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Market stewardship of quasi-markets by street level bureaucrats: The role of local area coordinators in the Australian personalisation system

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Abstract

With the rise in popularity of market-based responses to social policy challenges, the stewardship of quasi-markets or public service markets, is a key concern for governments worldwide. Debates about how to manage quasi-markets have focussed on high-level decision-making processes. However local actors, in particular street level bureaucrats, are a key part of the complex work of managing quasi-markets. We examine how street level bureaucrats act as local market stewards in a new quasi-market for disability care, the Australian National Disability Insurance scheme. We find that the street level bureaucrats, known as local area coordinators, act as shapers of local markets but that their contributions are informal and often restricted by formal structures and processes. For example, we found evidence that the use of key performance indicators can disrupt effective local stewardship efforts towards a procedural approach. We conclude that introducing principles of the polycentric governance approach can improve connections between local market knowledge holders and central decision-making agencies, thereby improving market stewardship and outcomes.

KEYWORDS
key performance indicator, market stewardship, street level bureaucrat

1 | INTRODUCTION

In recent decades, quasi-markets have moved from a novel innovation to a central idea in the provision of social services. It has long been acknowledged that quasi-markets require more careful management and stewardship than regular markets, both because of the unique rules that govern quasi-markets and the reliance of the end users—often welfare recipients or other citizens—upon quasi-market success (Meagher & Goodwin, 2015). However, markets are complex structures that can be articulated differently in different locations, meaning that structurally "nation-wide" markets are actually comprised of multiple interconnected local markets. This means that local stewards and knowledge holders about local market dynamics are an essential part of the system of stewardship of national quasi-markets, alongside central government oversight. In this paper, we examine a case of key knowledge holders about local market dynamics, and their potential role in quasi-market stewardship, concluding that looking towards polycentric governance principles may improve quasi-market management strategies.

We use the case of the Australian National Disability Insurance Scheme (NDIS), a newly established quasi-market and administrative structure for care services for people with disability in Australia (Carey, Malbon, Green, et al., 2020; Carey, Malbon, Olney, et al., 2018; Malbon, Alexander, Carey, et al., 2018; Malbon, Carey, & Dickinson, 2018; Malbon, Carey, & Reeders, 2018). In particular, we focus on the role of the "local area coordinator" as a street level bureaucrat and a key knowledge holder about local service market conditions in quasi-markets. The local area coordinator is an Australian innovation in social care that has been successfully adopted in various local governments across the United Kingdom (Clark & Broad, 2011; Curtice, 2003). While previous LAC positions in Australia have been state government run, within the NDIS the role is commissioned out to private not-for-profits via federal government contracting.

By examining the work of local area coordinators, and their position as key knowledge holders about their local NDIS quasi-markets, this paper contributes to the literature on stewardship of quasi-markets and the administration of personalisation schemes (Carey et al., 2020; Carey, Dickinson, Malbon, et al., 2017; Dickinson & Glasby, 2010; Gash, 2012; Needham & Glasby, 2014). Market stewardship of quasi-markets is a collective effort that must be carried out at all levels of government from the top to the street level, however responsibility and power for acting as market stewards is rarely devolved to the street level (Gash, 2012). We find that local, place-based knowledge that exists about disability care markets in Australia is not currently facilitated or accessed in the NDIS reform. Instead, the work of these key knowledge holders about local market dynamics has been focussed on procedural aspects of the NDIS including meeting bureaucratic key performance indicators, rather than on community supporting work such as connecting those in need of care with care services. In the context of the case study, we make the distinction between what the local area coordinator position was envisaged to do within the NDIS design documents, and what it has become through the process of national implementation.

1.1 | Context and theoretical background: Challenges in stewardship of quasi-markets and local area coordination

In this section we will explore local level stewardship of quasi-markets in the context of the NDIS. The NDIS is a personalisation reform which seeks to give choice and control to people with a significant and permanent disability in Australia using individual budgets. The NDIS is one of Australia's largest social policy reforms to date, second only to Australia's national public health care system, Medicare. The NDIS aims to improve choice and control, and therefore outcomes, for people with a disability though individual budget arrangements. Individual budgets are allocated to participants based on need and then used to purchase services from a range of registered care service providers (Australian Productivity Commission, 2011; Productivity Commission, 2017). The scheme will be fully implemented across Australia by 2020, including in urban, rural and remote localities (i.e., in remote Indigenous communities) and across a diverse range of disability types and ages (Australian Productivity Commission, 2011; Collings, Dew, &

Dowse, 2016). Under the new "personalised" model individuals are given funding packages, determined by their level of need and self-defined goals, with which to purchase services from disability "markets" (Australian Productivity Commission, 2011). Hence, the NDIS forms a collection of many local markets from which NDIS participants may choose their care (with the small exception of services that can be supplied online).

