customers' when she acknowledged there had been failings in its dealings with Te Whanau o Waipareira Trust. As well, it was said that work had been undertaken to develop 'customer feedback' mechanisms, and that a formal external 'customer service review' had been done.³² In both instances, the 'customers' referred to were service providers who contract with the agency. Consumers of social services were referred to as one of the agency's:

30. Document c1(2), paras 7, 8

31. For example, doc c1(2), paras 57, 79

32. Document c1(6), para 41

three customer bases it serves, ie the consumer of community based social and welfare services, the provider of those services and the Minister of Social Welfare representing the Government of the day.³³

However, the community does have a key role in the services planning process, which the CFA sees as the heart of its operation (see sec 4.5). Services planning underpins the agency's bid for its annual appropriation, and also determines which programmes and services get priority for funding.

4.3.2 Management and staffing

The general manager of the agency together with the two regional managers and three managers within head office (responsible for operations, support services, and audit) comprise the senior management team. At the time of the Tribunal's hearings, all were Pakeha. Originally, there was one Maori member of the team.³⁴

Each of the eight area teams is led by an area manager. Agency staff in the Auckland area, which extends from Te Hana to the Waikato River, work in one of three sub-teams known as central, north-west, and south. The north-west Auckland sub-team, with which Te Whanau o Waipareira is most closely associated, was established with a sub-team leader and six outreach workers.³⁵ At the time of the Tribunal's hearings, there were two Maori outreach workers in the sub-team. Both had been appointed upon the agency's formation in May 1992.³⁶

Of the agency's 137 staff in 1994, 93 (just under 70 percent) were outreach workers. The outreach worker positions were created with the intention that their incumbents would be the front line of the agency:

[They] would have responsibility for a specific geographic area and all the functions that NZCFA were to carry out. They were to have considerable delegated authority, work from home or small community based offices as part of a team; they were to have notebook technology to generate contracts on the spot, have a dedicated vehicle to cover their patch and have access to mobile communications.³⁷

4.3.3 Relations with community groups

The outreach workers deal with the approximately 2000 community groups throughout the country which are agency funded.³⁸ To receive funding, service providers must meet the agency's standards for delivery of services. It is the outreach workers who grant approvals to service providers and monitor their performance in accordance with those standards. Another major part of the outreach worker's job is contracting, on behalf of the agency, with individual service providers. As a

33. Ibid, para 43

34. Transcript 4.2, pp 74, 170

35. Document c1(6), paras 8, 15, 21

36. Document c1(11), para 4; doc c1(14), para 1

37. Document c1(2), para 12

38. Transcript 4.2, p 52

prerequisite to that task, each area team gathers and assesses information about the need for services in the area and decides how funding should be allocated amongst the providers for each of their services.

In line with its devolution policy, in the words of the northern regional manager:

we've devolved everything to the local level staff, and so that's where the work goes on and that's where the decision making takes place. I certainly don't have a bucket of money, the General Manager doesn't have a bucket of money. The money is out there amongst the teams and the decision making is out there amongst the teams. So by taking a case higher in actual fact what will happen, it will be delegated straight back down again because that's where the funding and the decision making rests.³⁹

However, while funding decision-making within the agency's areas is the responsibility of local staff, the amount to be allocated to each of the eight geographic areas is determined by the senior management team (see sec 4.4).⁴⁰

One feature of the north-west sub-team's operating practice is notable because it may have contributed to confusion within the trust about the extent of an outreach worker's authority in funding matters. Although individual outreach workers have authority to sign contracts on behalf of the agency up to a value of \$100,000, the north-west practice is for contracts up to that amount to be signed by the sub-team leader or, in her absence, an outreach worker not involved in negotiating the contract.⁴¹ The sub-team leader did not know if this was a general practice. It was said that it had been adopted locally to avoid the possibility of errors being made, especially in stating the dollar value of contracts.⁴²

Although outreach workers spend a substantial part of their working day in the field or working from home, members of the north-west Auckland sub-team expressed satisfaction with the team spirit that prevailed in their group, comparing it favourably with team environments in more conventional office settings in which they had worked. In particular, sub-team members could not recall a time when any initial differences within the group had not been resolved by mutual agreement.⁴³

4.4 HOW THE CFA FUNDS

4.4.1 Government budget cycle

The annual budget round begins with the Government adopting a series of social goals for the DSW to pursue. The general manager of the CFA said that she played no part in defining those goals and did not know how they were set.⁴⁴

39. Transcript 4.2, p 130

40. Document c1(2), para 63

41. Document c1(10), para 18. The area managers have authority to sign a contract up to the value of \$500,000.

42. Transcript 4.2, p 189

43. Transcript 4.3, pp 82, 85

44. Transcript 4.2, p 36

Then the department draws up a budget and prepares a bid for funding. With regard to the CFA, the bid is broken down into non-departmental output classes (NDOCs) or funding programmes.⁴⁵ Under each heading, the department specifies the services that will be provided within the proposed budget. It is implicit that provision of the specified services will achieve the social goals set by the Government, but there is no empirical evidence on which this assumption is based (see sec 6.2.1).

