being undertaken by role models and champions in the community. Greater benefits will be achieved if social norms regarding land use and the environment can change.

Yet changing attitudes alone will be ineffective when significant barriers still exist. I recommend that the council tries to better understand the specific barriers faced by Waipā residents who may intend to act pro-environmentally but are limited in their capacity to do so. I found that barriers are both financial and related to capacity, skill and time. These can be reduced by profiling external funders, community restoration projects, and increasing education about what landowners can do to restore natural heritage on their own properties (Steg and Vlek, 2008; Taylor, Cocklin and Brown, 2011).

This study taught me the importance of knowing the people whose behaviour you are seeking to change and understanding their motivations. It is easy for policymakers to make inaccurate assumptions and then design policies that miss the mark because of this. Policy is about people: it is about their values and motives and the way they respond to incentives, sanctions and barriers. Policymakers do not know everything and must often make decisions based on limited information. But it is important to engage with those most affected by the policy and develop a better understanding of their motivations and barriers to change.

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Matthew Macfarlane

Two Key Lessons from a Public Sector Internship
accountability in public sector contracting and client-level data

I served as a research intern for the Ākina Foundation through the School of Government's graduate pathway programme during the summer of 2016-17. Ākina, which is dedicated to fostering social enterprise in New Zealand, was contracted by the Ministry

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of Social Development (MSD) to facilitate and manage the co-design and implementation of its Acceleration for Results programme (Ākina Foundation, 2017). This programme seeks to transition the providers with MSD contracts from output-based contracts (i.e. purchase agreements) to results-based contracts (i.e. contracts which specify desired changes in recipients' quality of life according to prescribed measures). The new contracts are intended to assist MSD in reaching its Better Public Services (Ministry of Social Development, 2015) targets by measuring (and incentivising) provider performance based on client

The following reflections focus on two specific issues raised by the new policy: first, the implications of the new form of contracting for accountability; and second, the privacy issues that have arisen as a result of the desire of policymakers, in the interests of more effective interventions, to acquire greater client-level data from social service providers via the new contracting regime.

The impact on accountability

When government programmes are contracted out, the tasks to be undertaken are carefully defined at the outset so that both parties have matching expectations.

> … one of the risks of contracting out the provision of publicly funded services via tightly defined contracts is that NGOs focus narrowly on the terms of the contract, potentially at the expense of wider public goals.

outcomes, rather than directly purchasing services from providers.

During my involvement the policy programme was at a pilot implementation stage. That is to say, there was a small sample of social service providers working with MSD and Ākina to understand the goals of the policy, identify barriers to change from the perspective of both MSD and providers, and iteratively design some prototype contracts. Approximately 20 providers were involved across the four workshops I attended, and about 15 MSD staff from regional and central offices.

My role for Ākina was to observe the processes and context specific to the new contracting policy, and to conduct an independent literature review. From these I prepared recommendations that highlighted international practices and potential risks. The project also involved some rapid processing of data from workshops and surveys to assess provider readiness, mood, and satisfaction with the early implementation stages of the policy.

This creates a client–provider relationship dynamic, and enables providers to be held to account for their performance. These features have an impact on both the design and the implementation of the policy, because the relationship of a client to a provider is different from that of a department or ministry to a minister.

Public servants juggle difficult, sometimes conflicting accountabilities – to their line managers and chief executives, to the government of the day and the individual minister, and to their stakeholders – alongside responsibilities to be good stewards of resources and to maintain political neutrality. Public servants are offered tools to navigate these accountabilities: the State Sector Act, the code of conduct for the state services, and other resources, written and unwritten, including constitutional conventions. The accountabilities for non-government entities working on government programmes are different. The bulk of their accountabilities are outlined

specifically in a contract; their other accountabilities are only those set out by their individual organisation (e.g. in codes of conduct) or their professional standards.

This is a problem because public resources are expended by organisations not covered by the State Sector Act. Aside from each organisation's professional practices, and what is outlined in their respective contracts, non-governmental organizations (NGOs) are not obliged to act like public sector agencies. For instance, they are not responsible for providing free and frank advice to ministers; they are not obliged to serve the government's wider objectives, such as stewardship; and they are not required to contribute to the objectives of public agencies with which they do not have contracts. Hence, contracting out presents a structural risk in the design and implementation of public policy in New Zealand. One example in the social investment space is that there is no mechanism for NGOs to account for the benefits which accrue to departments they are not contracted with. For example, an NGO contracted to the Ministry of Social Development has no incentive to create savings for the Department of Corrections other than what may be stipulated in a specific contract. By contrast, a public servant working in MSD is ultimately accountable to cabinet (in hierarchical terms) and therefore has a responsibility to consider the wider public interest.

Structural risks necessitate structural solutions. One way forward would be to place an additional responsibility on public servants to ensure that contractors provide ongoing feedback on how their activities might contribute to wider governmental objectives. This implies strong relational contracting, with regular interactions between those tasked with commissioning and those responsible for delivering publicly funded services. A key goal must be to ensure that departments cannot contract away their responsibilities to be good stewards of public resources.

Individual client-level data

Individual client-level data is, as defined by MSD, 'information about a client that typically doesn't change over time and

is identifiable by its nature' (Ministry of Social Development, 2017). This includes information such as names, ages and locations, as well as what services clients are accessing. Here I briefly outline the key controversies that have become the subject of media attention (Brunton, 2017; Kirk, 2017) and a report from the privacy commissioner (Privacy Commissioner, 2017). These arose during my internship as the collection of individual client-level data was (at that time) to be included in every new contract. The opportunity for first-hand exploration of the issues was personally exciting.

Concerns surround both privacy as something intrinsically valuable, and the potential consequences of a client's unwillingness to consent to providing personal data – such as reduced trust in providers or choosing not to use services they would benefit from, thereby incurring harm. In the workshops I attended providers were almost uniformly opposed to the collection of individual client-level data. The privacy commissioner reports that anecdotally around half of providers have clients who would be unwilling to release their personal data.

However, some providers also reported that their clients were largely unconcerned, or at least were willing to trade privacy for the promise of 'better' outcomes. Even so, these providers were unwilling to support the government's proposals. This raises questions about whether it is right ethically for providers to adopt a paternalistic approach to their clients, and conversely whether it is justified for the government to use its coercive powers and funding mechanisms to compel organisations to release this required information.

The willingness of some clients to sacrifice their privacy for a better quality service aligns with the view that privacy is a luxury good (Trepte and Reinecke, 2011; Angwin, 2014) that can be traded away for something individual clients value more highly. The question of whether people, especially vulnerable people reliant upon social services, should be *compelled* to exchange privacy for the services they need raises significant ethical issues. Much depends on the value placed on individual privacy and the extent to which less privacy is likely to enhance the achievement of other important societal goals. For those who value privacy highly, there will need to be powerful reasons for trading even modest amounts of it away.

Concluding remarks

My experience as an intern brought to the fore critical issues of governance. One of these relates to the risks associated with governments contracting out the design of public policy. Another concerns the practice of contracting with NGOs for the provision of services. In both cases, important issues of accountability arise. More specifically, one of the risks of contracting out the provision of publicly funded services via tightly defined contracts is that NGOs focus narrowly on the terms of the contract, potentially at the expense of wider public goals. Another concern is that government departments are unable to fulfil their responsibilities to be good stewards of public resources and their capacity to pursue wider government objectives is diminished. At the same time, it will be important in an age of big data and the unequal distribution of personal privacy and material resources that governmental contracts with NGOs do not impose unjustified demands for personal information.

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