In their design document for the scheme the Australian Productivity Commission estimates that the NDIS will eventually serve 410,000 participants (Australian Productivity Commission, 2011). In the latest figures, taken December 31, 2018, there were 244,653 people receiving support as part of the scheme (COAG Disability Reform Council, 2018). The NDIS is administratively complicated, comprised of the national implementing agency—the National Disability Insurance Agency or "NDIA"—and a series of contracted "NDIA partner" organisations who serve the public directly.

The NDIA have been ambitious in the speed and scope of the NDIS transition, attempting to implement this new quasi-market rapidly over 3–4 years "rather than introducing an element of competition into funding arrangements for an existing scheme" (Carey, Malbon, Marjolin, et al., 2018:1). Conceptually, the NDIS is organised with top-down market stewardship and oversight. The federal Department of Social Services is responsible for market oversight, overseeing the activities of the NDIA, while the NDIA holds responsibility for the market stewardship activities (for further information on this distinction see Joint Standing Committee on the National Disability Insurance Scheme, 2018).

1.1.1 | Centralised and local responsibilities in stewardship of quasi-markets

A quasi-market, or "public service market," refers to a set of market-based policies in social policy which are often underwritten by public money that introduces market based competition into contracting and/or individual budget arrangements (Le Grand, 2011; LeGrand & Bartlett, 1993:10). Examples of quasi-markets worldwide include the British National Health Service, the Australian Jobs Network and Norway's Brukerstyrt Personlig Assistanse. A key difference of quasi-market arrangements compared to regular markets is that the purchaser and the financer are separated, with public money financing the choices of individual purchasers based on a system of formal rules and regulations (and, as we will argue, also informal rules). The maintenance of that system of rules and regulations affects the structure of success of the quasi-market; thus, market stewardship is essential in order for the market to achieve its policy related goals such as healthcare or the provision of unemployment services (Gash, 2012; Le Grand, 2011). Market stewardship, also referred to as market shaping, in quasi-markets refers to the actions and strategies employed by government and non-government actors to ensure that the quasi-market will meet the goals of the policy that it supports (Carey et al., 2017; Gash, 2012; Needham, Kelly Hall, et al., 2018).

This section will examine the role of both centralised and local responsibilities in the stewardship of quasi-markets. When choosing to deliver social policy through market arrangements, such as in the NDIS and the British NHS, the success of the policy is dependent upon the success of their corresponding care markets (Carey et al., 2017). Thus, stewardship and oversight (also known as "shaping") of markets is an essential practice for governments attempting to deliver social policy through quasi-market arrangements (Le Grand, 2011; LeGrand & Bartlett, 1993). Lack of supply of care services (in the form of market gaps or thin markets with low provider numbers) is a primary concern for personalisation schemes including the NDIS as this may lead to loss of care services for those in need (Carey et al., 2017).

There has long been acknowledgement that quasi-markets will require more attentive regulation from government than regular private markets:

> "Any long-term reliance upon quasi-market mechanisms in the production of public goods and services no doubt will require more of such careful scrutiny, control and regulation than has been applied

toward maintaining the competitive structure of the private market economy." (Ostrom, Tiebout, & Warren, 1961: 840)

Vincent and Elinor Ostrom's prizewinning work on governance of markets, specifically governance of commonly held markets, identified the notion of "polycentric governance." The idea of polycentric governance involves "many centres of decision making that are formally independent of each other (Ostrom et al., 1961:831). What counts as "independent" in this definition of polycentric governance does not denote a lack of connection, but rather that actors take each other into account, enter into contractual and cooperative relationships and have recourse to central mechanisms to resolve conflicts. These formal and informal interdependencies place actors in a polycentric governance framework. Hence, quasi-markets work according to a blend of formal rules and local informal cultural practices (Ostrom, 2010). This is similar to work on street level bureaucrats, which shows that these actors work according to formal rules but also develop their own informal and practice specific rules in order to complete their work (Lipsky, 1971). Depending on their duties and power, street level bureaucrats within quasi-markets may be in a position to take part in both the formal and informal rules that produce the conditions of specific, often geographically based, quasi-markets (Ostrom, 2010).

As denoted by Ostrom's theories on the management of markets, an effective market stewardship strategy ought to include both central and local oversight and stewardship:

> "It is recognised that markets in care services require careful steering from central and local government if they are to secure adequate, stable and high quality care services." (Needham et al., 2018:6).

The role of central government in stewarding quasi-markets cannot be understated. It is typically through central government that broad eligibility criteria and fundamental regulatory rules are set (Gash, 2012; Needham, Kelly Hall, et al., 2018). Central government also plays an important role in monitoring and evaluation of market conditions and performance in national level quasi-markets (Gash, 2012; Needham, Kelly Hall, et al., 2018). In care markets, central government also typically holds oversight care workforce matters including quality and safeguarding. However, the limitations of central government in market stewardship include lag times as information moves from devolved localities to central decision makers and a lack of control over the informal rules that occur at the local market level leading to a potential lack of effective levers at the local level (Ostrom, 2010).