The bid is based on information gathered by CFA staff during the services planning process. This enables the CFA to justify its bid, and to set priorities for spending whatever allocation it might get.

The bid is analysed by the Government's control agencies, including the State Services Commission and the Treasury, who forward it to the Cabinet with their own recommendations, following discussion and negotiation with senior CFA and DSW managers.

The Government's funding decisions, announced in the budget, are specific to each of the NDOCs administered by the CFA. These appropriations become the responsibility of the general manager of the CFA.

4.4.2 Allocation by CFA management

(1) *National contracts*

The funding in each NDOC administered by the agency is allocated by its senior management team to the agency's eight areas. But first, the amount needed to fund 'national contracts' is taken 'off the top'. The contracts with 'national services', sometimes also referred to as 'special deals', are arrangements that the agency has inherited and that it has not yet renegotiated to make subject to its ordinary contracting procedures.⁴⁶ At the time of the hearing of the claim, progress had been made towards putting at least one of the national services on the same footing as all others purchased by the agency, but staff had encountered resistance, including a 'political and media blockade', to the renegotiation of national services' funding.⁴⁷

To illustrate the effect of these contracts upon the 1993–94 residential care NDOC, the funding of two national services, Glenburn and Youthlink, took \$1,323,330, or just

45. NDOCs were formerly called payments on behalf of the Crown (POBOCs) (see sec 6.2.2).

46. Transcript 4.2, pp 164, 168

47. *Ibid.* The total cost of the national contracts is difficult to discern from the agency's annual national services plans. In the 1992–93 plan, a separate section at the front of the plan records their total cost that year as \$77,355,234. In the 1993–94 plan, a separate section at the front records their total cost as \$28,207,931. In the 1994–95 plan, the final two pages record their total cost as \$34,207,149.

However, none of those sums represents the full cost of the national contracts, because some of the services purchased under those contracts are recorded under the provider organisations in each of the agency's areas. This is the case, for example, for the Presbyterian Support Services' facility Glenburn, which is recorded in the north-west Auckland section of the 1992–93 plan as being allocated \$521,722 from the families under stress programme (doc c1(b)(9), p 31; doc c1(b)(10), p 43). In the 1993–94 plan, Glenburn is included in the Auckland families in need of support section as being allocated \$580,500 (doc c6, p 34). So, in 1993–94, when the plan recorded the cost of national contracts as \$28,207,931, their cost was in fact \$38,926,990 (doc D3, p 4).

under 25 percent, ‘off the top’ of that NDOC’s total amount of \$5,370,000 for the purchase of residential care services throughout the country.⁴⁸

(2) Allocation of remainder

Once the cost of the national contracts is taken from the relevant NDOCs, the senior management team of the agency determines, from the information gathered in services planning and from the needs indicator (see sec 4.5.1), the amounts that each of the agency’s eight areas will receive from the balance of the NDOC funds. Finally:

Once each Area Team knows their allocation they meet as a team and collectively decide how the funding is to be utilised in line with the results of the earlier services planning exercise. The teams are required for example to ensure that funding for Youth is spent on Youth but the types and varieties of programmes and their cultural appropriateness are all factored into the choices of providers and the value of the contracts.⁴⁹

(3) Allocation criteria

Before the March 1995 hearing, agency witnesses had described the consensual nature of the outreach worker teams’ funding decision-making process but had not elaborated on the factors they took into account when deciding the amounts to be allocated to individual providers for their services. At the March 1995 hearing, the northern regional manager produced a list the agency had recently published of the criteria that outreach workers had been considering in their funding decisions. The list of criteria:

applies to the future, but it draws on the experience of the past . . . All it does is now present them in one place . . . when in actual fact it has been a process that has just not been pulled out and clearly documented previously, but it has been happening.⁵⁰

Twelve criteria are listed for ‘deciding the percentage of agency funding for a selected provider in relation to need’, including:

- cultural appropriateness demonstrated;
- whether the service is ‘owned’ by that community (ie, managed by local residents);
- the ability of the provider to contribute to the strengthening of the community is proven;
- consumer choice is maintained;
- the ability of the provider to secure other cash income;
- the ability of the community to contribute non-cash resources;
- the level of agency funding needed to ensure the provider remains viable; and
- the percentage of funding that the provider expends on overhead costs as opposed to service delivery.⁵¹

