

Productivity Commission Inquiry submission

19 July 2016

Re: Inquiry into reforms to Competition Policy in Human Services

To Whom It May Concern

I am writing to express my concern at the prospect of local community services being put into a competitive tendering model with for-profit entities coming into the market.

Not-for-profit organisations play an important role in the wellbeing of our communities. I work in a medium sized community based not for profit, (NFP), with charity status. We have been working in the communities we serve for a number of years. Our organisation was started with a WSAAS grant in the 1980's and we continue to have a flourishing Board of Governance made up of local residents and interested community members. Due to our staff numbers we have moved from an incorporated association and become a Company Limited by Guarantee.

Our organisation is Bi-cultural in nature with half our staff being of Aboriginal heritage and many projects specifically targeting the Aboriginal community. Our organisation has worked hard over the past 18 years to build up relationship with the Aboriginal community in Penrith, to have the community trust us and come to us for programs, activities and referral assistance. The other half of the organisation specialises in working in social housing communities and building relationship and trust with these communities, as it is paramount to quality service delivery outcomes. You need trust in working with communities to ensure a solid foundation is in place from which to build community capacity and empowerment.

I myself have worked in the community services sector for over 30 years, I have a Masters in Applied Science Social Ecology. I started out in youth refuges in the 1980's and now work as Senior Team Leader with Nepean Community & Neighbourhood Services. I've worked in a number of Neighbourhood centres employed in Community Development and Youth development roles in high needs communities. During this time I've also worked for Local Government and in the private sector. But my heart lies with community and the fantastic outcomes that can come about when you walk along side communities. Most of my community services experience has been in social housing communities with very high levels of disadvantage.

Social and community services should not be open to private providers to tender for a profit. Disadvantaged people's lives should not be up for tender to the cheapest bidder, who provides a base line service that offers little in the way of enhancing quality of life for residents. In highly disadvantaged communities you need service providers who are motivated to work collaboratively with others to achieve outcomes. Competitive tendering destroys relationships and erodes trust between service providers. Without trust organisations are less likely to collaborate on projects that build better outcomes for communities such as collective impact projects.¹ In the Dropping off the Edge Report, the CEO Julie Edwards of Jesuit Social Services, states that to ensure long term

¹ Murray B. Stanley <http://www.processexcellencenetwork.com/innovation/columns/seven-reasons-competitive-tendering-fails-and-what>

sustainable change, Government, community services and business need to come together to work alongside high needs communities².

Looking for the best price in a competitive tendering scenario leaves little regard to quality of service and can actually alienate good vendors and good services out of the industry.³

Not –for-Profits who are based in neighbourhoods are best placed to deliver community services due to their connections in the community. They are also connected to the local service system network, which can be highly advantageous when attempting to make a referral. Local services based in neighbourhoods are well placed to act as hubs for other services, who may want to provide outreach services from their premises. Local community based services have credibility with the local community and are able to leverage that relationship in times of need or crisis. Local community services are aware of the issues affecting particular communities at any one time and are able to respond early to need. Local community services have existing relationships with local authorities such as Council, Police, Department of Education and also local business. This level of networking cannot be purchased in a tender; it is built up over years working together for improved community outcomes.

Competitive tendering would mean that all the time and effort existing services have put into building relationships with the community would be lost. The relationships of reciprocity, social capital⁴ is worth something to Governments and Government services; it is something that is intangible but none the less valuable, when services need to enact that relationship to provide some service to the community.

The community services industry needs skilled and competent staff to maintain our work in communities, a workforce that is qualified and dedicated; we need certainty in our funding contracts and future prospects to enable us to maintain the skilled staff we already have. There is already a drain from the NFP sector, to Government services due to uncertainty of long term job prospects in our industry as well as comparatively lower levels of pay for similar work.

In the final report on Competition Policy the author states that “by promoting choice and encouraging diversity of providers, competition policy plays an important role in improving performance in sectors such as human services. Choice and diversity have the potential to improve outcomes for users, especially but not only by stimulating innovation.”⁵ I totally refute this statement, as a practitioner with over 30 years experience in the community services industry, it is not competition that drives innovation but relationship. In human services relationship is the key to successful and collaborative outcomes that improve quality of life for community members.

Finally the Competition policy review, info-graphics that provide an outline of components of the Final Report and highlight human services as a priority area for reform states that this policy will

² Vinson, T., and Rawsthorne, M., Jesuit social services and Catholic social services Dropping of the edge 2015, Persistent Communal disadvantage in Australia

³ Deming, W.E. 1982, Out of the Crisis, MIT Press

⁴ <http://www.socialcapitalresearch.com/literature/definition.html>

⁵ Competition Policy review final report Part 2 Findings and recommendations pg.31

promote user choice⁶ it is not choice that service users are often after but a friendly and familiar face in times of crisis.

Case Study

A long term client of our service moved away from our geographic service area when she was finally able to move in with her son who had brought his own home. This woman has schizophrenia and six younger children. We had worked with this woman over a number of years and provided for her, a safe and respectful service she could rely on when things became a struggle. This woman had been out of our community, which was a social housing community, for a number of months but she still came back to attend women's group. One morning I turned up at work to find her car parked irregularly across our drive way. I approached her and invited her into the centre.

I could see immediately that the woman was very distressed and she was telling me that men in Government cars were following her around the streets. She had driven from her new home to come back to a service that was familiar and safe. She was by this time fairly agitated and as it turned out had not been taking her medication. One of our staff transported her to the emergency department and sat with her for a number of hours whilst she was being triaged for care.

The point of this story is that the woman didn't seek help with a new service provider in her local community. She returned to a place that was known to her to seek help because she had relationship with us and even in her distressed state, she sought out a familiar and safe service with which she had relationship. She could have been driving around in that state for many hours without seeking help but she came to us. After she was released from hospital and as an outcome of this scenario we set up a new mental health contact in her local area, but she continues to attend our service for groups and activities.

Nothing speaks louder than this about the importance of the local service provider being a known and friendly entity to the communities they serve.

Case Study 2

Each morning of the school year we provide a breakfast program to students who attend our local Primary and High school. The centre is based in a highly disadvantaged social housing estate. We get over 200 children and young people attending breakfast each week.

Recently working together with other service providers, we identified that there was a local cohort of children from the Primary school whose attendance at school was very poor. Their parents had a number of issues that were preventing them from getting their children to school. We worked together with the school Principal through our collective impact project to identify ways we could assist these children to get to school – (it's our belief that every child is entitled to an education and we will do everything we can to ensure that happens).

The outcome was that we now park our van at the school and staff from the school pick up children who normally would not make it to school and deliver them to the breakfast program for breakfast and then they are walked to school.

⁶ <http://competitionpolicyreview.gov.au/final-report/>

This project was an easy fix to a difficult issue and only able to be undertaken because we have relationship with existing services within the community. We are flexible in our approach and able to respond to issues arising in a community in a collaborative way.

Each of the children who are being picked up has improved several points in their attendance statistics.

We thank you for the opportunity to respond to this Productivity commission Inquiry.

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