While market stewardship and oversight by the central agencies in the NDIS is a defining factor in the overall design of NDIS markets, the local knowledge holders and informal rule makers in local NDIS markets also shape the quasi-market through their support (or lack of support) of NDIS participants and service providers to adapt to the new NDIS market system. Hence, local market stewardship is an essential part of a market stewardship strategy because local actors are well placed to act quickly in response to market changes and rely on real time information rather than economic projections. They also have contextual local knowledge and information which central planners do not have easy access to.

This paper focuses on the local area coordinator role, who are the street level bureaucrats working at the interface between NDIS participants and government in the NDIS quasi-market, and whose duties involve connecting people with disability to NDIS service providers and mainstream providers that can meet their needs for care and social inclusion, a vital role for participants and for the success of the NDIS market reform.

1.1.2 | Local area coordinators as street level bureaucrats

The local area coordinators are one of the most significant street level bureaucrats in the NDIS, alongside "planners" who do the work of local area coordinators in regional areas that cannot support a local area coordinator position. Local area coordinators meet face-to-face with NDIS participants to make a plan for their individual budgets based

on the needs of their disability, as well as help participants to implement these plan budgets and access services. According to the NDIS design document, the primary role of local area coordinators is to be an interface between the participant and the NDIA, as well as monitoring aspects of the scheme such as service provider quality:

> "The primary role of LACs would be to oversight the delivery of services to people in the NDIS, and their ongoing interaction with the NDIS, and provide some links to the community. But they would also assist in monitoring other aspects of the scheme—for example, by helping to independently assess the quality of service providers (through feedback from people with disabilities and carers)." (Australian Productivity Commission, 2011:411)

The Productivity Commission design document is correct to identify the local area coordinator position as ideally placed to provide information to the NDIA about on-the-ground dynamics in the NDIS market such as service provider quality and availability. The organisations that host the local area coordinator position are the local "face" of the NDIS, sitting in offices branded with NDIS branding and providing pathways to connect with the NDIA. The official position of these organisations is as an "NDIA partner organisation" and their offices are the local hubs for the NDIS.

The local area coordinator position has the potential to be one of the most innovative features of the NDIS. The local area coordinator position is an Australian innovation, beginning in Western Australian disability care systems in 1988 and has since been implemented in New Zealand, Scotland and twelve local governments in England and Wales to positive reception (Clark & Broad, 2011; Curtice, 2003). Born from ideas of co-production in health and of person-centred care, the local area coordinator has been a social values driven position (Bartnik, 2008, 2010). Fawcett and Plath (2014:755) highlight the significance of the local area coordinator position for maintaining equity on the scheme: "The approach taken to local area coordination will be crucial in addressing access, equity and marginalisation issues in the implementation of the NDIS".

It is important to make the distinction between what the local area coordinator role was envisaged to achieve within the NDIS, and what it has become through the process of implementation (Nevile, Malbon, Kay, & Carey, 2019). Crucially, there are questions as to whether the important and empowering aspects of the local area coordinator position that involve increasing a participant's capacity and connecting them to services are being realised in the NDIS system (Fawcett & Plath, 2014; Mavromaras, Moskos, Mahuteau, et al., 2018; Nevile et al., 2019).

Early findings from the public evaluation of the NDIS trials (Mavromaras et al., 2018) indicate that the local area coordinator position has changed during implementation. LACs are not undertaking the type of market oversight, community development and local capacity building originally envisaged. Even in early trial sites, it was noted that:

> "LACs are... not doing what they were employed to do. Many felt the specific skills and connections to the community that they brought to the position were not being utilised. All of the LACs who were interviewed described being required to spend the largest portion of their time supporting the planning process and plan implementation" (Mavromaras et al., 2018:107).

An evaluation of NDIS trial sites reports the local area coordinator position as taking on more of the planning and procedural aspects of the NDIS. The trials were undertaken as an experiment before the NDIS was implemented nationally. Despite this being a key finding of the evaluation of the trials of the NDIS, this has not altered as national implementation has progressed. As implementation proceeded nationally, this policy drift continued with LACs playing an increasingly divergent role compared to the original vision (Nevile et al., 2019).

In their early exploration of what the long history of social work and community care has to offer the success of the NDIS, Fawcett and Plath (2014) outlined the potential of the local area coordinator position, warning that;

"Handled poorly, the local area coordinator could function simply as a mediator between government policy directives and communities, monitoring compliance and facilitating information exchange and networking. Handled well, this is where the goals of a social model of disability could be pursued through ensuring consumer groups have a voice in the development, access, diversity and quality of services; the promotion of advocacy in relation to resources, practices and policies; and the foregrounding of community awareness raising and capacity building with regard to disabling social structures." (Fawcett & Plath, 2014: 759)

The way that the local area coordinator position has been implemented within the broader rollout of the NDIS has significant consequences for the direction of the scheme and its potential to create enabling systems for NDIS participants, including the local stewardship of the NDIS market. Lipsky (1971:xii) states that "the decisions of street level bureaucrats, the routines they establish, and the devices they invent to cope with uncertainties and work pressures, effectively become the public policies they carry out." In the context of the changing role of local area coordinators in the NDIS, this ought to stand as a warning that the pressures placed on local area coordinators will have significant impacts for the NDIA policy as a whole. If the local area coordinators develop strategies to cope with the personal pressures of their work this will inevitably alter the results and outcomes of the NDIS. In this work we provide evidence of the on-the-ground practices of local area coordinators in two states of Australia in order to explore the changing role of the local area coordinator position and theorise about the implications for NDIS market stewardship.