48. Document D3, p 3; doc D5(e), p 1

49. Document C1(2), para 64

50. Transcript 4.3, p 25

51. Document D5(f), pp 2–3

(4) Contracts provisional

At the time they contract with the agency, individual providers may be uncertain whether their applications for funding from other sources will be successful. One source of other funding is the Lotteries Board, administered by the Department of Internal Affairs, and the agency has been cautioned by the Auditor-General to take care to avoid situations in which service providers are ‘double dipping’ from both agency and Lotteries Board funds.⁵² This means that providers must not be funded from both sources for the same services to a level that exceeds the cost of providing the services.⁵³

In light of this, it was explained that the agency regards the contracts it enters with service providers at the start of a financial year as arrangements that reflect the knowledge of the parties at that time but that are subject to renegotiation should a service provider’s circumstances transpire to be other than those that underlay its contract or contracts.⁵⁴ Accordingly, a provider can go back to the agency and request a ‘top up’ of funding.⁵⁵ In response, the agency may help the provider, because it has ‘some options as the year goes on to recycle some of the funding that becomes free for other reasons’.⁵⁶

4.5 SERVICES PLANNING**4.5.1 Local needs compared nationally**

The information upon which the CFA makes its bids to the Government (for the amount of funding to be invested in each NDOC, or funding programme) also informs the decisions made within the agency about how the funding should be allocated. The information is gathered by means of two strategies designed to complement one another. One is the services planning process, which, generally speaking, aims to gather subjective information about each area’s needs for social and welfare services. The other is the needs indicator (or needs index), designed for the agency by Ernst and Young in 1993, which uses mainly objective (statistical) information for the purpose of assessing the relative needs of the agency’s areas.

The purpose of the process of services planning, coupled with the use of the needs indicator, was stated by the general manager of the agency to be ‘to get more equity into funding distribution and get a better feel for the needs of social and welfare services’.⁵⁷

52. Document c1(5), para 4

53. Transcript 4.2, p 208

54. Transcript 4.3, p 25

55. However, the trust believed that their contracts with the agency, like the contracts they had previously entered into with Te Puni Kokiri, fixed the terms of the parties’ agreement (doc B10, p 53): ‘it [the contract] simply says “I will provide these services, these outputs which CFA are purchasing, for this amount of expenditure, for this term of time.” That’s what it says.’

56. Transcript 4.3, p 26

57. Document c1(2), para 13

The agency's design and implementation of its services planning process were praised by the Director-General of Social Welfare as providing 'an extremely robust model' for identifying and prioritising needs for social and welfare services.⁵⁸ The Audit Office has also commended the process. In a report prepared for the agency as a result of a study forming part of the office's report to Parliament at the end of 1994, it is stated that:

The assessment of community needs at a local level by the area teams of outreach workers and the benchmarking of those assessments against the needs index prepared independently by Ernst & Young gives a comprehensive inter-locking framework for decision-making.⁵⁹

The services planning process is scheduled to be completed before the agency's annual budget is confirmed by the Government in June of each year so that contract negotiations with service providers can begin as soon as possible after that time.⁶⁰ The 'entire focus' of services planning is to identify, in consultation with the community, the needs of that community for social and welfare services. The next principle of services planning, granted that resources are limited, is to consult the community on their relative priorities for service.⁶¹

4.5.2 Development and refinement of process

Because the services planning process was in its infancy before the 1992–93 financial year, the agency's funding recommendations, or bids, for that year, as well as its own funding decisions, were based largely on prior funding levels. Since then, the services planning process has supplied the information upon which the agency forms its advice to the Government and its own funding decisions:

For 1992/93 the services planning process was extremely rushed and whilst some useful information was obtained, the resulting funding decisions were effectively a rollover of funding from 1992/93. The records NZCFA inherited of previous funding decisions were very poor in some parts of the country.

During 1992/93 the NZCFA put a lot of effort into respecifying services planning, scheduling it into the first five months of 1993 and generally ensuring that a quality job would be undertaken. We also started to develop the concept of *priority based budgeting*. This concept meant that all services were categorised into high, medium, and low priority as a result of the consultation rounds. Each Area Team compiled three scenarios for service plans with their associated budget bids:

- (i) a 10% cut scenario;
- (ii) the same funding again, and
- (iii) their ideal funding (which assumed more).

