

Put the citizen in control of social benefits



By CHUA MUI HOONG
SENIOR WRITER

ONE day, an Aboriginal man told Professor Peter Shergold: “You know, I’ve been sent on three or four training programmes but I still haven’t got a job.”

There’s a difference between training programmes to occupy the jobless, and training programmes to get them an occupation. It’s an obvious point but one Prof Shergold said Australia learnt the hard way during its years of helping the long-term unemployed.

Prof Shergold, who used to be Australia’s top bureaucrat, was in town last week to meet top civil servants and share Australia’s experiment with using not-for-profit (NFP) organisations to deliver public services. One area he’s familiar with is employment services – which is also high on Singapore’s agenda as it braces itself for record unemployment in the wake of a global recession.

Said Prof Shergold: “All our experience with people who are long-term unemployed is we had a tradition of sending them for different training programmes. They’d actually become experts at training programmes: they do this training programme, wouldn’t get a job and they go to another training programme, and yet another training programme.”

“So you’ve got to make sure that you’re not paying for training programmes because someone enjoyed the training programme. You pay for the training programme because you think it’s going to get somebody into work.”

He’s saying this to drive home the point that even well-intentioned social programmes sometimes lead to less-than-optimal outcomes.

Prof Shergold, a former academic, trained in Britain and the United States. His career in the Australian public service culminated in his appointment as Secretary of the Department of the Prime Minister, a position from which he stepped down in February last year. He was also head of the Commonwealth Employment Service (CES) in Australia, where he pioneered contracting out employment services to non-government organisations.

“For 50 years, public servants all around Australia were delivering labour market programmes to the unemployed. They were the ones who were helping them to find jobs. You go into the CES of-



Prof Shergold says there is interesting work being done that shows that when you tell citizens to organise the services they want on their own behalf, they actually use the money more efficiently. ST PHOTO: ALBERT SIM

office and there’d be postcards up on the wall about jobs and you’d go to someone behind the counter.

“Just over a decade ago, the government completely changed that by saying no, we’re not going to have public servants do it. We will pay for (it) but we will contract it out.”

The service was taken over by the private and NFP sectors. Audits found they were more successful in matching people to jobs than the public service had been.

These days, the affable Prof Shergold, 62, is chief executive and Macquarie Group Foundation Chair of the Centre for Social Impact, a new collaborative centre set up by the Universities of New South Wales, Melbourne and Swinburne University of Technology.

He comes from a family of public servants: granddad was a bus driver on the government payroll, and dad was in the navy. But no, his own daughter looks unlikely to follow in his footsteps. The veterinary science student was impressed with her father’s career for only one reason: that he got to meet The Terminator – the actor and Governor of California Arnold Schwarzenegger – said Prof Shergold.

He has a passion for harnessing the energies and resources of social NFP organisations to deliver services to the state, private sector, or even directly to citizens.

In Australia, NFP groups deliver a range of social services – such as job-matching, disability help, family counselling – to the state.

The man and his ideas

WHO HE IS

Professor Peter Shergold, 62.

Currently chief executive and Macquarie Group Foundation Chair of the newly established Centre for Social Impact in Australia’s University of New South Wales, Melbourne University and the Swinburne University of Technology. He was Australia’s top civil servant for five years until February last year.

HIS KEY IDEAS

He pioneered the contracting out of job services to the private and non-profit sectors in the Australian Commonwealth Employment Service.

He advocates going beyond contracting services to allowing citizens control of how they want government spending to be used. For example, letting the unemployed person use funds designated for retraining in other ways, such as seed money for a micro-enterprise.

“Involving the not-for-profit sector in delivering government services has been a very good thing because they tend to have a much greater connection and much greater empathy with the clients they’re serving. It’s also given them significant funding.”

He added that this has changed the role of civil servants: “The type of things that public servants do has changed – you now manage contracts, you manage projects. Most important – and public servants are still learning to do it – is to manage relationships.”

“One of the difficulties is that, too often, they think their job is a legalistic one. So if a not-for-profit organisation has won this contract to deliver say, employment services or disability services, family counselling services, (the civil servants) become almost obsessive about the contract itself and start to become far too involved in the micro-management of the not-for-profit organisation.”

A strong advocate of empowering NFPs – and citizens – to be proactive in choosing the social services they need, Prof Shergold said some Australian states have gone further than contracting out services to the NFP sector to deliver.

There is a movement in Victoria and Western Australia to put the citizen at the heart of decisions as to how best he can be helped – whether it’s an elderly person who needs home care, a disabled person who needs mobility assistance, or a jobless person needing help to get a job.

Called self-directed care, or co-production, it means essentially that the citizen has control over what programmes social service money meant to help him and his family is actually spent on.

A care coordinator works with the citizen to design a menu of care options in three ways. The first is an a la carte approach, asking the citizen to pick from a buffet of options already available, to decide on a customised menu of services that he would find most helpful.

Another way is to offer a mix of such options from an existing menu, plus funds to purchase other services.

The third, and most radical option, is to determine a budget which the needy citizen has at his disposal to plan the services he needs, and then let him plan how to use the money.

As Prof Shergold understood it, the Singapore Government’s approach to employment assistance via Spur (Skills Programme for Upgrading and Resilience), which offers heavily subsidised training provided by a range of training service providers, is an example of the state contracting out public services to the not-for-profit and private sector.

One strength of that approach is that individuals get to choose their training. But Singapore might go further: “Where co-production could go further, however, is that the individual may be told that this is the amount that’s going to be spent on retraining but in fact what do you think is the best way that you can use this money to find employment.”

“They may say, actually none of those training courses is really suitable for me but I know there is a job waiting for me if I can do that training. Or they may say, I talked to this employer and I think he’d be willing to take me on if I can use the money you would have given me for training as a wage subsidy and he’s willing to sign up that he’ll train me on the job.”

“You could have someone who says what I want to do is to set up a small business. You don’t just say yes. You would obviously say, well, what business? What skills do you have? Well, here is the money to go away and work out a business plan and this is where you go to do it.”

“And so...you are actually putting that individual in charge of the problem.”

Will this increase social spending?

“There is interesting work already being done that when you tell citizens to organise the services they want on their own behalf, they actually use the money more efficiently and sometimes budget less for themselves than the government would have budgeted because they start to think, you know, how are we going to do this.”

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