

Appendix 1: problem definition

Lens	Most pressing issues
User experience	<p>DSS users say the assessment process is negative, stressful, and hard to understand. This is inconsistent with better public services.</p> <p>Users have consistently told us that they are best placed to make decisions on the services they need. Because of the diversity of their needs and circumstances, and inconsistencies in service quality and availability, flexible funding can often be the most practical (if not only option) to get the services and supports needed to improve outcomes.</p> <p>Users say it is hard to use flexible funding, and they are anxious about engaging with the system for fear of negative repercussions. This creates hurdles to improving outcomes.</p> <p>Users say that those with more system-literacy, time, and resources get larger allocations. Users also say that they see allocations being set differently around the country and there is a concern that access to services is being restricted as NASCs and EGL sites seek to meet budgets introduced in 2024.</p> <p>Users say that the assessment process does not properly consider their family and carers. This means that allocations, and how flexible funding can be used, do not fully reflect individual circumstances or understand the opportunity to improve outcomes.</p>
Fiscal control	<p>Allocations currently exceed available funding, risking breaching the appropriation. DSS relies on suppressed rates of utilisation; flexible funding enables creative spending by individual DSS users which increases total spending.</p> <p>The current allocation tool lacks credibility, and allocation levels are not linked to users' level of need, making it hard to monitor and control price at a national level. This limits forecasting accuracy and creates significant challenges to staying within the appropriation and ensuring spending achieves the intention of the appropriation.</p> <p>Recent growth in flexible funding has not been matched by assurance on spending or performance. This is not sustainable.</p> <p>Data is not captured to show how increased spending reflects appropriation performance, including outcomes for DSS users at a system-level, or outcomes of flexible funding at an individual level. This impacts transparency and does not support evidence-based decision-making.</p>
Delivery of public services	<p>Current allocation practices are inconsistent and overly complex. This contributes to failures to meet performance measures regarding timeliness.</p> <p>The use of flexible funding is set by blunt purchasing guidelines rather than being tailored to user outcomes linked to the purpose of the appropriation.</p> <p>Processes surrounding flexible funding are not proportionate to user-need or allocation levels. This is inefficient.</p> <p>DSS does not have good data. This means that we lack metrics to measure achievement of delivery of services</p>