

23 October 2017

To whom it may concern,

Northern Territory PHN (NT PHN) is one of 31 Primary Health Networks established across Australia to coordinate primary health care delivery and tackle local health care needs and service gaps. We are a not for profit company, with company members being the Aboriginal Medical Services Alliance Northern Territory, the Northern Territory Government Department of Health and the Health Providers Alliance Northern Territory. As such, we are uniquely placed – spanning the public, private and Aboriginal community controlled health sectors – to affect change in the Northern Territory (NT).

NT PHN's submission is in relation to the report on *Introducing Competition and Informed User Choice into Human Services: Identifying Sectors for Reform*. We support many of the recommendations made within this report, but would like to express some concern about the recommendation that "greater competition, contestability and informed user choice could improve outcomes in many, but not all, human services". It is debatable whether a trend towards the privatization of human services is beneficial in the NT, due to the unique environment and demography of the region.

The NT encompasses a land area of 1,345,558 square kilometres, however is sparsely populated with an estimated resident population of 245,000. The NT's demographic breakdown has a number of key differences to that of Australia as a whole. Approximately one-third of the NT's population is Aboriginal compared to three per cent nationally. More than half of the NT's Aboriginal population lives in very remote regions in communities that are culturally and linguistically diverse meaning service delivery arrangements are very complex. On all indicators - health status, disease profiles, quality of life and social and emotional wellbeing - Aboriginal people report worse health outcomes than the non-Aboriginal population.

In such an environment, NT PHN considers that human services need to be part of a holistic response such as is seen in the comprehensive primary health care approach where primary medical care for a client includes a more holistic approach which includes prevention and health promotion, social and emotional wellbeing, and factors outside the health service such as education and housing.

We do not consider that an increase in competition and contestability within the human services sector would benefit clients in the NT. Across the NT, and specifically in remote Indigenous communities, there is a lack of available service choice which is often characterized as a thin market. Further consideration should be given to how to provide quality, affordable services, which improve people's lives in these areas. Services need to remain universally accessible, i.e. no or low fee for service, and must be culturally appropriate or they risk compromising outcomes for clients. In considering whether services provide value for money, we consider a holistic definition of value for money be adopted, including financial and non-financial costs including; fitness for purpose, supplier' experience and performance history and social environmental and cultural value.

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The introduction of increased competition across this service sector runs the risk of fragmenting existing services, services being delivered in culturally inappropriate ways by non-local providers and services which are not accessible to all due to cost.

We appreciate the opportunity to examine the preliminary findings report and make a submission. If you should require any further information please do not hesitate to contact me

Yours faithfully,

Nicki Herriot  
**Chief Executive Officer**

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