58. Document c1(1), para 7

59. Document c1(5), para 5

60. Transcript 4.3, p 84

61. Document c1(2), para 42

The ideal funding formed the basis of NZCFA's bid to Government for additional funding for the various programmes for which NZCFA had responsibility. [Emphasis in original.]⁶²

4.5.3 CFA tested by other agencies

It was stressed that the Government decides how much funding to put into each NDOC⁶³ and that the agency's recommendations are scrutinised by other officials:

CFA have to report to the controller agents, which are the State Services and Treasury etc, who are a panel who actually question and debate those bids, if you like. The decisions are then finally made by Cabinet and the funding that Cabinet decides to appropriate to us really reflects their decisions based on all the information – some of it from us, some of it from other sources. So we have a role of information and recommendation, but at that point it stops.⁶⁴

The general manager observed that the agency's credibility in persuading the Government as to what it should fund, and in what amount, depends not only upon the strength of its services planning process but also upon the strength of its financial accountability:

1993/94 and 1994/95 has seen increases in funding to the social and welfare service sector. This would not have happened if NZCFA had not acquired the respect of NZ Treasury.⁶⁵

4.5.4 Maori in services planning

(1) Importance of services planning for Maori

The agency's 1993 services planning handbook emphasises the importance of the process for Maori. After referring to *Puao-te-Ata-tu*, it states that services planning aims to ensure that:

- Maori people are able to choose Maori-based structures for the delivery of their social services.
- Maori-based services are preferably organised around Iwi-based structures. Taura Here and Pan-Tribal groups that are providing Maori-based services are also considered appropriate.
- Resource allocation to Maori-based structures takes into account the proportion of Maori in the client group in each sector and their need for social services.

Progress towards Maori management of social services will be developmental as structures become able to take on service delivery.⁶⁶

62. Ibid, paras 45–47

63. Ibid, para 63

64. Transcript 4.3, p 32

65. Document c1(2), para 66

66. Document c1(c)(33), para 1.2

(2) Consultation with Maori

The agency's general manager described the services planning process for the 1993–94 year as providing for 'extensive consultation':

through mailouts, one-to-one meetings, meetings of sector groups and liaison with other interested bodies eg local Government, Police, Schools. NZCFA made use of benefit and other statistics to ensure that not only was subjective opinion taken into account but also objective data, such as benefit dependency and shared households.

In the 1992/93 Strategic Plan for NZCFA, all Area Teams were required to develop protocols with iwi to ensure that iwi were aware of the services planning and they had opportunities to become involved in the process if they wished.⁶⁷

However, with regard to Maori involvement in services planning, the northern regional manager said that, while the process was designed to include wide consultation at community level, its 'extension' to formally involve Maori had varied throughout the agency. Acknowledging that there was room for improvement in the area of formal consultation between the agency and Maori organisations, she said this would require a more consistent effort on the part of the agency to establish working relationships at the local level with all 'mandated representatives of Maori'.⁶⁸ The agency's understanding of a 'mandated' Maori group is one that is formed and supported by the manawhenua iwi of an area.⁶⁹

(3) Limits to consultation

Agency witnesses acknowledged another deficiency in the consultation process – its focus on service providers rather than consumers of services:

In terms of the comprehensiveness of services planning as conducted by the Agency to date, it would however be true to say that this has largely focused on talking to voluntary organisations about the need for services, with less emphasis placed on talking directly to consumers. Some teams have held forums with consumers but it would be fair to say that this area of the Agency's work is largely undeveloped and the managers within NZCFA acknowledge the need to now shift the services planning aspect of its work out to the level of consumers.⁷⁰

The agency also noted constraints upon the scope of the consultation it can conduct in services planning. First, it was said that it is not practicable for the agency to consult on the division of the funds in each NDOC, because the amount is only known to staff from the night of the budget speech, by which time the imperative is to get the funding to providers as quickly as possible. Further, it would be difficult to consult when each NDOC is divided eight ways (amongst the area teams) and then by each team in up to 200 ways to provide for the various contracts.

67. Document c1(2), paras 39, 48, 49

68. Document c1(6), paras 171–173

69. Transcript 4.3, p 62

70. Document c1(6), para 178

Secondly, the agency's consultation is limited by the purposes for which it is conducted:

I think we've certainly tried to set limits on the consultation. So I don't think we've tried to present our consultation as being anything other than what it is. I mean, in terms of consulting on what the needs are of a particular community and then consulting on the relative priorities of those needs, I think we're asking a very narrow range of questions and I think consultation, having read the [Parliamentary Commissioner for the Environment's report on consultation], is actually far wider than that. We haven't taken it wider than that.⁷¹