2 | METHODS

This paper is part of broader piece of research into local market stewardship of the NDIS. The research aims to investigate local actions that affect market function and how these actions are influenced by the implementation of the NDIS. The study utilises a case study research design in order to investigate these actions in-depth and in their real-life contexts (Yin, 2014).

The case study sites for this research are northeast Melbourne, Victoria and the southern New South Wales area (from Goulburn to Bateman's Bay and Merimbula). The northeast Melbourne area was a trial site for the NDIS, with the NDIS implemented in July 1, 2013. By contrast, the Southern NSW area began the NDIS as part of the national roll out from July 1, 2016. Consequently, the organisations that hold the contracts for the local area coordinator positions have been working in the areas for different amounts of time, with organisations based in northeast Melbourne more established at running local area coordinator positions than organisations based in southern NSW, despite all organisations having a long history in social care and disability support. Similarly, the participants and disability service providers in northeast Melbourne are more experienced at dealing with the NDIS in comparison to the same in southern NSW. Furthermore, southern NSW comprises of a series of regional towns and cities, whereas northeast Melbourne is a subset of a larger city, providing another point of comparison between the two case studies and insight into how local area coordinators can work differently between geographic contexts.

Participants were recruited via the organisations who hold the contracts for the local area coordinator positions, known as "NDIA partner" organisations. Senior managers of various organisations contacted the local area coordinator staff to inform them of the opportunity to be interviewed and the interviewer followed up to confirm participation. Recruitment was made through email invitation, with individual interviews conducted at the offices of the local coordinators of each state or via phone. Interviews were conducted according the University of New South Wales ethics protocols (code removed for review). Themes covered in the interviews included the daily work of local area coordinators, how the NDIS is being implemented in the area, and how this affects the work of local area coordinators. A total of 24 interviews were recorded, with 15 in northeast Melbourne and nine in southern NSW, which has less local area coordinators than the urban site.

Interviews were recorded and transcribed verbatim using a third-party transcription service. Taking an inter-pretivist approach, the interview data was coded and "like" data was grouped together to form categories (Blaikie, 2010). These categories were analysed for linkages and formed more substantive themes (Strauss, 1987). To further refine the themes, selective coding was carried out by revisiting the transcripts specifically to identify further supportive evidence for the emergent themes. The themes were pressures imposed by key performance indicators, strategies used to cope with these pressures and its implications.

In this paper, interviewees often refer to local area coordinators as "LACs."

3 | FINDINGS

Our research identified local area coordinators as key knowledge holders about local markets. However, their ability to spend time on market shaping activities is compromised by pressure to meet their key performance indicators. The ways that local area coordinators hold market information and conduct market shaping is ad hoc. In both sites most local area coordinators did not self-identify as key knowledge holders about local markets. However, we argue that local area coordinators are previously unidentified informal knowledge holders because all local area coordina-tors could readily answer questions about market gaps in their local care markets, as well as report on quality of local services, demonstrating their role as key knowledge holders. Further, the organisations that host the local area coor-dinators in both sites have developed semi-formal databases of local care service providers who can provide care via the NDIS. The potential position of local area coordinators as market shapers or stewards is well-defined, however, with increased pressure for local area coordinators to focus on the more procedural aspects of the NDIS (such as planning activities) the time available to do this (less easily quantified) market shaping work is compromised. The findings and discussion are in two sections, the first focuses on local area coordinators' formal and informal steward-ship actions, and the second on the responses of these local area coordinators to the pressures of rapid policy implementation.

3.1 | Local area coordinators' formal and informal market stewardship actions

The position of local area coordinators as market shapers or stewards is occurring on the margins of their role. This is because of increased pressure for local area coordinators to focus on the more procedural aspects of the NDIS (such as planning activities) the time available to do this (less easily quantified) market shaping work is compromised.

