

**Australian Government Productivity Commission
Submission on Human Services: Identifying sectors for reform**

from the Mid North Coast Human Services Alliance

26 July 2106

1. Introduction & Background

After two and a half years of operation between 2014-16 the Mid North Coast Human Services Alliance (MNC HSA) has become a leading industry support and advocacy group in health and human services. In November 2015 MNC HSA ran the “Success & Sustainability: Creating a new future” National Conference at Panthers Port Macquarie, to bring the sector together and discuss emerging issues & challenges, in the era of NDIS, aged care, disability support and mental health reforms.

MNC HSA is now also moving into developing an industry-research collaboration with Charles Sturt University, to begin strategically improving the competitiveness and sustainability of this major growth sector in the nation’s economy. Aged care, disability support and community mental health are three priority target areas for government reform, and the mid north coast represents significant samples of each of those three target markets, along with their connected carers and supporting communities. The region is also a major Health Services location, with large hospitals in Port Macquarie and Coffs Harbour, and growing smaller hospitals in surrounding townships run by the MNC Local Health District.

Having already been the subject of the Community Services & Health Industry Skills Training Council’s Workforce Innovation Network (WIN) Aged Care Reform Pilot in 2013-14, SMEs in health and human services on the MNC are now well set to deepen their engagement with understanding the elements for success in this rapidly evolving sector.

While marketisation is a dominant dynamic across the sector, the MNC HSA believes there are competitive advantages in promoting the person-valuing and community-building values and practices that have marked the community-based enterprises which have traditionally been prominent in this field. Having worked to support increased efficiency and effectiveness across the sector, the MNC HSA now wants to develop a clearer evidence base of those elements that will help the sector thrive into the future. Hence the current Cooperative Research Centre proposal in preparation with our research partner CSU.

The MNC HSA also believes that everyone in this sector (customers, staff, management and industry stakeholders, including all levels of government) is on a steep learning curve, which makes the whole exercise one depending crucially on effective adult and community education (ACE). So Port Macquarie Community College plays a prominent part in designing and steering the approach to this exercise, as a leading member of both Community Colleges Australia and Adult Learning Australia, the two major peak bodies in adult & community education nationally.

2. Rationale behind our perspective on the Productivity Commission's Inquiry

While the MNC HSA is based on a strong ethos of person-valuing and community-building it is also determined to achieve competitiveness in a commercial marketplace. The strategic competitive advantage this group believes in is to pursue "profit for a purpose," where profits are returned to the customers and community rather than private shareholders. This is a new era for community-based non-government organisations, and one requiring new approaches to cost saving and customer service.

By investing in sector workforce capacity building, targeted advocacy with all levels of government, and strategic research equally involving our staff, customers, carers and community, the MNC HSA believes it can enable growth and productivity in this globally competitive industry sector. So we aim to support community-engaging and industry-led collaborations for improved customer service in all these fields of human services. But the notion that private providers will ensure improved quality is not one we automatically accept, nor is the trend to contract large national NGOs as preferred providers.

3. Problems in Human Service Contracting, Provision & Accountability

After two years of conversations about what is occurring in human services development across our state and region, the MNC HSA executive has identified several areas where we believe there needs to be more transparency and accountability in funding allocations, monitoring & reporting, and reviews of ongoing funding arrangements.

To achieve effective user choice, competition and contestability, a number of factors need to be addressed. Currently the trend is for imbalanced contracting, wasteful investment in large NGOs which have created ineffective bureaucracies which are not customer responsive, and "mates' clubs" in decision-making committees that steer funding to a closed group of providers.

Some of the critical areas for further investigation include:

- Resisting the trend to create affirmative support for private providers to enter the market, simply on the assumption that they will improve competition, with no proof that they will improve service delivery.
- Supporting existing Not-for-profit providers to become more effective Profit-for-a-purpose providers and thus be able to sustain their businesses in a competitive marketplace. Many NGOs in the MNC HSA network have bene through major reform processes, but they are still adjusting to the massive changes across this sector and they need some more time to finalise their change of business models.
- Creating more transparent and accountable large contract service commissioning, where currently announcements are made and no one has been consulted, leaving the impression of behind-closed-doors decision-making (eg. Uniting Care and St Vincent de Paul gaining the NSW NDIS LAC contracts in early 2016).
- Acknowledging consumer & carer led organisations as the appropriate new leaders in improved customer service provision, and providing support for more development in this area.

- Investing in new pilots to trail alternative innovative models in aged and disability care, and mental health & AOD recovery support.
- Affirmatively supporting those NGOs which form partnerships and begin building new models of collaborative service delivery.
- Identifying the right community-based NGO collaborations to affirmatively improve service provision for Indigenous and CALD population groups, as well as at risk women and youth.
- Identifying and deliberately factoring in adult and community education (ACE) as an integral part of the approach to community-based based reform in the three areas of ageing, disability and mental health reform.
- To invest in more preventive programs that reduce costs to the health system and improve community health, social and emotional wellbeing. These will be best designed to incorporate adult education principles as part and parcel of how changes are introduced to the wider community – using places such as community colleges, neighbourhood centres, men’s sheds etc as places where the new approaches can be introduced and nurtured in communities.
- Investing in people-led and community-empowering monitoring, evaluation, reporting and research (rather than academic-only research) as the best ways to create and improve person-centred and community-building services. This should include using Participative Action Research (PAR) and Appreciative Inquiry (AI) as the principle ways the involve consumers and carers in being part of the continuous improvement cycle in human services.

4. Willingness to contribute further

The MNC HSA Executive is happy to make itself available for more detailed face-to-face workshopping of the issues listed here, and any others that may arise. Please contact:

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