These limitations were summarised in this way:

whilst we cannot consult on the amount, there is infinite negotiation possible on the type and range of services within the parameters set by the NDOC description published by Government.⁷²

(4) Consultation in 1992–93 and 1993–94

The conduct of the services planning consultation process in the Auckland area for the 1992–93 and 1993–94 years was explained in some depth.⁷³ In both years, the three Auckland sub-teams were divided into service sector teams so that staff from each of the three geographic areas were involved in the planning for the three service categories – families under stress (now known as families in need of support), people with disabilities, and community welfare. Each sector team was responsible for drawing up a draft issues paper identifying the need in Auckland for that particular service, how far the needs were being met, and what services needed to be further developed. The issues papers used information from agency-funded service providers as well as any other relevant information that could be obtained (eg, from departmental records, surveys, the census, and newspaper articles). In that process, some service providers were contacted for further information and perspectives on community needs.

In the 1992–93 planning round, the sector teams were responsible for attending consultation meetings or consulting with individual groups. In the next year, the geographic teams were responsible for community consultation.⁷⁴

The consultation conducted in the Auckland area for the 1993–94 year included four public meetings scheduled to last either two or three hours.⁷⁵ In advance of the meetings, each outreach worker was responsible for contacting the organisations she or he worked with, and as many relevant non-funded organisations in the area as could be identified:

71. Transcript 4.2, p 80

72. Document C1(2), para 40

73. Document C1(12), paras 4–19

74. Ibid, paras 6–12

75. Ibid, para 13, app 2. Paragraph 13 of the evidence stated that there were four meetings, but appendix 2 suggests that there were five.

They were sent notices advising meeting topics, dates, times and venues, copies of the draft issues paper and questionnaires to which organisations could respond. The Team tried to be as comprehensive as possible in making these contacts so as to have as full a picture as possible of the whole situation for service provision. Te Whanau o Waipareira Trust was included on the mailing list. . . .

Between thirty and fifty representatives from the various organisations attended most meetings.⁷⁶

The meetings were run in workshops, each group's comments being recorded on sheets of paper and shared with the whole meeting towards its conclusion, with further comments noted. The information gathered was collated into papers for use by the sector teams when preparing the final versions of the issues papers. Information from the final issues papers was published in the Community Funding Agency's *National Services Plan: Funding Decisions 1993–94*, which was circulated to all funded service providers.⁷⁷

If a service provider was unable to attend one of the meetings, an arrangement was made for a separate meeting with the outreach worker to discuss social service needs in the area. It was acknowledged by the agency that the services planning process had not included a separate meeting for Maori service providers in the Auckland area.⁷⁸ Responding to the claimants' criticism of this omission, the general manager stated, 'I think that criticism is legitimate and I accept it. . . . if we have not met Waipareira's needs then that's a customer issue and I think we should have tried a bit harder.'⁷⁹

4.5.5 Services planning for the 1994–95 year

The subsequent services planning round occurred after the claim was lodged and before the Tribunal hearings began. In light of the agency's acknowledgement of deficiencies in the earlier processes, including the need for better consultation with 'mandated' Maori representatives and with consumers of services, it is notable that no public consultation meetings at all were held in the 1994–95 planning round:

For the services planning for . . . 1994/95 . . . we did not have public consultation meetings . . . we didn't have any of those meetings that particular year for anyone, but we did make a concerted effort, I hasten to say, that we contacted all our groups individually with a visit and gave questionnaires if they wished to follow up with written responses too. They weren't neglected . . . it was a wide consultation process but individual. . . .

. . . as I understand it, it was a national way of doing it that particular year . . .⁸⁰

76. Document c1(12), paras 14, 15

77. Ibid, paras 17, 19; doc c1(b)(10), pp 33ff

78. Document c1(12), para 13

79. Transcript 4.2, p 73

80. Transcript 4.3, pp 87–88

The outreach worker who gave that evidence gave her personal view that the feedback she obtained by this new means, from the group of service providers and others she contacted, was sufficient.⁸¹

4.6 THE NEEDS INDICATOR

4.6.1 An objective basis for comparison

Because the information gathered in the services planning process is largely subjective, it does not provide a strong basis for comparative assessment of the need of different agency areas and the sub-areas within them. To generate an objective basis for those assessments, in 1993 the agency commissioned Ernst and Young to develop a 'needs indicator'. In this task, Ernst and Young received assistance from representatives of the Department of Statistics and Te Puni Kokiri and from Professor Leon Fulcher of Victoria University, Jan Dowland (strategic planner, IHC), Suzanne Snively (Coopers and Lybrand), and agency staff.⁸² The Ernst and Young consultant who helped develop the indicator gave evidence about its design and application.⁸³