The work of connecting NDIS participants to service providers is referred to by the local area coordinators as "implementation" work, meaning work to increase the capacity of NDIS participants to implement their plan for their individual budget. In doing implementation work the local area coordinators must stay abreast of which ser-vices are available locally. One local area coordinator describes the general work of plan implementation with participants:

> "Sourcing different providers, providing them [participants] with lists then following back through. Finding out if they've done anything about it. If not, finding out why, maybe getting them back in for another face-to-face." NEMALAC1

The local area coordinator acts as a conduit between the NDIS participant and the NDIA, as well as the NDIS participant and support services, positioning them as key actors in the function of the NDIS quasi-markets. These interviewees describe the way that local area coordinators tap into personal and informal networks to maintain their knowledge of local support services, as well as the investment of time that these tasks require:

"I actually rang a provider who put me onto someone else, who put me onto someone else. It actually all worked. That was two or three phone calls. Yeah, so it's increasing that awareness of who." SNSWLAC6

"It means we spend a lot of time, more time then we want to, calling around different services, asking who has capacity to take on new clients, what their waiting lists look like. Sometimes we need to tap into personal networks or informal networks to find services." NEMALAC4

"We kind of get every provider presenting to us about what they do." NEMALACSR3

"We had a new provider just walk into the office, be like 'hey, we heard you guys have something to do with NDIS, what's going on?' so we had to describe the whole role of the LAC, they'd never heard of us. We're like 'oh, we try so hard' [laughter]. But from that, we've actually been able to keep a really good communication line with them, but they're busy running their own business so it is up to LACs to reach out and check in with them, see what they're actually doing." SNSWLAC4

Local area coordinators are well positioned to be a valuable resource to NDIS participants due to their knowledge of local service market conditions and in their position as a conduit between participants, the NDIA and local service providers. This is in accordance with the original vision of local area coordination in the NDIS (Australian Productivity Commission, 2011). However, acting in this role is not always smooth or easy. This local area coordinator describes the difficulties of locating local service providers using the formal NDIS systems, a difficult faced by local area coordinators and NDIS participants alike:

"If you go onto the [NDIA] website… they have a list of NDIS-approved providers, but in very fine print, and they're not in each area. So, you have to search through pages and pages and pages." SNSWLAC7

In order to deal with this challenge, the NDIS partner organisations in both sites created a central document (described as list or spreadsheet) which holds all their locally gathered information about support services in their local area. This document is the most definitive list of available services in the local area that exists, there is no other organisation with cause to gather such a list, making these semi-formal lists highly important documents for local market information. The construction of this document is semi-formal, comprised of web searches and informal communications between local area coordinators, service providers and NDIS participants, and provides another example of the informal measures and information that local area coordinators use to shape local markets.

"Our southern team has produced our own little booklets that list all the NDIS-approved service providers in our region." SNSWLAC7

"We've got a community mapping list of NDIS registered providers." SNSWLAC3

"I'm going to not call it a database because it's a spreadsheet—that we've been working towards having really succinct information for LACs to be able to go onto really quickly. So, they're not having to be ringing and researching all the time if it's in a central spot." NEMALACSR7

"An asset map… though it's just really an Excel spreadsheet… I can just use this and click on it so that it's easier for us to navigate and find things." NEMALACSR3

It is not a requirement that NDIS partner organisations maintain such as list, this is a strategy that the teams of local area coordinators have developed to make their work more efficient and effective. As such, this can be considered some of the informal rules that local area coordinators use to shape local markets, for if a provider is included in this list, they are more likely to attract NDIS participants, and vice versa. These formal and informal rules that local area coordinators develop as street level bureaucrats work to shape local markets and position themselves as key knowledge holders.

However, the structure of the implementation of the NDIS means that increased pressure has been put on local area coordinators to do less of the plan implementation work, which positions them as key knowledge holders of the local market, and instead focus on the more procedural aspects of the NDIS reform, as is explained in the next section on responding to the pressures of policy implementation.

3.2 | Responding to the pressures of policy implementation

Due to the emphasis on implementing the scheme on time and in budget, the energy and resources of the local area coordinators have been focussed away from market shaping and upon planning procedures to meet the needs of the broader NDIS implementation requirements. This occurs the expense of the originally designed role as community focussed coordinators working to connect NDIS participants to service providers and mainstream services, as well as monitoring the quality of these services, vital functions for market shaping. In the original design, the work of planning procedures was to be done by NDIA planners, and the work of plan implementation completed by local area coordinators (Australian Productivity Commission, 2011).

Nevile et al. (2019) documents the high-level political decisions that have influenced the changing role of local area coordinators within the scheme. The research draws on interviews with senior public servants and describes how local area coordinators came to fill a more procedural role within the NDIS. Government officials note that local area coordinators were "redirected away from community development to enrol participants and place them on plans" (Nevile et al., 2019). Nevile et al. (2019) identifies this as a process of policy conversion, whereby the conservative Abbott government, driven by a small government agenda (Smyth, 2014), made the choice to outsource the local area coordinator function and cap the number of planning staff within the NDIA. The staffing caps within the agency sparked a national senate inquiry due to the negative effect that it had on the NDIA's capacity to implement the NDIS (Carey, Malbon, Marjolin, et al., 2018). Due to the staffing caps within the NDIA and the ambiguity of the local area coordinator position at the time of early implementation, the local area coordinator position "was exploited to cover the shortfall of planners" (Nevile et al., 2019). This is considered to be a temporary shift in local area coordinator duties, with plans to return the local area coordinators to implementation focussed duties in the future. However, the current emphasis on planning daily work of local area coordinators means that the practice of a "local area coordinator as a planner" has the potential to become entrenched.