It was explained that the needs indicator does not replace the collection of the services planning data from the community but complements that process, providing a tool against which funding decisions can be tested. In essence, the indicator uses information from the most recent census about the population of each of the agency's areas to produce needs-weighted population figures, which can then be used as the basis for the division of funding not only amongst the agency's eight areas but also within each area.⁸⁴

4.6.2 Seven criteria checked

The seven criteria chosen for use in the needs indicator are based on those developed in a 1985 study by the Department of Health, called *Health and Equity*. They were said to have 'generally accepted credibility and reliability in predicting social need'.⁸⁵

The seven criteria are based on the percentage of Maori and Pacific Islands people in an area, the percentage of people who are unemployed or receiving income support, the percentage of single parents with dependent children, the percentage of multi-family households, the isolation of the area in terms of access to services, and the cost of housing.⁸⁶

The general manager explained that the choice of criteria for use in the indicator was limited by available statistical information. As a result, while it would be appropriate for the indicator to include statistics on child abuse notification and on

81. Ibid, p 88

82. Document D5(b)

83. Document C1(16)

84. Document C1(2), para 52

85. Document C1(16), para 8

86. Ibid, para 11

disability, the lack of reliable information about those matters precluded it.⁸⁷ The northern regional manager added that, if factors could be identified as causing problems for Maori but not Pakeha, and if there was a national database that could be used, the agency would be happy to use that information in its needs indicator. However, the problem is ‘what are the factors on a national basis and where are the databases on a national basis? . . . to date those two things have not been identified.’⁸⁸

Information is available from public records about all but one of the criteria used in the needs indicator – the regional isolation criterion.⁸⁹ It takes account of the time taken to travel to services and was developed for use in the needs indicator because of the paucity of rural social services and the fact that the cost infrastructure for rural social services is much greater than for urban social services.⁹⁰ By the weighting applied to the criterion, high isolation areas (two hours’ travelling time to the nearest service) have their overall need increased by 20 percent, low isolation areas have their overall need decreased by 20 percent, and medium isolation areas are unaffected by the criterion.⁹¹ A table showing the results of the criteria for the 1994–95 services planning round reveals that only two of the eight agency areas – Auckland and Wellington – are ranked low isolation areas.⁹²

While the final choice and weighting of the individual criteria was determined by the agency’s project team, their weighting was not explained in any depth at the hearing.⁹³ Agency witnesses assured the Tribunal that, during the development of the needs indicator, different weightings of the various criteria had been tested to ensure that it reflected the high need of Maori for social and welfare services. For example, the northern regional manager stated:

The factors were tested and run through various models of weighting, thinking of how did they affect Maori . . . if you weighted them in various ways it didn’t actually change the result because Maori are over-represented in all those factors now, and so therefore they are actually counted in a number of cases because they are over-represented in the benefit figures, because they are over-represented in the double household. So we tested that by modelling and in actual fact came to the conclusion that that indicator worked for Maori, certainly not against Maori.⁹⁴

4.6.3 Equitable funding decisions depend on integrity of services planning

The agency agreed with the trust that the integrity of the services planning and funding allocation processes was central to any assessment of how equitable is the agency’s funding. The northern regional manager explained why this was so when she observed that, in the absence of mechanisms that measure the social welfare

87. Transcript 4.2, p 69

88. Transcript 4.3, p 12

89. Document c1(2), para 52

90. Transcript 4.2, p 69

91. Document c1(16), para 11; transcript 4.3, p 12

92. Document c1(16), app 4

93. Ibid, para 8

94. Transcript 4.3, p 12

outcomes for consumers of services, mere knowledge of the cost of services that have been purchased from different providers is of limited assistance to any assessment of how equitable is the funding received by different groups of consumers:

I am yet to be convinced that the measurement of equity, based simply on the amount of dollars invested, is a useful exercise. We as a Government Department focus in part on a measurement of output in dollar terms, and we are fortunate to be able to measure enhanced opportunity by simply using dollars. However this is not an adequate measure in terms of the much larger issue of equity of outcome. My point is that the dollar input alone will not buy equity, although it may help of course to achieve equality of opportunity, which is the fundamental objective of social engineering. In the achievement of equity of outcome, it is the economic base and education which are of greater importance.

For its part, NZCFA works to target the resources it has to the areas of greatest social and welfare service need.⁹⁵

4.6.4 Funding to providers not a reliable indicator of outcomes achieved

At the hearings of the claim, various reasons were identified as to why ‘dollar input alone will not buy equity’ of outcome. They include:

- some service providers rely wholly upon voluntary labour while others employ some paid workers and use voluntary labour to a lesser extent overall – factors that affect the quantity, and perhaps the quality, of the services able to be delivered for a set amount of money;⁹⁶
- some providers are large, well-established organisations able to achieve economies of scale in their delivery while others are new with high establishment costs;⁹⁷
- some providers offer a range of services while others focus on the delivery of particular services, some of which can be particularly costly to deliver;⁹⁸ and
- the human dynamics involved in service provision can mean that the ‘right’ provider may achieve an effective result for a consumer at little cost, when a different provider would have achieved far less at greater cost.⁹⁹

In sum then, because these variables influence the ability of providers to use agency funds to achieve ‘success’ with their clients, and there is no requirement that the agency measure success (the outcomes for clients) nor any mechanism to do so, funding figures alone provide a limited means of assessing the equitableness of the agency’s funding allocations.¹⁰⁰

95. Document c1(6), paras 130, 131

96. Transcript 4.3, p 14

97. Ibid, p 22; doc B5, para 5.2; doc B10, pp 46, 47

98. Document A8(h), para 3; doc A8(t), p 3

99. Document c1(6), para 129

100. Ibid, paras 125–130, 139, 140; transcript 4.3, p 13

4.6.5 A new factor – the community’s ability to contribute

At the hearing in March 1995, however, the agency referred for the first time to its development of a ‘second needs indicator’, quite separate from the one agency witnesses had focused on before that time. It was explained that, in about July or August 1994, the agency had started developing a measure of a community’s ability to contribute to the funding of needed services. This was done in recognition of the difficulty posed by the sole focus of the isolation criterion upon geographic isolation from services. As a result of discussions within the agency and beyond, an assumption had been identified underlying the isolation criterion, relating to a community’s ability to contribute funding for needed services.

The northern regional manager said:

because we believe that this is an issue for Maori, there is an assumption because we partially fund that a community can respond and contribute, and what we are setting out to do, and it hasn’t been done before, is to develop some way of measuring a community’s capacity to contribute.¹⁰¹

A working group had been set up to develop the second needs indicator, which was expected to be available for use in the 1996–97 year: ‘it won’t be one piece of data. It will be a combination of things which will give us a picture. I don’t think you will ever be able to do better than that.’¹⁰²

4.6.6 Measurement of the community’s contribution

The value of the contribution made by providers to their service delivery, whether in voluntary labour or otherwise, was an important issue to Waipareira. It said its community can contribute valuable voluntary labour and support in kind, but simply could not raise as much money as other communities. Before 1995, at least, this non-cash contribution could not be accounted for in the agency’s reports to the Government because it had no means of costing it. Further, the Audit Office had stated in a report to the agency prepared late in 1994 that it may be inappropriate for the agency to attempt to price or value the non-cash contributions made by service providers.¹⁰³ That view may derive from the fact that social service delivery is dependent upon the historical, and continuing, partnership between the Government and the voluntary sector and that to cost the voluntary component too precisely may erode the spirit in which it is supplied.

4.6.7 No simple task

Despite that, the agency said that a major aim of output contracting, introduced in 1994, is to enable it to report to Government in terms of ‘If you invest this, you will

101. Transcript 4.3, p 12

102. Ibid

103. Document c1(5), para 6

also be getting this', so that the voluntary or other contribution becomes valued and explicit. It was indicated that it would not be a straightforward matter to devise criteria by which to value providers' contributions for the same sorts of reasons as are listed above. Further, it had not yet been determined what effect the information about providers' contributions would have on agency funding decisions.¹⁰⁴

To further complicate any assessment of Maori service providers' contributions, it is not only Maori consumers who benefit from any increase in the amount of funding allocated to Maori service providers, as is illustrated by Te Whanau o Waipareira itself.

The trust is a pan-tribal provider and so is classified by the agency as a Maori provider. Yet in some areas of the trust's services, such as its youth day and home-marae based services, only 60 percent of its clients, at least in the latter part of 1994, were Maori.¹⁰⁵ Conversely, the agency noted that a proportion of the funding directed through national contracts (some \$38.9 million in 1994–95) would be reaching Maori clients. It identified Women's Refuge in particular, which received \$3.665 million, as having a high percentage of Maori clients.¹⁰⁶

4.7 MONITORING OF THE CFA BY THE COMMUNITY

4.7.1 Flaws in formal consultation process

The services planning process conducted by the agency provides the sole formal opportunity for providers and others in the community to have input into the agency's decision-making (apart from appeals against funding decisions).

As has been noted, some limitations in the conduct of that process for the 1992–93 and 1993–94 years were acknowledged by the agency; in particular, that consumers of services had not been targeted in the consultation and that Maori service providers, at least in the Auckland area, had not been provided with a separate opportunity to discuss service needs with the agency.