The NDIA partner organisations, who hold the contracts for the local area coordinator activities, have contractual key performance indicators (KPI) regarding the number of participants placed on NDIS plans each week. The emphasis on planning related activities means that the implementation work, the work most directly connected to local market shaping, has a lower priority with local area coordinators. The organisations have imposed these KPI requirements differently in each case study site. In one case study area the local area coordinators are required to complete seven plans a fortnight, whereas elsewhere the local area coordinators have a points-based system whereby they must achieve a minimum number of points for various activities including planning and implementation activities.

"LACs, they do seven plans a fortnight, so planning meetings. So, really we're still focused on planning." NEMALACSR7

> "So, they [LACs] get certain points for doing certain activities throughout the day. And they need to make 18 points per day."
>
> "Q: And that's made up of planning duties, implementation...?"
>
> "Yes, and monitoring calls. Yeah, like building plans and the range of different activities that they can do to meet their KPI target." SNSWLAC5

In both study sites the organisations require local area coordinators to submit the plan to the NDIA within 2 days of the planning meeting, this requirement is part of their contract with the NDIA and a way to ensure the continued flow of plans through the bureaucratic system. Despite differences in KPIs—one based on a points system and one based on a per plan quota—local area coordinators in both case study sites reported that the emphasis on planning activities drives the focus of their activities:

> "They talk about us monitoring, implementing and doing community development, but those where we have key performance indicators, and they're supposed to be doing so many plans, and the emphasis is all on plans and getting them done. And that's because the [organisation's] contract, I understand, they've got to get so many plans done, and so that is just basically all the emphasis. And so that is the first priority of our work, and that is pretty much what we do." NEMALAC6

> "We have the big priority and all of our KPI's are driven by planned submissions, so that's emphasised and often at the expense of implementation or that is not really factored into our workloads. So, we try and get around that by trying to do group implementations, things like that, but it's not the most effective way to do it." NEMALACSR5

> "We were trying to get the participants on the scheme. So that was our main focus for year one and half of year two, was to get them on a scheme, make sure they've got the funding. And to be honest, we didn't really know how to implement plans that well." SNSWLAC5

Further emphasising the challenges that some local area coordinators face to meet their KPIs regarding planning activities, this participant labels the KIPs "farcical," highlighting the pressure that the local area coordinators are experiencing due to the political imperatives to increase the number of participants receiving funding from the NDIS:

> "Basically nobody, I understand, in this office meets their KPIs, so the KPIs are really quite farcical, they're expecting way too much. They expect us to have the plan, meeting, and put the thing in within two days; I don't think anyone meets that for all their plans, nobody does." NEMALAC6

The demand on local area coordinator staff to complete plans at this rate means that other parts of their role that are less easily quantified, such as implementation work, is assigned a lower priority. This is in line with much work on the ineffectiveness of KPIs as a regulatory tool in the social sector, and with work on the strategies that street level bureaucrats employ to meet their performance targets (Lipsky, 1971). Here, the strategy employed by the local area coordinators in both sites is to concentrate on completing the KPI related planning work while the implementation work (connecting participants with service providers and mainstream services) receives a lower priority. This was particularly stark in the organisation that measured local area coordinator's performance based on the number of plans they complete, rather than the points-based system:

> "So, it's all emphasis, it's all basically on stats and churning through the plans, there's pretty much no interest in the quality of what we're doing, it's all just the quantity." NEMALAC6

"I didn't actually even know that planning was supposed to be a minor part of our work, because basically, as far as I'm concerned, it's all our work, that's what we do. The other things are just added extras we might occasionally get around to." NEMALAC6

"It would be great if we did but we just don't have time at the moment to build the capacity [of participants using their plans]." NEMALACSR4

While the focus on plans is also present in the organisation that measures according to a points-based system, interviewees report of spending more time on implementation activities since the points-base system was introduced:

"And this year and last year we're getting a lot better at them in assisting the participants to find the services that they require. And following up with the participants to make sure that yes, they are using the plan." SNSWLAC5

"I think that the LAC presence in the community is currently growing. We are actually just building our own teams to be able to work in that space, so we now actually have a community capacity building team and certainly their role is growing quite a lot now so we've got dedicated people in each team." SNSWSRLAC9

Overall, the key work of the local area coordinators; to work with mainstream supports, to understand the quality of local providers and report on this and build the capacity of participants to utilise their plans is being compromised due to a focus on planning procedures. What is potentially being lost due to the emphasis on planning procedures can be incapsulated by the NDIA guidelines for local area coordinator contracts, they claim that:

"A key design feature of LAC is the emphasis on building trusting relationships and getting to know people with disabilities in the context of their family, friends, culture and community and being based in and connected to the local community." (NDIA, 2018:3)