4.7.2 Regular informal consultation processes

Agency witnesses emphasised the regular informal opportunities that community groups had, individually, to talk with their outreach workers about matters relevant to the agency's operations. The northern regional manager explained that the feedback outreach workers obtained in this way would be discussed in team meetings and the issues identified there passed on by the area managers in their formal monthly reports. The regional and national management meetings provided forums for discussion of policy matters.¹⁰⁷

104. Transcript 4.3, pp 70, 71

105. Document C1(6)(a); doc D5(d)

106. Document D5(d)

107. Transcript 4.3, p 56

The agency's publication of papers setting out what it had done, including its bimonthly newsletter *Outreach*, and its annual publication of funding decisions were also identified as important means by which its performance can be monitored by the community:

What we strive to do is to have processes that have their integrity, that we are open with our information, we report back and then through that feedback loop it gives people an opportunity to contest what we are doing.¹⁰⁸

4.7.3 Internal appeal process

Further, the agency gave some emphasis to an internal appeal process it had established by which service providers can contest agency funding decisions and thereby monitor its performance. The claimants seemed unaware of the process before the hearings, but did not dispute that the agency's procedures handbook contained information about the appeal procedure and that the August 1993 issue of *Outreach* contained a very brief mention of the appeal process. The outreach worker most closely associated with the trust between May 1992 and March 1994 said that he had not informed it of the appeal process because he had never considered the possibility to be an issue.¹⁰⁹ The northern regional manager also indicated that the appeal process, at least at the time when it might have been used by the trust, could have initiated only a limited inquiry into agency staff's adherence to procedures.¹¹⁰

Nevertheless, there was some suggestion that it would have been appropriate for the trust to use the agency's funding appeal process before lodging a claim with the Tribunal. In the final submissions made on behalf of the agency, Crown counsel surmised that the appeal process could have led to further consultation between the parties had the trust availed itself of that process.¹¹¹

4.7.4 Customer satisfaction reports

The introduction in the 1994–95 year of a requirement that providers conduct customer satisfaction surveys in respect of certain services funded by the agency was also identified as a community monitoring mechanism.¹¹²

4.7.5 Monitoring by Maori

On the specific matter of Maori monitoring of the agency's performance, the northern regional manager said the agency expected:

108. Transcript 4.3, p 19

109. Document E2, para 1

110. Transcript 4.3, p 53

111. Document E7, para 46

112. Ibid, para 103. See, for example, doc c1(b)(16), pp 926–927.

to have to report back to Maori on what we are doing for Maori in our area of responsibility and how we are ensuring that the needs of Maori are being met and how we can demonstrate that that is happening.¹¹³

The means by which this is done are the same as those already mentioned. In relation to the reporting back which is done on funding decisions, it was said that the agency's ability, since the 1993–94 year, to report on funding according to the ethnicity of service providers enabled it to demonstrate to the Maori community that funding previously 'ringfenced' for Maori which had been transferred to the agency (eg, community and welfare programmes previously administered by the Department of Maori Affairs) had not been lost to Maori.¹¹⁴

(1) No formal monitoring by Waipareira

It was acknowledged that there had not been any regular face-to-face contact between the agency and Te Whanau o Waipareira Trust for the purpose of discussing the agency's administration with respect to the trust's interests:

I don't think that has occurred – it depends upon what level. I mean the outreach workers are interfacing with Te Whanau o Waipareira all the time and have that information so it's really at what level and what degree. There is a constant exchange of information between providers and the Agency, either in written form or face to face through the outreach interaction. So it's not a formalised process, if you like.¹¹⁵

(2) Komiti Whakahaere does not monitor

Because the agency, and the department as a whole, have not established monitoring mechanisms with significant community representation – comparable to the Social Welfare Commission and district executive committees established in response to *Puao-te-Ata-tu* (see ch 5) – some attention was focused at the hearings on the precise role of the Komiti Whakahaere, which was referred to by the director-general. It was explained that the komiti provides input to the Minister of Social Welfare 'on issues for Maoridom within the department'. The komiti is a ministerially appointed group of eight 'leading kaumatua', including representatives of various tribal groupings, which meets 'about every three months'. The information provided by the komiti to the Minister is conveyed to the director-general and she regularly attends komiti meetings.¹¹⁶ The komiti does not include practitioners in the field of the provision of social services.

113. Transcript 4.3, p 9

114. Document c1(2), para 71

115. Transcript 4.3, p 10

116. Document c1(1), para 24; transcript 4.2, pp 10, 11