"They will (1) link people to the NDIS; (2) link people with disability, their families and carers to information and support in the community; and (3) work with their local community to make sure it is more welcoming and inclusive for people with disability." (NDIA, 2018:3)

It is crucial to recall that the organisations that hold the contracts for the local area coordinator positions are not responsible for the political pressure that shaped the contracts and the KPIs imposed by the implementing agency, the NDIA. A senior manager at one of the contracted organisations states fairly that the local area coordinator role has grown in accordance with the requirements of the NDIS:

"I feel that they have grown accordingly to the requirements of the NDIS, the participants and their staff." SNSWSR9

The local area coordinator position has been shaped in accordance with the direction of the NDIS, an implementation process that has been characterised by pressure to roll out the scheme "on time and in budget." The most high-level cause of this change in local area coordinator duties is the cap on the NDIA and associated decision to focus the local area coordinators primarily upon planning procedures, centring the issue as an implementation challenge (Nevile et al., 2019).

4 | DISCUSSION

The research presented demonstrates that local area coordinators can perform important market shaping activities, yet these are occurring on the margins of their work. The local area coordinator position has been shown to be a knowledge holder about local NDIS markets, and an informal market shaper, but the planning based KPIs have reshaped the local area coordinator role towards the more procedural aspects of the scheme. The local area coordinators have gone from a position of well-placed knowledge holders about local markets to one without, leaving the concerning question about who holds knowledge of the local NDIS markets and the power to affect them. The NDIA has little capacity for voice "on the ground" without engaging the local area coordinators and their partner organisations in some level of market stewardship strategy. Given the calls from major government agencies (ANAO, 2016; Productivity Commission, 2017) for better market stewardship, the design of local area coordinator roles should be revisited.

As described in the introduction, market stewardship in the NDIS has a top-down structure, with the Department of Social Services providing market oversight and the NDIA providing market stewardship (NDIA, 2016). However, the disability service market ought to be thought of as many different local markets, as opposed to one national market (Carey, Malbon, Marjolin, et al., 2018). Effective market stewardship in fact requires action at multiple levels (Gash, 2012; Needham, Kelly Hall, et al., 2018). With regard to the NDIS, there needs to be local level officials with some responsibility for monitoring the state of the market. This was built into the original blueprint for the scheme, with The Productivity Commission identifying the local area coordinators as having a role in monitoring quality in local markets (Australian Productivity Commission, 2011). However, as Nevile et al. (2019) has shown, political decision-making has re-orientated the role of LACs away from market shapers to planning. The emphasis on meeting planning related KPIs has prioritised planning related work at the expense of the original vision of local area coordinators as available to give participants support and to monitor the local market.

While this paper was in review, a new report was released on the NDIS Act and participant services (Tune, 2019). The review advised a trial whereby NDIA delegates perform all planning related functions, with the idea that this would "see the role of Local Area Coordinator Partners moving closer to their originally conceived roles—that is, helping participants connect to services in their community and build the capacity of the community for such interactions." (p8). This is a landmark suggestion, and the first government document to acknowledge limitations in the current NDIS local area coordination model. Despite this advice, no concrete action has yet been taken to trial a new service delivery model that allows local area coordinators to carry out their original roles. Of course, there is still time to implement these changes however current research on standardisation and routinisation of street level bureaucrats suggest that this change may be easier to advise than carry out.

Pressures to meet key performance indicators have been shown to increase standardisation and routinization of service deliver by street level bureaucrats in other quasi-markets in Australia (Considine, Lewis, & O'Sullivan, 2011; Marston & McDonald, 2008) and in performance management literature more broadly (Lewis & Triantafillou, 2012; Lowe, 2013; Lowe & Wilson, 2015). In a survey on street level bureaucrats in the Australian employment welfare system conducted in 1998 and repeated a decade later in 2008, Considine et al. (2011) found that participants were supported by street level bureaucrats to remain in the system and receive unemployment payments, but were not supported to make real progress towards securing a job. Similarly, our findings show that LACs support participants to get their individual budgets, but spend less time supporting them to implement them. Both occurrences are linked to the pressures that government agencies place on street level bureaucrats to meet minimal procedural KPIs, which serve to focus the work of street level bureaucrats on meeting these KPIs.

The fate of street level bureaucrats in the unemployment quasi-market indicates that if the local area coordinator role continues to be overly focused on the procedural aspects of the NDIS, the role may become increasingly standardized and inflexible. The consequences of this on the market shaping and market stewardship potential of the local area coordinator position includes a loss of the potential for deliberative or strategic market shaping at the local level in the NDIS. With local area coordinators existing across Australia and the United Kingdom, the issue has

international implications (Clark & Broad, 2011; Curtice, 2003). As Lipsky describes, the strategies and tactics that street level bureaucrats employ to meet their performance management controls "effectively become the public policies they carry out" (1988:xii). Work on institutional change theory in public administration shows that the institutional norms and informal rules within roles can become intractable (Mahoney & Thelan, 2010). Considine, O'Sullivan, Mcgann, et al. (2019) observed that subsequent reforms to employment services unsuccessfully attempted to address inflexibility by street level bureaucrats, caving to isomorphic pressures to return to previous inflexible working practices. The NDIS has been functioning nationally for just 2 years but soon the practices of local area coordinators may become fixed; shifting to a working culture of further support for participant's implementation and market shaping activities may prove challenging if action to return local area coordinators to their original role is not taken soon. If the jobs of local area coordinators become fixed towards procedural aspects of the scheme with little flexibility, this will effectively become the NDIS for participants whose only interactions are with local area coordinators.

While debates between centralisation/decentralisation or neoconsolidationism/polycentric governance frameworks persist in social policy and public administration (Boettke, Coyne, & Leeson, 2011), we accept strengths in both models. However, Ostrom's theory of polycentric governance points to a need a for local officials who have the power and autonomy to act in response to local market conditions (Ostrom, 2010). Given the particular case of the NDIS, and the way that political needs of implementing the scheme "on time and in budget" have shaped the local area coordinators into very procedural roles despite being key knowledge holders about local NDIS markets, we recommend that central governing officers look to local area coordinators and other local knowledge holders when making decisions that affect local markets. Ostrom outlines several interrelated categories of rules that shape patterns and emergent behaviour in complex economic systems. These include information rules (such as price and choice), as well as authority rules, which describe who can enforce the rules (Ostrom, 2009). The authority rules regarding the local area coordinators is quite diminished compared to the power of centralised price and rule setting agencies in the NDIS (For further on rule setting agencies in the NDIS see: Carey, Dickinson, Fletcher, et al., 2018; Carey & Malbon, 2018).

We recommend looking towards governance structures such as the polycentric governance model for indications about how to include local, place-based knowledge in market stewardship. In the context of the NDIS, this would mean resourcing and supporting the local area coordinators, Information and Linkage Capacities, as well as other initiatives that promote connection between local level actors. Without this, local actors, who according to Ostrom (2009) are best placed to solve local market problems, will be unable to act, risking market problems in the NDIS. Currently, NDIS governance structures are highly centralised and authoritative, thereby under-utilising the potential of local actors. The original blueprint for the NDIS, however, appears to be underpinned by a more polycentric notion of governance—positioning local area coordinators are crucial market actors.

This research offers important lessons for those setting up complex schemes elsewhere, particularly in personalisation on two levels. Firstly, it highlights the importance of local actors in the administration and management of such schemes. As noted throughout this paper, local area coordinators have important market roles—ensuring effective use of local knowledge. This is key in the design and implementation of governance structures around personalisation schemes, suggesting that overly centralised governance approaches will not be fit-for-purpose. Secondly, the work draws attention to the importance of policy implementation. In the original design of the NDIS, local area coordinators were envisaged as key local market actors. However, during implementation the need to meet largely politically driven targets have moved local area coordinators away from this function toward planners. This points to the importance of ensuring immediate political imperatives do not drag policies off track during implementation (see also: Carey, Nevile, Kay, et al., 2019). The applicability of these research findings to other contexts is dependent upon the nature of street level bureaucrat work in other quasi-markets, for example if there is a local area coordinator position or similar at the local level. However, the findings on the importance of street level bureaucrats in the stewardship of quasi-markets are applicable to quasi-market contexts broadly.

5 | CONCLUSION

We find that the local, place-based knowledge that exists about disability care markets in Australia is not currently being accessed or utilised to its full extent in the NDIS reform. The NDIS reform primarily institutes a "top-down" approach, with many market rules and regulations (including price) set by central agencies. While central oversight and national standardisation are essential components of the success of this, and other, quasi-market reforms, poly-centric governance theories suggest integrating decision making and knowledge sharing at all levels leads to better market stewardship strategies.

The role of the local area coordinator has been heavily affected by the implementation of the NDIS. The role has been reshaped by pressure to roll out the scheme "on time and in budget." The use of key performance indicators that measure only the procedural aspects of the scheme, rather than the less easily measurable market shaping work that the local area coordinators were well place to carry out, has the potential to change the local area coordinator role forever. The implications of losing the local area coordinator role may mean that options for local market stew-ardship are compromised (Carey et al., 2017) and that the NDIS does not meet its goal of equitably providing ser-vices and care to people with disability (Malbon, Carey, & Meltzer, 2019). Extending authority to local area coordinators to investigate further their information about local market limitations is likely to be a fruitful option for improving market stewardship of the NDIS.

The findings of this work, combined with the broader literature on personalisation programs, local area coordina-tors and street level bureaucrats suggests that the use of polycentric principles when delivering personalisation schemes, which aim to be highly individualised, and therefore highly specific to local contexts. Further research directions include continued attention on the changing role of local area coordinators in Australia and the United Kingdom, comparative work on the differences between local area coordinators across countries, and continued attention on the role of local level stewards on the success or failure of personalisation schemes.

CONFLICT OF INTEREST

The authors declare no conflict of interest.

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